

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 547

FINAL READING

Introduced by Adams, 24; McCoy, 39; Dubas, 34; Janssen, 15.

Read first time January 21, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to teachers; to amend sections 9-812,
2 79-808, 79-8,132, 79-8,133, 79-8,134, 79-8,135, 79-8,136,
3 79-8,137, 79-8,138, 79-8,139, and 79-8,140, Reissue
4 Revised Statutes of Nebraska; to provide for the
5 indication of areas of specialization on certificates and
6 permits; to change provisions relating to the Attracting
7 Excellence to Teaching Program Act; to rename the act
8 and a fund; to change provisions relating to loans and
9 loan forgiveness pursuant to the Attracting Excellence
10 to Teaching Program; to create the Enhancing Excellence
11 in Teaching Program; to define and redefine terms; to
12 provide for administration of the program; to provide for
13 contracts; to provide for loans and loan forgiveness for

1 eligible students as prescribed; to harmonize provisions;
2 to provide operative dates; to repeal the original
3 sections; and to declare an emergency.
4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in
5 Nebraska shall be credited to the State Lottery Operation Trust
6 Fund, which fund is hereby created. All payments of the costs
7 of establishing and maintaining the lottery games shall be made
8 from the State Lottery Operation Cash Fund. In accordance with
9 legislative appropriations, money for payments for expenses of the
10 division shall be transferred from the State Lottery Operation
11 Trust Fund to the State Lottery Operation Cash Fund, which fund
12 is hereby created. All money necessary for the payment of lottery
13 prizes shall be transferred from the State Lottery Operation Trust
14 Fund to the State Lottery Prize Trust Fund, which fund is hereby
15 created. The amount used for the payment of lottery prizes shall
16 not be less than forty percent of the dollar amount of the lottery
17 tickets which have been sold.

18 (2) (a) Beginning October 1, 2003, and until July 1, 2009,
19 a portion of the dollar amount of the lottery tickets which have
20 been sold on an annualized basis shall be transferred from the
21 State Lottery Operation Trust Fund to the Education Innovation
22 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental
23 Trust Fund, the Nebraska State Fair Board, and the Compulsive
24 Gamblers Assistance Fund, except that the dollar amount transferred
25 shall not be less than the dollar amount transferred to the funds

1 in fiscal year 2002-03.

2 (b) On and after July 1, 2009, at least twenty-five
3 percent of the dollar amount of the lottery tickets which have been
4 sold on an annualized basis shall be transferred from the State
5 Lottery Operation Trust Fund to the Education Innovation Fund,
6 the Nebraska Scholarship Fund, the Nebraska Environmental Trust
7 Fund, the Nebraska State Fair Board, and the Compulsive Gamblers
8 Assistance Fund.

9 (3) Of the money available to be transferred to the
10 Education Innovation Fund, the Nebraska Scholarship Fund, the
11 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,
12 and the Compulsive Gamblers Assistance Fund:

13 (a) The first five hundred thousand dollars shall be
14 transferred to the Compulsive Gamblers Assistance Fund to be used
15 as provided in section 71-817;

16 (b) Nineteen and three-fourths percent of the money
17 remaining after the payment of prizes and operating expenses and
18 the initial transfer to the Compulsive Gamblers Assistance Fund
19 shall be transferred to the Education Innovation Fund;

20 (c) Twenty-four and three-fourths percent of the money
21 remaining after the payment of prizes and operating expenses and
22 the initial transfer to the Compulsive Gamblers Assistance Fund
23 shall be transferred to the Nebraska Scholarship Fund;

24 (d) Forty-four and one-half percent of the money
25 remaining after the payment of prizes and operating expenses and

1 the initial transfer to the Compulsive Gamblers Assistance Fund
2 shall be transferred to the Nebraska Environmental Trust Fund to be
3 used as provided in the Nebraska Environmental Trust Act;

4 (e) Ten percent of the money remaining after the payment
5 of prizes and operating expenses and the initial transfer to
6 the Compulsive Gamblers Assistance Fund shall be transferred to
7 the Nebraska State Fair Board if the most populous city within
8 the county in which the fair is located provides matching funds
9 equivalent to ten percent of the funds available for transfer. Such
10 matching funds may be obtained from the city and any other private
11 or public entity, except that no portion of such matching funds
12 shall be provided by the state. If the Nebraska State Fair ceases
13 operations, ten percent of the money remaining after the payment
14 of prizes and operating expenses and the initial transfer to the
15 Compulsive Gamblers Assistance Fund shall be transferred to the
16 General Fund; and

17 (f) One percent of the money remaining after the payment
18 of prizes and operating expenses and the initial transfer to the
19 Compulsive Gamblers Assistance Fund shall be transferred to the
20 Compulsive Gamblers Assistance Fund to be used as provided in
21 section 71-817.

22 (4) (a) The Education Innovation Fund is created. At least
23 seventy-five percent of the lottery proceeds allocated to the
24 Education Innovation Fund shall be available for disbursement.

25 (b) For fiscal year 2005-06, the Education Innovation

1 Fund shall be allocated as follows: The first one million dollars
2 shall be transferred to the School District Reorganization Fund,
3 and the remaining amount shall be allocated to the General Fund
4 after operating expenses for the Excellence in Education Council
5 are deducted.

6 (c) For fiscal year 2006-07, the Education Innovation
7 Fund shall be allocated as follows: The first two hundred fifty
8 thousand dollars shall be transferred to the Attracting Excellence
9 to Teaching Program Cash Fund to fund the Attracting Excellence
10 to Teaching Program Act, the next one million dollars shall
11 be transferred to the School District Reorganization Fund, and
12 the amount remaining in the Education Innovation Fund shall be
13 allocated, after administrative expenses, for distance education
14 equipment and incentives pursuant to sections 79-1336 and 79-1337.

15 (d) For fiscal year 2007-08, the Education Innovation
16 Fund shall be allocated as follows: The first five hundred thousand
17 dollars shall be transferred to the Attracting Excellence to
18 Teaching Program Cash Fund to fund the Attracting Excellence to
19 Teaching Program Act, and the amount remaining in the Education
20 Innovation Fund shall be allocated, after administrative expenses,
21 for distance education equipment and incentives pursuant to
22 sections 79-1336 and 79-1337.

23 (e) For fiscal year 2008-09, the Education Innovation
24 Fund shall be allocated as follows: The first seven hundred
25 fifty thousand dollars shall be transferred to the Attracting

1 Excellence to Teaching Program Cash Fund to fund the Attracting
2 Excellence to Teaching Program Act, and the amount remaining in the
3 Education Innovation Fund shall be allocated, after administrative
4 expenses, for distance education equipment and incentives pursuant
5 to sections 79-1336 and 79-1337.

6 (f) For fiscal years 2009-10 through 2015-16, the
7 Education Innovation Fund shall be allocated as follows: The
8 first one million dollars shall be transferred to the ~~Attracting~~
9 ~~Excellence to Teaching Program~~ Excellence in Teaching Cash Fund to
10 fund the ~~Attracting Excellence to Teaching Program~~ Excellence in
11 Teaching Act, and the amount remaining in the Education Innovation
12 Fund shall be allocated, after administrative expenses, for
13 distance education equipment and incentives pursuant to sections
14 79-1336 and 79-1337.

15 (g) For fiscal year 2016-17 and each fiscal year
16 thereafter, the Education Innovation Fund shall be allocated,
17 after administrative expenses, for education purposes as provided
18 by the Legislature.

19 (5) Any money in the State Lottery Operation Trust
20 Fund, the State Lottery Operation Cash Fund, the State Lottery
21 Prize Trust Fund, or the Education Innovation Fund available
22 for investment shall be invested by the state investment officer
23 pursuant to the Nebraska Capital Expansion Act and the Nebraska
24 State Funds Investment Act.

25 (6) Unclaimed prize money on a winning lottery ticket

1 shall be retained for a period of time prescribed by rules and
2 regulations. If no claim is made within such period, the prize
3 money shall be used at the discretion of the Tax Commissioner for
4 any of the purposes prescribed in this section.

5 Sec. 2. Section 79-808, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 79-808 (1) The board shall establish, adopt, and
8 promulgate appropriate rules, regulations, and procedures governing
9 the issuance, renewal, conversion, suspension, and revocation of
10 certificates and permits to teach, provide special services, and
11 administer based upon (a) earned college credit in humanities,
12 social and natural sciences, mathematics, or career and technical
13 education, (b) earned college credit, or its equivalent in
14 professional education, for particular teaching, special services,
15 or administrative assignments, (c) criminal history record
16 information if the applicant has not been a continuous Nebraska
17 resident for five years immediately preceding application for the
18 first issuance of a certificate, (d) human relations training,
19 (e) successful teaching, administration, or provision of special
20 services, and (f) moral, mental, and physical fitness for
21 teaching, all in accordance with sound educational practices.
22 Such rules, regulations, and procedures shall also provide for
23 endorsement requirements to indicate areas of specialization on
24 such certificates and permits.

25 (2) The board may issue a temporary certificate, valid

1 for a period not to exceed two years, to any applicant for
2 certification who has not completed the human relations training
3 requirement.

4 (3) Members of any advisory committee established by the
5 board to assist the board in teacher education and certification
6 matters shall be reimbursed for their actual and necessary expenses
7 as provided in sections 81-1174 to 81-1177. Each school district
8 which has an employee who serves as a member of such committee
9 and which is required to hire a person to replace such member
10 during the member's attendance at meetings or activities of the
11 committee or any subcommittee thereof shall be reimbursed from
12 the Certification Fund for the expense it incurs from hiring a
13 replacement. School districts may excuse employees who serve on
14 such advisory committees from certain duties which conflict with
15 any advisory committee duties.

16 Sec. 3. Section 79-8,132, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-8,132 Sections 79-8,132 to 79-8,140 and sections 8 to
19 12 of this act shall be known and may be cited as the Attracting
20 Excellence to Teaching Program Act. Excellence in Teaching Act and
21 shall include the Attracting Excellence to Teaching Program and the
22 Enhancing Excellence in Teaching Program.

23 Sec. 4. Section 79-8,133, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 79-8,133 The Attracting Excellence to Teaching Program

1 is created. For purposes of the Attracting Excellence to Teaching
 2 Program: ~~Act:~~

3 (1) Department means the State Department of Education;

4 (2) Eligible institution means a not-for-profit college
 5 or university which (a) is located in Nebraska, (b) is accredited
 6 by the North Central Association of Colleges and Schools, (c) has a
 7 teacher education program, ~~accredited by the department,~~ and (d) if
 8 a privately funded college or university, has not opted out of the
 9 ~~act~~ program pursuant to rules and regulations;

10 (3) Eligible student means an individual who (a) is a
 11 full-time student, (b) is enrolled in an eligible institution in a
 12 an undergraduate or a graduate teacher education program, ~~and (e)~~
 13 working toward his or her initial certificate to teach in Nebraska,
 14 (c) if enrolled at a state-funded eligible institution, is a
 15 resident student as described in section 85-502 or, if enrolled in
 16 a privately funded eligible institution, would be deemed a resident
 17 student if enrolled in a state-funded eligible institution, and
 18 (d) for applicants applying for the first time on or after the
 19 operative date of this section, is a student majoring in a shortage
 20 area;

21 (4) Full-time student means, in the aggregate, the
 22 equivalent of a student who in a twelve-month period is enrolled
 23 in ~~thirty~~ twenty-four semester credit hours ~~or forty-five quarter~~
 24 ~~credit hours~~ for undergraduate students or eighteen semester credit
 25 hours for graduate students of classroom, laboratory, clinical,

1 practicum, or independent study course work; and

2 (5) Majoring in a shortage area means pursuing a degree
 3 which will allow an individual to be properly endorsed to teach in
 4 a shortage area;

5 (6) Shortage area means a secular field of teaching for
 6 which there is a shortage, as determined by the department, of
 7 properly endorsed teachers at the time the borrower first receives
 8 funds pursuant to the program; and

9 ~~(5)~~ (7) Teacher education program means a program of
 10 study which results in obtaining a bachelor's degree which meets
 11 the education requirements for certification pursuant to sections
 12 79-806 to 79-815, approved by the State Board of Education pursuant
 13 to subdivision (5)(g) of section 79-318.

14 Sec. 5. Section 79-8,134, Reissue Revised Statutes of
 15 Nebraska, is amended to read:

16 79-8,134 The purposes of the Attracting Excellence to
 17 Teaching Program is created. The purposes of the program are to:

18 (1) Attract outstanding students to major in shortage
 19 areas at the teacher education programs of Nebraska's postsecondary
 20 educational institutions;

21 (2) Retain resident students and graduates as teachers in
 22 the accredited or approved public and private schools of Nebraska;
 23 and

24 (3) Establish a loan contract that requires a borrower to
 25 obtain employment as a teacher in this state after graduation.

1 Sec. 6. Section 79-8,135, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-8,135 (1) The ~~State Department of Education~~ department
4 shall administer the Attracting Excellence to Teaching Program
5 either directly or by contracting with a public or private ~~entity-~~
6 entities.

7 (2) To be eligible for the program, an eligible student
8 shall:

9 (a) Graduate in the top quarter of his or her high school
10 class or have a minimum cumulative grade-point average of 3.0 on a
11 four-point scale in an eligible institution;

12 (b) Agree to complete a teacher education program at an
13 eligible institution and, for applicants applying for the first
14 time on or after the operative date of this section, to complete
15 the major on which the applicant's eligibility is based; and

16 (c) Commit to teach in an accredited or approved public
17 or private school in Nebraska upon (i) successful completion
18 of a the teacher education program at an eligible institution
19 and becoming certified for which the applicant is applying to
20 the Attracting Excellence to Teaching Program and (ii) becoming
21 certified pursuant to sections 79-806 to 79-815.

22 (3) Eligible students may apply on an annual basis for
23 loans in an amount of not more than ~~two thousand five hundred~~
24 three thousand dollars per year. ~~Priorities for loans shall be to~~
25 ~~eligible students who are majoring in subject shortage areas as~~

1 ~~defined by the department.~~ Loans awarded to individual students
2 shall not exceed a cumulative period exceeding five consecutive
3 years. Loans shall only be awarded through an eligible institution.
4 Loans shall be and funded pursuant to section 79-8,136- 12 of this
5 act.

6 Sec. 7. Section 79-8,137, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-8,137 ~~(1)~~ (1) (a) Prior to receiving any money from a
9 loan pursuant to the Attracting Excellence to Teaching Program, an
10 eligible student shall enter into a contract with the department.
11 Such contract shall be exempt from the requirements of sections
12 73-501 to 73-509.

13 (b) For eligible students who applied for the first time
14 prior to the operative date of this section, the ~~The~~ contract
15 shall require that if ~~(a)~~ (i) the borrower is not employed as a
16 teacher in Nebraska for a time period equal to the number of years
17 required for loan forgiveness pursuant to subsection (2) of this
18 section and is not enrolled as a full-time student in a graduate
19 program within six months after obtaining an undergraduate degree
20 for which a loan from the program was obtained or ~~(b)~~ (ii) the
21 borrower does not complete the requirements for graduation within
22 five consecutive years after receiving the initial loan under
23 the program, then the loan must be repaid, with interest at the
24 rate fixed pursuant to section 45-103 accruing as of the date
25 the borrower signed the contract, and an appropriate penalty as

1 determined by the department may be assessed. If a borrower fails
2 to remain enrolled at an eligible institution or otherwise fails to
3 meet the requirements of an eligible student, repayment of the loan
4 shall commence within six months after such change in eligibility.
5 The State Board of Education may by rules and regulations provide
6 for exceptions to the conditions of repayment pursuant to this
7 ~~subsection~~ subdivision based upon mitigating circumstances.

8 (c) For eligible students who apply for the first time
9 on or after the operative date of this section, the contract shall
10 require that if (i) the borrower is not employed as a full-time
11 teacher teaching in an approved or accredited school in Nebraska
12 and teaching at least a portion of the time in the shortage
13 area for which the loan was received for a time period equal
14 to the number of years required for loan forgiveness pursuant to
15 subsection (3) of this section and is not enrolled as a full-time
16 student in a graduate program within six months after obtaining
17 an undergraduate degree for which a loan from the program was
18 obtained or (ii) the borrower does not complete the requirements
19 for graduation within five consecutive years after receiving the
20 initial loan under the program, then the loan shall be repaid with
21 interest at the rate fixed pursuant to section 45-103 accruing as
22 of the date the borrower signed the contract and actual collection
23 costs as determined by the department. If a borrower fails to
24 remain enrolled at an eligible institution or otherwise fails
25 to continue to be an eligible student, repayment of the loan

1 shall commence within six months after such change in eligibility.
2 The State Board of Education may by rule and regulation provide
3 for exceptions to the conditions of repayment pursuant to this
4 subdivision based upon mitigating circumstances.

5 (2) If the borrower applied for the first time prior to
6 the operative date of this section and (a) successfully completes
7 the teacher education program and becomes certified pursuant to
8 sections 79-806 to 79-815, (b) becomes employed as a teacher
9 in this state within six months of becoming certified, and (c)
10 otherwise meets the requirements of the contract, payments shall
11 be suspended for the number of years that the borrower is required
12 to remain employed as a teacher in this state under the contract.
13 For each year that the borrower teaches in Nebraska pursuant to
14 the contract, payments shall be forgiven in an amount equal to
15 the amount borrowed for one year, except that if the borrower
16 teaches in a school district that is ~~at least partially~~ in a local
17 system classified as very sparse as defined in section 79-1003 or
18 teaches in a school district in which at least forty percent of
19 the students are poverty students as defined in section 79-1003,
20 payments shall be forgiven each year in an amount equal to the
21 amount borrowed for two years.

22 (3) If the borrower applies for the first time on or
23 after the operative date of this section and (a) successfully
24 completes the teacher education program and major for which the
25 borrower is receiving a forgiveable loan pursuant to the program

1 and becomes certified pursuant to sections 79-806 to 79-815 with an
2 endorsement in the shortage area for which the loan was received,
3 (b) becomes employed as a full-time teacher teaching at least a
4 portion of the time in the shortage area for which the loan was
5 received in an approved or accredited school in this state within
6 six months of becoming certified, and (c) otherwise meets the
7 requirements of the contract, payments shall be suspended for the
8 number of years that the borrower is required to remain employed
9 as a teacher in this state under the contract. Beginning after
10 the first two years of teaching full-time in Nebraska following
11 graduation for the degree for which the loan was received, for
12 each year that the borrower teaches full-time in Nebraska pursuant
13 to the contract, the loan shall be forgiven in an amount equal
14 to three thousand dollars, except that if the borrower teaches
15 full-time in a school district that is in a local system classified
16 as very sparse as defined in section 79-1003, teaches in a school
17 building in which at least forty percent of the formula students
18 are poverty students as defined in section 79-1003, or teaches in
19 an accredited or approved private school in Nebraska in which at
20 least forty percent of the enrolled students qualified for free
21 lunches as determined by the most recent data available from the
22 department, payments shall be forgiven each year in an amount equal
23 to six thousand dollars.

24 Sec. 8. The Enhancing Excellence in Teaching Program
25 is created. For purposes of the Enhancing Excellence in Teaching

1 Program:2 (1) Department means the State Department of Education;3 (2) Eligible institution means a not-for-profit college
4 or university which (a) is located in Nebraska, (b) is accredited
5 by the North Central Association of Colleges and Schools, (c) has
6 a teacher education program, and (d) if a privately funded college
7 or university, has not opted out of the program pursuant to rules
8 and regulations;9 (3) Eligible student means an individual who (a) is a
10 certificated teacher employed to teach in an approved or accredited
11 school in Nebraska, (b) is enrolled in an eligible institution
12 in a graduate teacher education program, (c) if enrolled at
13 a state-funded eligible institution, is a resident student as
14 described in section 85-502 or, if enrolled in a privately
15 funded eligible institution, would be deemed a resident student
16 if enrolled in a state-funded eligible institution, and (d) is
17 majoring in a shortage area, curriculum and instruction, a subject
18 area in which the individual already holds a secular teaching
19 endorsement, or a subject area that will result in an additional
20 secular teaching endorsement which the superintendent of the school
21 district or head administrator of the private, denominational,
22 or parochial school employing the individual believes will be
23 beneficial to the students of such school district or school as
24 evidenced by a statement signed by the superintendent or head
25 administrator;

1 (4) Graduate teacher education program means a program
2 of study approved by the State Board of Education pursuant to
3 subdivision (5)(g) of section 79-318 which results in obtaining a
4 graduate degree;

5 (5) Majoring in a shortage area or subject area means
6 pursuing a degree which will allow an individual to be properly
7 endorsed to teach in such shortage area or subject area; and

8 (6) Shortage area means a secular field of teaching for
9 which there is a shortage, as determined by the department, of
10 properly endorsed teachers at the time the borrower first receives
11 funds pursuant to the program.

12 Sec. 9. The purposes of the Enhancing Excellence in
13 Teaching Program are to:

14 (1) Retain teachers in the accredited or approved public
15 and private schools of Nebraska;

16 (2) Improve the skills of existing teachers in Nebraska
17 through the graduate education programs of Nebraska's postsecondary
18 educational institutions; and

19 (3) Establish a loan contract that requires a borrower
20 to continue employment as a teacher in this state after graduation
21 from a graduate teacher education program.

22 Sec. 10. (1) The department shall administer the
23 Enhancing Excellence in Teaching Program either directly or by
24 contracting with public or private entities.

25 (2) To be eligible for the program, an eligible student

1 shall:

2 (a) Agree to complete a graduate teacher education
3 program at an eligible institution and to complete the major
4 on which the applicant's eligibility is based; and

5 (b) Commit to teach in an accredited or approved public
6 or private school in Nebraska upon successful completion of the
7 graduate teacher education program for which the applicant is
8 applying to the Enhancing Excellence in Teaching Program and to
9 maintaining certification pursuant to sections 79-806 to 79-815.

10 (3) Eligible students may apply on an annual basis for
11 loans in an amount of not more than one hundred seventy-five
12 dollars per credit hour. Loans awarded to individual students shall
13 not exceed a cumulative period exceeding five consecutive years.
14 Loans shall only be awarded through the department. Loans shall be
15 funded pursuant to section 12 of this act.

16 Sec. 11. (1) Prior to receiving any money from a loan
17 pursuant to the Enhancing Excellence in Teaching Program, an
18 eligible student shall enter into a contract with the department.
19 Such contract shall be exempt from the requirements of sections
20 73-501 to 73-509. The contract shall require that if (a) the
21 borrower is not employed as a full-time teacher teaching in an
22 approved or accredited school in Nebraska for a time period equal
23 to the number of years required for loan forgiveness pursuant
24 to subsection (2) of this section or (b) the borrower does not
25 complete the requirements for graduation within five consecutive

1 years after receiving the initial loan under the program, then the
2 loan shall be repaid, with interest at the rate fixed pursuant
3 to section 45-103 accruing as of the date the borrower signed
4 the contract and actual collection costs as determined by the
5 department. If a borrower fails to remain enrolled at an eligible
6 institution or otherwise fails to meet the requirements of an
7 eligible student, repayment of the loan shall commence within
8 six months after such change in eligibility. The State Board of
9 Education may by rules and regulations provide for exceptions to
10 the conditions of repayment pursuant to this subsection based upon
11 mitigating circumstances.

12 (2) If the borrower (a) successfully completes the
13 teacher education program and major for which the borrower is
14 receiving a forgivable loan pursuant to the program and maintains
15 certification pursuant to sections 79-806 to 79-815, (b) maintains
16 employment as a teacher in an approved or accredited school in this
17 state, and (c) otherwise meets the requirements of the contract,
18 payments shall be suspended for the number of years that the
19 borrower is required to remain employed as a teacher in this state
20 under the contract. Beginning after the first two years of teaching
21 full-time in Nebraska following graduation for the degree for which
22 the loan was received, for each year that the borrower teaches
23 full-time in Nebraska pursuant to the contract, the loan shall be
24 forgiven in an amount equal to three thousand dollars, except that
25 if the borrower teaches full-time in a school district that is

1 in a local system classified as very sparse as defined in section
 2 79-1003, teaches in a school building in which at least forty
 3 percent of the students are poverty students as defined in section
 4 79-1003, or teaches in an accredited or approved private school in
 5 Nebraska in which at least forty percent of the enrolled students
 6 qualified for free lunches as determined by the most recent data
 7 available from the department, payments shall be forgiven each year
 8 in an amount equal to six thousand dollars.

9 Sec. 12. Section 79-8,136, Reissue Revised Statutes of
 10 Nebraska, is amended to read:

11 ~~79-8,136~~ The Attracting Excellence to Teaching Program
 12 Excellence in Teaching Cash Fund is created. The fund shall
 13 consist of appropriations by the Legislature, transfers pursuant
 14 to section 9-812, and loan repayments, penalties, and interest
 15 payments received in the course of administering the Attracting
 16 Excellence to Teaching Program and the Enhancing Excellence in
 17 Teaching Program. The department shall allocate on an annual basis
 18 up to four hundred thousand dollars in the aggregate of the
 19 funds to be distributed for the program Attracting Excellence to
 20 Teaching Program to all eligible institutions according to the
 21 distribution formula as determined by rule and regulation. ~~7~~ except
 22 that the State Treasurer shall transfer the cash balance existing
 23 on November 9, 2001, in the fund to the General Fund within five
 24 days after November 9, 2001. The eligible institutions shall act as
 25 agents of the department in the distribution of the funds for the

1 Attracting Excellence to Teaching Program to eligible students. The
2 remaining available funds shall be distributed by the department to
3 eligible students for the Enhancing Excellence in Teaching Program.
4 Any money in the ~~Attracting Excellence to Teaching Program Cash~~
5 ~~Fund~~ fund available for investment shall be invested by the state
6 investment officer pursuant to the Nebraska Capital Expansion Act
7 and the Nebraska State Funds Investment Act.

8 Sec. 13. Section 79-8,138, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-8,138 The department has the administrative
11 responsibility to track borrowers and to develop repayment tracking
12 and collection mechanisms for the Attracting Excellence to Teaching
13 Program and the Enhancing Excellence in Teaching Program. The
14 department may contract for such services. When a loan has been
15 forgiven pursuant to section 79-8,137 or section 11 of this act,
16 the amount forgiven may be taxable income to the borrower and the
17 department shall provide notification of the amount forgiven to the
18 borrower, the Department of Revenue, and the United States Internal
19 Revenue Service if required by the Internal Revenue Code.

20 Sec. 14. Section 79-8,139, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-8,139 (1) Each eligible institution shall file an
23 annual report for the Attracting Excellence to Teaching Program and
24 the Enhancing Excellence in Teaching Program with the department
25 containing such information as required by rule and regulation.

1 On or before ~~November 15 of each year,~~ December 31, 2010, and on
2 or before December 31 of each even-numbered year thereafter, the
3 department shall submit a report to the Governor, the Clerk of
4 the Legislature, and the Education Committee of the Legislature
5 providing, at a minimum, on the status of the programs, the
6 status of the borrowers, and the impact of the programs on the
7 number of teachers in shortage areas in Nebraska and on the number
8 of teachers receiving graduate degrees in teaching endorsement
9 areas in Nebraska. Each report shall include information on an
10 institution-by-institution basis, and the status of borrowers,
11 and - The report shall include a financial statement and with
12 a description of the activity of the Attracting Excellence to
13 Teaching Program Excellence in Teaching Cash Fund.

14 ~~(2) The department shall also provide a report to the~~
15 ~~Governor and the Clerk of the Legislature by December 31, 2005, on~~
16 ~~the status of the program, the status of the borrowers, and the~~
17 ~~impact of the program on the number of teachers in Nebraska.~~

18 ~~(3) (2) Any report pursuant to this section which~~
19 ~~includes information about borrowers shall exclude confidential~~
20 ~~information or any other information which specifically identifies~~
21 ~~a borrower.~~

22 Sec. 15. Section 79-8,140, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 79-8,140 The State Board of Education shall may adopt
25 and promulgate rules and regulations to determine teacher shortage

1 areas and to carry out the ~~Attracting Excellence to Teaching~~
2 ~~Program~~ Excellence in Teaching Act.

3 Sec. 16. Sections 1, 12, and 17 of this act become
4 operative July 1, 2009. Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11,
5 13, 14, 15, 16, 18, and 19 of this act become operative on their
6 effective date.

7 Sec. 17. Original sections 9-812 and 79-8,136, Reissue
8 Revised Statutes of Nebraska, are repealed.

9 Sec. 18. Original sections 79-808, 79-8,132, 79-8,133,
10 79-8,134, 79-8,135, 79-8,137, 79-8,138, 79-8,139, and 79-8,140,
11 Reissue Revised Statutes of Nebraska, are repealed.

12 Sec. 19. Since an emergency exists, this act takes effect
13 when passed and approved according to law.