

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 21

Introduced by Harms, 48.

Read first time January 8, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to the Nebraska Scholarship Act; to amend  
2 sections 9-812, 9-836.01, 71-5715, 85-1412, 85-1901,  
3 85-1902, 85-1907, 85-1908, 85-1911, 85-1912, 85-1913,  
4 85-1914, 85-1915, 85-1917, 85-1918, 85-1919, and 85-1920,  
5 Reissue Revised Statutes of Nebraska; to rename the act  
6 and the Nebraska Scholarship Fund; to change provisions  
7 relating to student eligibility; to harmonize provisions;  
8 to provide an operative date; to repeal the original  
9 sections; and to declare an emergency.

10 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,  
19 2009, a portion of the dollar amount of the lottery tickets  
20 which have been sold on an annualized basis shall be transferred  
21 from the State Lottery Operation Trust Fund to the Education  
22 Innovation Fund, the Nebraska ~~Scholarship~~ State Grant Program Fund,  
23 the Nebraska Environmental Trust Fund, the Nebraska State Fair  
24 Board, and the Compulsive Gamblers Assistance Fund, except that the  
25 dollar amount transferred shall not be less than the dollar amount

1 transferred to the funds 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~~ State Grant Program Fund, the Nebraska  
7 Environmental Trust Fund, the Nebraska State Fair Board, and the  
8 Compulsive Gamblers Assistance Fund.

9 (3) Of the money available to be transferred to the  
10 Education Innovation Fund, the Nebraska ~~Scholarship~~ State Grant  
11 Program Fund, the Nebraska Environmental Trust Fund, the Nebraska  
12 State Fair Board, 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~~ State Grant  
24 Program Fund;

25 (d) Forty-four and one-half percent of the money

1 remaining after the payment of prizes and operating expenses and  
2 the initial transfer to the Compulsive Gamblers Assistance Fund  
3 shall be transferred to the Nebraska Environmental Trust Fund to be  
4 used as provided in the Nebraska Environmental Trust Act;

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

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

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

1           (b) For fiscal year 2005-06, the Education Innovation  
2 Fund shall be allocated as follows: The first one million dollars  
3 shall be transferred to the School District Reorganization Fund,  
4 and the remaining amount shall be allocated to the General Fund  
5 after operating expenses for the Excellence in Education Council  
6 are deducted.

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

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

24           (e) For fiscal year 2008-09, the Education Innovation  
25 Fund shall be allocated as follows: The first seven hundred

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

7 (f) For fiscal years 2009-10 through 2015-16, the  
8 Education Innovation Fund shall be allocated as follows: The  
9 first one million dollars shall be transferred to the Attracting  
10 Excellence to Teaching Program Cash Fund to fund the Attracting  
11 Excellence to Teaching Program Act, and the amount remaining in the  
12 Education Innovation Fund shall be allocated, after administrative  
13 expenses, for distance education equipment and incentives pursuant  
14 to sections 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 9-836.01, Reissue Revised Statutes of  
6 Nebraska, is amended to read:

7           9-836.01 The division may endorse and sell for profit  
8 tangible personal property related to the lottery. Any money  
9 received as profit by the division pursuant to this section  
10 shall be remitted to the State Treasurer for credit to the State  
11 Lottery Operation Trust Fund to be distributed to the Education  
12 Innovation Fund, the Nebraska ~~Scholarship~~ State Grant Program Fund,  
13 the Nebraska Environmental Trust Fund, and the Compulsive Gamblers  
14 Assistance Fund pursuant to the requirements of section 9-812.

15           Sec. 3. Section 71-5715, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           71-5715 (1) The Teen Tobacco Education and Prevention  
18 Project is created. The purpose of the project is to provide  
19 scholarships for high school students who design creative project  
20 proposals to aid in the prevention, reduction, and cessation of  
21 teen smoking and to provide award money for the sponsors of such  
22 proposals.

23           (2) The Teen Tobacco Education and Prevention Project  
24 Committee is created. The committee shall develop criteria for the  
25 submission of project proposals and shall select winning project

1 proposals pursuant to subsection (4) of this section and rules  
2 and regulations adopted and promulgated under this section. The  
3 committee shall be appointed by the Governor and shall have no  
4 more than fifteen members. Committee members shall include (a) high  
5 school teachers or advisors, (b) one high school student from each  
6 category of school listed in subsection (4) of this section, (c) a  
7 physician, (d) persons with advertising or broadcasting expertise,  
8 (e) tobacco control advocates, (f) public health representatives,  
9 and (g) business persons. Any vacancy on the committee shall  
10 be filled in the same manner as the initial appointment. The  
11 Department of Health and Human Services shall provide staff support  
12 for the committee. Committee members shall be reimbursed for their  
13 actual and necessary expenses as provided in sections 81-1174 to  
14 81-1177.

15 (3) On or before December 31 of each year prior to 2003,  
16 high school students who reside or attend school in Nebraska may  
17 submit project proposals to the committee. Each project proposal  
18 shall be designed and developed, by no more than four high school  
19 students, to be implemented statewide or in the school, community,  
20 or geographic area where such students reside or attend school.  
21 Project proposals may include programs, advertisement campaigns,  
22 small group projects, conferences, seminars, billboards, pamphlets,  
23 productions, television advertisements, radio advertisements,  
24 promotional ideas, or any other innovative concept the purpose of  
25 which is to help reduce, prevent, or stop teen smoking. The budget



1 for each project proposal shall not exceed one hundred thousand  
2 dollars. The Department of Health and Human Services shall use all  
3 reasonable efforts to promote the program and shall provide at  
4 least one application to each high school in the state.

5 (4) By March 1 of each year prior to 2004, the committee  
6 shall select four winning project proposals from among those  
7 submitted: (a) One from a school with a membership of less than  
8 one hundred twenty-five students in grades nine through twelve, (b)  
9 one from a school with a membership of less than three hundred  
10 twenty but at least one hundred twenty-five students in grades  
11 nine through twelve, (c) one from a school with a membership of  
12 less than one thousand fifty but at least three hundred twenty  
13 students in grades nine through twelve, and (d) one from a school  
14 with a membership of one thousand fifty or more students in grades  
15 nine through twelve. The designers of the winning project proposals  
16 shall each be awarded a five-thousand-dollar scholarship and shall  
17 oversee the implementation of such project proposals statewide or  
18 in their school, community, or geographic area. The sponsor of  
19 each winning project proposal shall also be awarded five thousand  
20 dollars. The Department of Health and Human Services shall oversee  
21 and administer the sponsorship awards provided in this section.

22 (5) The Department of Health and Human Services shall  
23 adopt and promulgate rules and regulations as necessary to carry  
24 out the duties set forth in subsections (1) through (4) of this  
25 section.

1                   (6) The Coordinating Commission for Postsecondary  
2 Education shall oversee and administer the scholarships provided in  
3 this section. Scholarships may only be used by an eligible student  
4 for educational expenses at an eligible postsecondary educational  
5 institution as defined under the Nebraska ~~Scholarship~~ State Grant  
6 Program Act. The commission shall adopt and promulgate rules and  
7 regulations as necessary to carry out the duties set forth in this  
8 subsection.

9                   (7) The Department of Health and Human Services shall  
10 annually review the Teen Tobacco Education and Prevention Project  
11 and submit a report of such review to the Governor and Legislature  
12 on or before December 31 of each year prior to 2004.

13                   Sec. 4. Section 85-1412, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15                   85-1412 The commission shall have the following  
16 additional powers and duties:

17                   (1) Conduct surveys and studies as may be necessary to  
18 undertake the coordination function of the commission pursuant  
19 to section 85-1403 and request information from governing  
20 boards and appropriate administrators of public institutions and  
21 other governmental agencies for research projects. All public  
22 institutions and governmental agencies receiving state funds  
23 shall comply with reasonable requests for information under this  
24 subdivision. Public institutions may comply with such requests  
25 pursuant to section 85-1417;

1                   (2) Recommend to the Legislature and the Governor  
2 legislation it deems necessary or appropriate to improve  
3 postsecondary education in Nebraska and any other legislation it  
4 deems appropriate to change the role and mission provisions in  
5 sections 85-917 to 85-966.01;

6                   (3) Establish any advisory committees as may be necessary  
7 to undertake the coordination function of the commission pursuant  
8 to section 85-1403 or to solicit input from affected parties  
9 such as students, faculty, governing boards, administrators  
10 of the public institutions, administrators of the private  
11 nonprofit institutions of postsecondary education and proprietary  
12 institutions in the state, and community and business leaders  
13 regarding the coordination function of the commission;

14                   (4) Participate in or designate an employee or employees  
15 to participate in any committee which may be created to prepare  
16 a coordinated plan for the delivery of educational programs and  
17 services in Nebraska through the telecommunications system;

18                   (5) Seek a close liaison with the State Board of  
19 Education and the State Department of Education in recognition  
20 of the need for close coordination of activities between elementary  
21 and secondary education and postsecondary education;

22                   (6) Administer the Integrated Postsecondary Education  
23 Data System or other information system or systems to provide the  
24 commission with timely, comprehensive, and meaningful information  
25 pertinent to the exercise of its duties. The information system

1 shall be designed to provide comparable data on each public  
2 institution. The commission shall also administer the uniform  
3 information system prescribed in sections 85-1421 to 85-1427 known  
4 as the Nebraska Educational Data System. Public institutions shall  
5 supply the appropriate data for the information system or systems  
6 required by the commission;

7 (7) Administer the Access College Early Scholarship  
8 Program Act and the Nebraska ~~Scholarship~~ State Grant Program  
9 Act;

10 (8) Accept and administer loans, grants, and programs  
11 from the federal or state government and from other sources, public  
12 and private, for carrying out any of its functions, including  
13 the administration of privately endowed scholarship programs. Such  
14 loans and grants shall not be expended for any other purposes than  
15 those for which the loans and grants were provided. The commission  
16 shall determine eligibility for such loans, grants, and programs,  
17 and such loans and grants shall not be expended unless approved by  
18 the Governor;

19 (9) Consistent with section 85-1620, approve, in a  
20 timely manner, new baccalaureate degree programs to be offered  
21 at private postsecondary career schools as defined in section  
22 85-1603. The commission may charge a reasonable fee based on  
23 its administrative costs for authorizations pursuant to this  
24 subdivision and section 85-1620. The commission shall report such  
25 action to the Commissioner of Education;

1           (10) Pursuant to sections 85-1101 to 85-1104, authorize  
2 out-of-state institutions of higher or postsecondary education to  
3 offer courses or degree programs in this state;

4           (11) Pursuant to sections 85-1105 to 85-1111, approve  
5 or disapprove petitions to establish new private colleges in this  
6 state;

7           (12) On or before December 1, 2000, and on or before  
8 December 1 every two years thereafter, submit to the Legislature  
9 and the Governor a report of its objectives and activities and  
10 any new private colleges in Nebraska and the implementation of any  
11 recommendations of the commission for the preceding two calendar  
12 years;

13           (13) Provide staff support for interstate compacts on  
14 postsecondary education; and

15           (14) Request inclusion of the commission in any existing  
16 grant review process and information system.

17           Sec. 5. Section 85-1901, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19           85-1901 Sections 85-1901 to 85-1920 shall be known and  
20 may be cited as the Nebraska ~~Scholarship~~ State Grant Program Act.

21           Sec. 6. Section 85-1902, Reissue Revised Statutes of  
22 Nebraska, is amended to read:

23           85-1902 For purposes of the Nebraska ~~Scholarship~~ State  
24 Grant Program Act, the definitions found in sections 85-1903 to  
25 85-1910 apply.

1           Sec. 7. Section 85-1907, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           85-1907 Eligible student means an undergraduate student  
4 who:

5           (1) Is enrolled in an eligible postsecondary educational  
6 institution;

7           ~~(2) Is eligible to receive a Federal Pell Grant from the~~  
8 ~~United States Department of Education;~~

9           (2) Has applied for federal financial aid through the  
10 Free Application for Federal Student Aid for the applicable award  
11 year and demonstrates need;

12           (3) For the 2009-10 award year, has an expected family  
13 contribution of no more than six thousand dollars;

14           (4) For the 2010-11 award year and each award year  
15 thereafter, has an expected family contribution of no more than the  
16 last completed award year's expected family contribution plus a two  
17 and one-half percent growth factor;

18           ~~(3)~~ (5) Is a resident student who is domiciled in  
19 Nebraska as provided by section 85-502; and

20           ~~(4)~~ (6) Complies with all other provisions of the  
21 Nebraska ~~Scholarship~~ State Grant Program Act and its rules and  
22 regulations.

23           For purposes of this section, need means the amount by  
24 which a student's cost of attendance at an eligible postsecondary  
25 institution exceeds his or her expected family contribution

1 calculated pursuant to this section.

2           Sec. 8. Section 85-1908, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           85-1908 Full-time student and full-time-equivalent  
5 student have the definitions found in rules and regulations adopted  
6 and promulgated pursuant to the Nebraska ~~Scholarship~~ State Grant  
7 Program Act.

8           Sec. 9. Section 85-1911, Reissue Revised Statutes of  
9 Nebraska, is amended to read:

10           85-1911 The Nebraska ~~Scholarship~~ State Grant Program Act  
11 shall provide for awards made directly to eligible students based  
12 on financial need.

13           Sec. 10. Section 85-1912, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           85-1912 In order to reduce the costs of administering  
16 the Nebraska ~~Scholarship~~ State Grant Program Act, the commission  
17 shall identify a target level of funds to be distributed to  
18 students pursuant to the act at each eligible postsecondary  
19 educational institution. The target level of funds shall represent  
20 the maximum amount that may be awarded pursuant to the act  
21 to eligible students enrolled in such eligible postsecondary  
22 educational institution. The target level of funds for each  
23 eligible postsecondary educational institution shall be determined  
24 as follows:

25           (1) For award years prior to the 2006-07 award year for

1 eligible postsecondary educational institutions when the student  
2 cost for tuition and mandatory fees for a full-time, resident,  
3 undergraduate student for the last completed award year at the  
4 eligible postsecondary educational institution was greater than  
5 the student cost for tuition and mandatory fees for a full-time,  
6 resident, undergraduate student for the last completed award year  
7 at the University of Nebraska-Lincoln:

8 (a) Determine the number of eligible full-time-equivalent  
9 students enrolled at the eligible postsecondary educational  
10 institution for the last completed award year;

11 (b) Determine the number of eligible full-time-equivalent  
12 students enrolled at the eligible postsecondary educational  
13 institution for the last completed award year who received an award  
14 pursuant to the Postsecondary Education Award Program Act, the  
15 Scholarship Assistance Program Act, or the State Scholarship Award  
16 Program Act for the 2002-03 award year;

17 (c) For the 2003-04 award year, multiply the number  
18 determined in subdivision (1)(b) of this section by the ratio  
19 equal to the number of eligible full-time-equivalent students who  
20 received an award pursuant to the Postsecondary Education Award  
21 Program Act, the Scholarship Assistance Program Act, or the State  
22 Scholarship Award Program Act for both the 2002-03 award year and  
23 the 2001-02 award year at the eligible postsecondary educational  
24 institution divided by the number of eligible full-time-equivalent  
25 students who received an award pursuant to the Postsecondary



1 Education Award Program Act, the Scholarship Assistance Program  
2 Act, or the State Scholarship Award Program Act for the 2001-02  
3 award year at the eligible postsecondary educational institution;

4 (d) For the 2004-05 award year, multiply the number  
5 determined in subdivision (1)(b) of this section by the ratio  
6 equal to the number of eligible full-time-equivalent students  
7 who received both an award pursuant to the Nebraska ~~Scholarship~~  
8 State Grant Program Act for the 2003-04 award year and an award  
9 pursuant to the Postsecondary Education Award Program Act, the  
10 Scholarship Assistance Program Act, or the State Scholarship  
11 Award Program Act for the 2001-02 award year at the eligible  
12 postsecondary educational institution divided by the number of  
13 eligible full-time-equivalent students who received an award  
14 pursuant to the Postsecondary Education Award Program Act, the  
15 Scholarship Assistance Program Act, or the State Scholarship Award  
16 Program Act for both the 2002-03 award year and the 2001-02 award  
17 year at the eligible postsecondary educational institution;

18 (e) For the 2005-06 award year, multiply the number  
19 determined in subdivision (1)(b) of this section by the ratio  
20 equal to the number of eligible full-time-equivalent students  
21 who received both an award pursuant to the Nebraska ~~Scholarship~~  
22 State Grant Program Act for the 2004-05 award year and an award  
23 pursuant to the Postsecondary Education Award Program Act, the  
24 Scholarship Assistance Program Act, or the State Scholarship  
25 Award Program Act for the 2001-02 award year at the eligible

1 postsecondary educational institution divided by the number of  
2 eligible full-time-equivalent students enrolled at the eligible  
3 postsecondary educational institution who received both an award  
4 pursuant to the Nebraska ~~Scholarship~~ State Grant Program Act for  
5 the 2003-04 award year and an award pursuant to the Postsecondary  
6 Education Award Program Act, the Scholarship Assistance Program  
7 Act, or the State Scholarship Award Program Act for the 2001-02  
8 award year at the eligible postsecondary educational institution;

9 (f) Multiply the difference of the number determined  
10 pursuant to subdivision (1)(a) of this section minus the number  
11 determined pursuant to subdivision (1)(c), (d), or (e) of this  
12 section by the tuition and mandatory fees determined pursuant to  
13 subdivision (2) of section 85-1909;

14 (g) Multiply the number determined pursuant to  
15 subdivision (1)(c), (d), or (e) of this section by the tuition and  
16 mandatory fees determined pursuant to subdivision (1) of section  
17 85-1909;

18 (h) Divide the sum of the products derived pursuant to  
19 subdivisions (1)(f) and (g) of this section for each eligible  
20 postsecondary educational institution by the sum of the products  
21 derived pursuant to subdivisions (1)(f) and (g) and (2)(b) of this  
22 section for all eligible postsecondary educational institutions;  
23 and

24 (i) Multiply the total of federal and state funds  
25 appropriated for purposes of distribution pursuant to the Nebraska

1 ~~Scholarship~~ State Grant Program Act by the ratio derived pursuant  
2 to subdivision (1)(h) of this section; and

3 (2) For award years prior to 2006-07 for eligible  
4 postsecondary educational institutions when the student costs for  
5 tuition and mandatory fees for a full-time, resident, undergraduate  
6 student for the last completed award year at the eligible  
7 postsecondary educational institution was less than or equal to  
8 the student costs for tuition and mandatory fees for a full-time,  
9 resident, undergraduate student for the last completed award year  
10 at the University of Nebraska-Lincoln and for the 2006-07 award  
11 year and each award year thereafter for all eligible postsecondary  
12 educational institutions:

13 (a) Determine the number of eligible full-time-equivalent  
14 students enrolled at the eligible postsecondary educational  
15 institution for the last completed award year;

16 (b) Multiply the number determined in subdivision (2)(a)  
17 of this section by the tuition and mandatory fees as limited  
18 pursuant to subdivision (2) of section 85-1909;

19 (c) Divide the product derived pursuant to subdivision  
20 (2)(b) of this section for each eligible postsecondary educational  
21 institution by the sum of the products derived pursuant to  
22 subdivisions (1)(f) and (g) and (2)(b) of this section for all  
23 eligible postsecondary educational institutions; and

24 (d) Multiply the total of federal and state funds  
25 appropriated for purposes of distribution pursuant to the act by

1 the ratio derived pursuant to subdivision (2)(c) of this section.

2 Sec. 11. Section 85-1913, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4 85-1913 Eligible postsecondary educational institutions,  
5 acting as agents of the commission, shall:

6 (1) Receive and process applications for awards under the  
7 Nebraska ~~Scholarship~~ State Grant Program Act;

8 (2) Determine eligibility of students based on criteria  
9 set forth in the act; and

10 (3) At any time prior to June 1 of each award year, make  
11 recommendations as often as necessary to the commission for awards  
12 to eligible students, including the name of each eligible student,  
13 social security number of each eligible student, and recommended  
14 award amount for each eligible student.

15 Sec. 12. Section 85-1914, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 85-1914 (1) Within thirty days after receiving  
18 recommendations pursuant to section 85-1913, the commission shall  
19 review the recommended awards for compliance with the Nebraska  
20 ~~Scholarship~~ State Grant Program Act and its rules and regulations  
21 and notify each eligible postsecondary educational institution of  
22 the approval or disapproval of recommended awards.

23 (2) The commission shall distribute to each eligible  
24 postsecondary educational institution the total award amount  
25 approved for eligible students at such institution. The eligible

1 postsecondary educational institution shall act as an agent of the  
2 commission to disburse the awards directly to eligible students  
3 during the award year.

4 Sec. 13. Section 85-1915, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 85-1915 An award may be granted to an eligible student  
7 for attendance at an eligible postsecondary educational institution  
8 if:

9 (1) The eligible student is accepted for enrollment as  
10 follows:

11 (a) In the case of an eligible student beginning his  
12 or her first year in attendance at an eligible postsecondary  
13 educational institution, such eligible student has satisfied  
14 requirements for admission and has enrolled or indicated an intent  
15 to enroll in an eligible postsecondary educational institution; or

16 (b) In the case of an eligible student enrolled in  
17 an eligible postsecondary educational institution following the  
18 successful completion of the student's first year in attendance,  
19 such eligible student continues to meet the requirements of the  
20 Nebraska ~~Scholarship~~ State Grant Program Act and has maintained  
21 the minimum standards of performance as required by the eligible  
22 postsecondary educational institution in which the eligible student  
23 is enrolled;

24 (2) The eligible student receiving such award certifies  
25 that the award will be used only for educational expenses; and

1           (3) The eligible student has complied with the act and  
2 its rules and regulations.

3           Sec. 14. Section 85-1917, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           85-1917 (1) The commission shall:

6           (a) Supervise the issuance of public information  
7 concerning the Nebraska ~~Scholarship~~ State Grant Program Act; and

8           (b) Establish a reasonable and fair appeal procedure for  
9 students adversely affected by the actions of the commission or an  
10 eligible postsecondary educational institution in the distribution  
11 of funds or granting of awards pursuant to the act.

12           (2) The commission may adopt and promulgate rules  
13 and regulations necessary to carry out the act, including such  
14 rules and regulations for maintenance of fiscal controls and  
15 fund accounting procedures as may be necessary to assure proper  
16 disbursement of funds and to assure that the eligible postsecondary  
17 educational institutions, as agents of the commission, have  
18 complied with the act. Such rules and regulations shall be  
19 developed in cooperation with representatives of eligible  
20 postsecondary educational institutions and shall be designed, to  
21 the extent consistent with requirements of the act, to minimize  
22 the administrative burden on the eligible postsecondary educational  
23 institutions and the commission.

24           Sec. 15. Section 85-1918, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           85-1918   Each   eligible   postsecondary   educational  
2 institution shall file an annual report with the commission.  
3 The report shall document that students receiving awards under  
4 the Nebraska ~~Scholarship~~ State Grant Program Act have met the  
5 eligibility standards and requirements established in the act and  
6 rules and regulations. The report shall include an accounting  
7 of all state-funded or federally funded student financial aid  
8 awarded by the eligible postsecondary educational institution in  
9 the previous fiscal year. The report may include other data,  
10 including the unmet need as defined by the commission for all  
11 Federal-Pell-Grant-eligible students at each eligible postsecondary  
12 educational institution.

13           Sec. 16. Section 85-1919, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           85-1919 The Nebraska ~~Scholarship~~ State Grant Program Act  
16 does not grant any authority to the commission to (1) control or  
17 influence the policies of any eligible postsecondary educational  
18 institution because such institution accepts students who receive  
19 awards or (2) require any eligible postsecondary educational  
20 institution to enroll any student receiving an award or, once  
21 admitted, to continue in such institution any student receiving an  
22 award.

23           Sec. 17. Section 85-1920, Reissue Revised Statutes of  
24 Nebraska, is amended to read:

25           85-1920   The   Nebraska   Scholarship   Fund   is   created.

1 Beginning on the operative date of this act, the Nebraska  
2 Scholarship Fund shall hereafter be known as the Nebraska State  
3 Grant Program Fund. Money in the fund shall include amounts  
4 transferred from the State Lottery Operation Trust Fund pursuant to  
5 section 9-812. ~~For fiscal years 2003-04 and 2004-05, two million~~  
6 ~~dollars shall be used to carry out the Nebraska Scholarship Act,~~  
7 ~~and the remainder accruing to the Nebraska Scholarship Fund shall~~  
8 ~~be transferred to the General Fund. For fiscal year 2005-06, two~~  
9 ~~million five hundred thousand dollars shall be used to carry out~~  
10 ~~the Nebraska Scholarship Act, and the remainder accruing to the~~  
11 ~~Nebraska Scholarship Fund shall be transferred to the General Fund.~~  
12 For fiscal year 2006-07 and each fiscal year thereafter, through  
13 2008-09, all amounts accruing to the Nebraska Scholarship Fund  
14 shall be used to carry out the Nebraska Scholarship Act. For fiscal  
15 year 2009-10 and each fiscal year thereafter, all amounts accruing  
16 to the Nebraska State Grant Program Fund shall be used to carry  
17 out the Nebraska State Grant Program Act. The State Treasurer shall  
18 transfer any money in the Nebraska Scholarship Fund to the Nebraska  
19 State Grant Program Fund on the operative date of this act. Any  
20 money in the fund available for investment shall be invested by the  
21 state investment officer pursuant to the Nebraska Capital Expansion  
22 Act and the Nebraska State Funds Investment Act.

23           Sec. 18. This act becomes operative on July 1, 2009.

24           Sec. 19. Original sections 9-812, 9-836.01, 71-5715,  
25 85-1412, 85-1901, 85-1902, 85-1907, 85-1908, 85-1911, 85-1912,



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1 85-1913, 85-1914, 85-1915, 85-1917, 85-1918, 85-1919, and 85-1920,  
2 Reissue Revised Statutes of Nebraska, are repealed.

3           Sec. 20. Since an emergency exists, this act takes effect  
4 when passed and approved according to law.