

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 397

Introduced by Nordquist, 7; McCoy, 39.

Read first time January 16, 2009

Committee: Education

A BILL

1 FOR AN ACT relating to postsecondary education; to amend sections  
2 9-812, 9-836.01, 71-5715, and 85-1412, Reissue Revised  
3 Statutes of Nebraska; to adopt the State Scholarship  
4 Award Program Act and the Scholarship Assistance Program  
5 Act; to change provisions relating to applications under  
6 the Nebraska Scholarship Act; to provide for transfer  
7 of funds; to eliminate the Nebraska Scholarship Act;  
8 to harmonize provisions; to provide operative dates; to  
9 repeal the original sections; and to outright repeal  
10 sections 85-1901, 85-1902, 85-1903, 85-1904, 85-1905,  
11 85-1906, 85-1907, 85-1908, 85-1909, 85-1910, 85-1911,  
12 85-1912, 85-1913, 85-1914, 85-1915, 85-1916, 85-1917,  
13 85-1918, 85-1919, and 85-1920, Reissue Revised Statutes  
14 of Nebraska.

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1 Be it enacted by the people of the State of Nebraska,

1           Section 1. Sections 1 to 27 of this act shall be known  
2 and may be cited as the State Scholarship Award Program Act.

3           Sec. 2. The Legislature finds and declares that:

4           (1) The provision of a postsecondary education for all  
5 residents of this state who desire and are properly qualified for  
6 such an education is important to the welfare and security of this  
7 state and nation and consequently is an important public purpose;

8           (2) Many qualified students are deterred by financial  
9 considerations from completing their education, with a consequent  
10 irreparable loss to this state and nation of talents vital to  
11 welfare and security;

12           (3) The state can enhance its economic and social  
13 potential when the state's residents have the opportunity to  
14 contribute to the full extent of their capabilities through the  
15 removal of the financial barriers to their economic, social, and  
16 educational goals;

17           (4) The state can enhance its postsecondary educational  
18 objectives by the development of financial aid programs, including  
19 programs which enable the state to fully qualify for federal  
20 student aid funds made available to the state through federal  
21 student financial aid programs; and

22           (5) To avoid the application of a double standard in  
23 carrying out its postsecondary educational programs, the state  
24 needs to make certain that all students who qualify for aid stand  
25 equal to each other before the law and that they be given the

1 freedom, within reasonable and constitutional limits, to select the  
2 postsecondary educational institutions of their choice in which to  
3 pursue their educational goals.

4           Sec. 3. The purposes of the State Scholarship Award  
5 Program Act are:

6           (1) To establish a financial assistance program to enable  
7 eligible undergraduate Nebraska residents to receive educational  
8 services in an eligible postsecondary educational institution of  
9 this state; and

10           (2) To establish the procedure for the Coordinating  
11 Commission for Postsecondary Education to administer federal  
12 student financial aid programs that require the state to match all  
13 or a portion of federal funds.

14           Sec. 4. For purposes of the State Scholarship Award  
15 Program Act, the definitions found in sections 5 to 15 of this act  
16 shall be used.

17           Sec. 5. Award means a grant of money under the State  
18 Scholarship Award Program Act by the commission to an eligible  
19 student for educational expenses.

20           Sec. 6. Award year means the period from July 1 of one  
21 year through June 30 of the succeeding year.

22           Sec. 7. Commission means the Coordinating Commission for  
23 Postsecondary Education.

24           Sec. 8. Educational expenses means student costs for  
25 tuition, fees, room and board, and books and an allowance for such

1 other expenses as the commission by rule and regulation determines  
2 to be reasonably related to attendance at an eligible postsecondary  
3 educational institution.

4           Sec. 9. Eligible postsecondary educational institution  
5 means a public or private institution:

6           (1) Located in Nebraska;

7           (2) Primarily engaged in instruction of students;

8           (3) Satisfying the provisions of Nebraska law relating to  
9 the approval and licensure of schools, colleges, and universities  
10 and maintaining accreditation by an accrediting organization  
11 recognized by the United States Department of Education; and

12           (4) Offering courses of instruction in regularly  
13 scheduled classes to regularly enrolled undergraduate students who  
14 reside in Nebraska and have received high school diplomas or the  
15 equivalent.

16           Sec. 10. Eligible student means an undergraduate  
17 resident student who is (1) enrolled in an eligible postsecondary  
18 educational institution in the state and (2) eligible to receive  
19 United States Department of Education Title IV student financial  
20 assistance.

21           Sec. 11. Enrollment means the establishment and  
22 maintenance of an individual's status as a student in a  
23 postsecondary educational institution, regardless of the term used  
24 at the postsecondary educational institution to describe such a  
25 status.

1           Sec. 12. Full-time student shall be defined by the  
2 commission in rules and regulations adopted and promulgated  
3 pursuant to the State Scholarship Award Program Act.

4           Sec. 13. Resident student means an individual who is a  
5 resident of Nebraska as provided by section 85-502.

6           Sec. 14. Substantial financial need means the difference  
7 between the student's financial resources available, including  
8 those available from a parent or parents, a guardian, or a spouse,  
9 and the student's anticipated educational expenses while attending  
10 an eligible postsecondary educational institution, taking into  
11 account:

12           (1) With respect to a dependent student, (a) serious  
13 family illness, (b) the number of dependent children of the  
14 student's parents, (c) the number of such dependent children  
15 attending postsecondary educational institutions, and (d) such  
16 other circumstances as may affect the ability of the student or the  
17 student's parents to contribute toward the cost of the student's  
18 education; and

19           (2) With respect to an independent or self-supporting  
20 student, (a) any serious illness in the student's family, (b)  
21 the number of dependent children of the student, (c) the number  
22 of such dependent children attending postsecondary educational  
23 institutions, and (d) such other circumstances as may affect the  
24 ability of the student or spouse to contribute toward the cost of  
25 the student's education.

1           Sec. 15. Undergraduate student means an individual who  
2 has not earned a first baccalaureate or professional degree and  
3 is enrolled in a postsecondary educational program which leads to  
4 or is creditable toward a first baccalaureate degree, certificate,  
5 diploma, or equivalent.

6           Sec. 16. (1) The State Scholarship Award Program Act  
7 shall provide for awards made directly to eligible students  
8 demonstrating substantial financial need and shall be administered  
9 by the commission in conjunction with public and private  
10 postsecondary educational institutions in the state.

11           (2) The commission shall allocate the funds to be  
12 distributed pursuant to the act to the eligible postsecondary  
13 educational institutions for distribution to eligible students. The  
14 allocation amount for each eligible institution shall be determined  
15 as follows:

16           (a) Determine the number of students enrolled at the  
17 eligible postsecondary educational institution adjusted to reflect  
18 full-time equivalency as determined by the commission in the last  
19 completed award year with an expected family contribution of two  
20 thousand dollars or below as determined pursuant to the federal  
21 Pell Grant Program;

22           (b) Multiply the amount determined in subdivision (a)  
23 of this subsection by the institution's federal Pell Grant cost  
24 of attendance for all full-time residential students with no  
25 dependents for the last completed award year;

1           (c) Divide the product derived pursuant to subdivision  
2 (b) of this subsection for each eligible postsecondary educational  
3 institution by the sum of the products derived pursuant to  
4 subdivision (b) of this subsection for all eligible postsecondary  
5 educational institutions; and

6           (d) Multiply the total of federal and state funds  
7 appropriated for the purpose of distribution pursuant to the act by  
8 the ratio derived pursuant to subdivision (c) of this subsection.

9           (3) In conformance with the rules and regulations of  
10 the commission, each eligible postsecondary educational institution  
11 shall distribute the funds to eligible students attending the  
12 respective institution.

13           Sec. 17. An award may be given to an eligible student for  
14 attendance at an eligible postsecondary educational institution if:

15           (1) The award is made directly to the eligible student  
16 rather than to the eligible postsecondary educational institution;

17           (2) The individual is accepted for enrollment, as  
18 follows:

19           (a) In the case of an eligible student beginning his  
20 or her first year or freshman year of postsecondary education, he  
21 or she has satisfied requirements for admission and has enrolled  
22 or indicated an intent to enroll in an eligible postsecondary  
23 educational institution; or

24           (b) In the case of an eligible student enrolled in  
25 an eligible postsecondary educational institution following the



1 successful completion of the first year, he or she continues to  
2 meet the requirements of the State Scholarship Award Program Act  
3 and has maintained such minimum standards of performance as are  
4 required by the eligible postsecondary educational institution in  
5 which the individual is enrolled;

6 (3) The amount of the award given to an eligible student  
7 is based on substantial financial need;

8 (4) The award covers at least one but not more than one  
9 award year of attendance as an undergraduate student at an eligible  
10 postsecondary educational institution which has adopted and has  
11 available for inspection its refund and repayment policies;

12 (5) The eligible student receiving such an award signs  
13 a statement certifying that the award will be used only for  
14 educational expenses; and

15 (6) The eligible student has complied with rules and  
16 regulations adopted and promulgated by the commission to carry out  
17 the act.

18 Sec. 18. An award may be made for a period not  
19 to exceed an award year. If the award recipient discontinues  
20 attendance before the end of the award period, he or she  
21 shall remit any award balances allowable to the eligible  
22 postsecondary educational institution in accordance with the  
23 eligible postsecondary educational institution's withdrawal policy.  
24 An eligible postsecondary educational institution may redistribute  
25 to other eligible students any award balance returned in

1 accordance with its refund policy. Award funds not distributed  
2 or redistributed within the award year in which the funds were  
3 allocated shall be returned to the commission by the eligible  
4 postsecondary educational institution.

5       Sec. 19. The commission shall provide that, in the  
6 granting of awards, priority shall be given to eligible full-time  
7 students, but the commission may provide that awards to part-time  
8 undergraduate students enrolled in an eligible postsecondary  
9 educational institution may be given.

10       Sec. 20. The commission shall discharge the authority  
11 granted it under the State Scholarship Award Program Act without  
12 regard to any student's race, creed, color, national origin,  
13 ancestry, age, sex, or handicap.

14       Sec. 21. The commission shall be responsible for:

15       (1) Supervision of the issuance of public information  
16 concerning the State Scholarship Award Program Act;

17       (2) Determination of criteria for the eligibility of  
18 grantees;

19       (3) Determination of the effective date of awards made  
20 pursuant to the act; and

21       (4) Determination of criteria for setting the minimum and  
22 maximum size of the awards and the eligibility of applicants.

23       Sec. 22. The commission shall require an annual report  
24 from each eligible postsecondary educational institution. The  
25 report shall demonstrate that eligible students receiving funds

1 under the State Scholarship Award Program Act have met the basic  
2 criteria established in the act and the rules and regulations  
3 adopted and promulgated by the commission pursuant to the act. The  
4 report may include other data as required by the commission.

5       Sec. 23. The commission may adopt and promulgate rules  
6 and regulations to carry out the State Scholarship Award Program  
7 Act. Such rules and regulations may include, but need not be  
8 limited to, rules and regulations for maintenance of such fiscal  
9 controls and fund accounting procedures as may be necessary to  
10 assure proper disbursement of funds.

11       Sec. 24. The commission shall establish a reasonable and  
12 fair appeal procedure for students and postsecondary educational  
13 institutions which have been adversely affected by the actions of  
14 the commission or eligible postsecondary educational institutions  
15 in the distribution of funds or granting of awards pursuant to the  
16 State Scholarship Award Program Act.

17       Sec. 25. The State Scholarship Award Program Act shall  
18 not be construed as granting any authority to the commission to  
19 control or influence the policies of any postsecondary educational  
20 institution because such institution accepts students who receive  
21 awards nor to require any postsecondary educational institution  
22 to admit or, once admitted, to continue in such institution any  
23 student receiving an award.

24       Sec. 26. The State Scholarship Award Program Fund is  
25 created. The fund shall consist of funds appropriated by the

1 Legislature to carry out the State Scholarship Award Program Act.  
2 Money in the fund shall be invested by the state investment officer  
3 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
4 State Funds Investment Act.

5           Sec. 27. It is the intent of the Legislature to  
6 appropriate state General Funds to be distributed to the State  
7 Scholarship Award Program Fund in substantially equal amounts to  
8 the state General Fund amounts appropriated for the Scholarship  
9 Assistance Program.

10           Sec. 28. Sections 28 to 47 of this act shall be known and  
11 may be cited as the Scholarship Assistance Program Act.

12           Sec. 29. The Legislature finds and declares that:

13           (1) The state has established a system of public  
14 postsecondary educational institutions in order to assure its  
15 citizens access to postsecondary educational opportunities;

16           (2) Despite the provision of a system of postsecondary  
17 education, citizens of the state may still need financial  
18 assistance in order to attend a postsecondary educational  
19 institution in the state;

20           (3) Other programs of financial aid may not be available  
21 to or sufficient for many citizens of the state who desire to  
22 attend a postsecondary educational institution in the state;

23           (4) The state can enhance its goal of providing access  
24 for all its citizens to higher education opportunities by providing  
25 for a program of financial assistance to Nebraska resident

1 undergraduate students with substantial financial need who desire  
2 to attend postsecondary educational institutions;

3 (5) A program of financial assistance should minimize  
4 the administrative expenses of channeling assistance to students  
5 with substantial financial need, thereby maximizing the resulting  
6 financial aid awards actually available to the students;

7 (6) A program of financial assistance should maintain  
8 maximum flexibility of the chief financial aid officers at  
9 Nebraska's postsecondary educational institutions to most  
10 efficiently allocate financial assistance funds within the context  
11 of the total financial aid resources available for those students  
12 demonstrating substantial financial need; and

13 (7) A program of financial assistance should maintain  
14 maximum flexibility of the governing boards and chief financial  
15 aid officers of Nebraska's postsecondary educational institutions  
16 to allocate and reallocate a portion of any of the appropriated  
17 financial assistance funds to either full-time or part-time  
18 students or to students enrolled in those programs in which a work  
19 force shortage may exist in the state or a region of the state.

20 Sec. 30. For purposes of the Scholarship Assistance  
21 Program Act, the definitions found in sections 31 to 37 of this act  
22 shall be used.

23 Sec. 31. Award year means the period from July 1 of one  
24 year through June 30 of the succeeding year.

25 Sec. 32. Commission means the Coordinating Commission for

1 Postsecondary Education.

2           Sec. 33. Educational expenses means student costs for  
3 tuition, fees, room and board, and books and an allowance for such  
4 other expenses as the commission by rule and regulation determines  
5 to be reasonably related to attendance at an eligible institution.

6           Sec. 34. Eligible institution means a public or private  
7 institution:

8           (1) Located in Nebraska;

9           (2) Primarily engaged in instruction of students;

10           (3) Satisfying the provisions of Nebraska law relating to  
11 the approval and licensure of schools, colleges, and universities  
12 and maintaining accreditation by an accrediting organization  
13 recognized by the United States Department of Education;

14           (4) Offering courses of instruction in regularly  
15 scheduled classes to regularly enrolled undergraduate students who  
16 reside in Nebraska and have received high school diplomas or their  
17 equivalent; and

18           (5) Complying with the commission's request for  
19 information pursuant to section 39 of this act.

20           Sec. 35. Eligible student means an individual who is a  
21 resident of Nebraska as provided by section 85-502, is enrolled  
22 as a full-time or part-time undergraduate student at an eligible  
23 institution, and is eligible to receive United States Department of  
24 Education Title IV student financial assistance.

25           Sec. 36. Enrollment means the establishment and

1 maintenance of an individual's status as a student in a  
2 postsecondary educational institution regardless of the term used  
3 at the postsecondary educational institution to describe such a  
4 status.

5           Sec. 37. Undergraduate student means an individual who  
6 has not earned a first baccalaureate or professional degree and  
7 is enrolled in a postsecondary educational program which leads to  
8 or is creditable toward a first baccalaureate degree, certificate,  
9 diploma, or equivalent.

10           Sec. 38. The Scholarship Assistance Program is  
11 established. The program shall provide for awards made directly  
12 to eligible students demonstrating substantial financial need  
13 attending eligible institutions. The program shall be administered  
14 by the commission in conjunction with the eligible institutions  
15 which the eligible students attend.

16           Sec. 39. The commission shall annually gather the most  
17 recent available information regarding the dollar amount of grants  
18 under the federal Pell Grant Program awarded to students attending  
19 postsecondary educational institutions in the state. Only those  
20 students who are attending postsecondary educational institutions  
21 which comply with the commission's request for this information  
22 shall be eligible for awards under the Scholarship Assistance  
23 Program Act. The commission may determine by rule and regulation  
24 the acts or omissions which constitute noncompliance by an  
25 institution.

1           Sec. 40. The commission shall allocate any funds  
2 appropriated to the Scholarship Assistance Program to eligible  
3 institutions for distribution to eligible students. The allocation  
4 to the eligible institutions shall be based on the percentage  
5 that the total combined amount of federal Pell Grants awarded  
6 to students at the eligible institution represents of the total  
7 combined amount of federal Pell Grants awarded to students at all  
8 eligible institutions in the state according to the information  
9 gathered pursuant to section 39 of this act.

10           Sec. 41. Each eligible institution in the state shall  
11 distribute the Scholarship Assistance Program funds to eligible  
12 students demonstrating substantial financial need attending the  
13 institution. Substantial financial need shall be defined in rules  
14 and regulations of the commission in accordance with the federal  
15 needs analysis methodology.

16           Sec. 42. An eligible student receiving an award under the  
17 Scholarship Assistance Program Act shall agree in writing to use  
18 the award for educational expenses only.

19           Sec. 43. An award may be made for a period not to exceed  
20 an award year. If the award recipient discontinues attendance  
21 before the end of the award year, the award recipient shall  
22 remit any award balances allowable to the eligible institution in  
23 accordance with the eligible institution's withdrawal policy. An  
24 eligible institution may redistribute to other eligible students  
25 any award balance returned in accordance with its refund policy.



1 Award funds not distributed or redistributed within the award  
2 year in which the funds were allocated shall be returned to the  
3 commission by the eligible institution.

4       Sec. 44. The commission shall require an annual report  
5 from each eligible institution. The report shall demonstrate that  
6 eligible students receiving funds under the Scholarship Assistance  
7 Program Act have met the basic criteria established in the act and  
8 the rules and regulations. The report may include other data as  
9 required by the commission.

10       Sec. 45. The Scholarship Assistance Program Fund is  
11 created. The fund shall consist of funds appropriated by the  
12 Legislature to carry out the Scholarship Assistance Program Act.  
13 Money in the fund shall be invested by the state investment officer  
14 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
15 State Funds Investment Act.

16       Sec. 46. The commission may adopt and promulgate rules  
17 and regulations to carry out the provisions of the Scholarship  
18 Assistance Program Act.

19       Sec. 47. The commission shall establish a reasonable and  
20 fair appeal procedure for students and institutions which have been  
21 adversely affected by the actions of the commission or eligible  
22 institutions in the distribution of funds or granting of awards  
23 pursuant to the Scholarship Assistance Program Act.

24       Sec. 48. Section 9-812, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

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

16           (2) (a) Beginning October 1, 2003, and until July 1, 2009,  
17 a portion of the dollar amount of the lottery tickets which have  
18 been sold on an annualized basis shall be transferred from the  
19 State Lottery Operation Trust Fund to the Education Innovation  
20 Fund, the Nebraska Scholarship Fund, the Nebraska Environmental  
21 Trust Fund, the Nebraska State Fair Board, and the Compulsive  
22 Gamblers Assistance Fund, except that the dollar amount transferred  
23 shall not be less than the dollar amount transferred to the funds  
24 in fiscal year 2002-03.

25           (b) ~~On and after~~ Beginning July 1, 2009, and until July

1 1, 2010, at least twenty-five percent of the dollar amount of  
2 the lottery tickets which have been sold on an annualized basis  
3 shall be transferred from the State Lottery Operation Trust Fund to  
4 the Education Innovation Fund, the Nebraska Scholarship Fund, the  
5 Nebraska Environmental Trust Fund, the Nebraska State Fair Board,  
6 and the Compulsive Gamblers Assistance Fund.

7 (c) On and after July 1, 2010, at least twenty-five  
8 percent of the dollar amount of the lottery tickets which have been  
9 sold on an annualized basis shall be transferred from the State  
10 Lottery Operation Trust Fund to the Education Innovation Fund, the  
11 State Scholarship Award Program Fund, the Scholarship Assistance  
12 Program Fund, the Nebraska Environmental Trust Fund, the Nebraska  
13 State Fair Board, and the Compulsive Gamblers Assistance Fund.

14 (3) Of the money available to be transferred to the  
15 Education Innovation Fund, the Nebraska Scholarship Fund, the State  
16 Scholarship Award Program Fund, the Scholarship Assistance Program  
17 Fund, the Nebraska Environmental Trust Fund, the Nebraska State  
18 Fair Board, and the Compulsive Gamblers Assistance Fund:

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

22 (b) Nineteen and three-fourths percent of the money  
23 remaining after the payment of prizes and operating expenses and  
24 the initial transfer to the Compulsive Gamblers Assistance Fund  
25 shall be transferred to the Education Innovation Fund;

1                   (c) ~~Twenty-four and three-fourths~~ Twelve and  
2 three-eighths percent of the money remaining after the payment  
3 of prizes and operating expenses and the initial transfer to the  
4 Compulsive Gamblers Assistance Fund shall be transferred to the  
5 ~~Nebraska Scholarship Fund;~~ State Scholarship Award Program Fund;

6                   (d) Twelve and three-eighths percent of the money  
7 remaining after the payment of prizes and operating expenses and  
8 the initial transfer to the Compulsive Gamblers Assistance Fund  
9 shall be transferred to the Scholarship Assistance Program Fund;

10                  ~~(d)~~ (e) Forty-four and one-half percent of the money  
11 remaining after the payment of prizes and operating expenses and  
12 the initial transfer to the Compulsive Gamblers Assistance Fund  
13 shall be transferred to the Nebraska Environmental Trust Fund to be  
14 used as provided in the Nebraska Environmental Trust Act;

15                  ~~(e)~~ (f) Ten percent of the money remaining after the  
16 payment of prizes and operating expenses and the initial transfer  
17 to the Compulsive Gamblers Assistance Fund shall be transferred to  
18 the Nebraska State Fair Board if the most populous city within  
19 the county in which the fair is located provides matching funds  
20 equivalent to ten percent of the funds available for transfer. Such  
21 matching funds may be obtained from the city and any other private  
22 or public entity, except that no portion of such matching funds  
23 shall be provided by the state. If the Nebraska State Fair ceases  
24 operations, ten percent of the money remaining after the payment  
25 of prizes and operating expenses and the initial transfer to the

1 Compulsive Gamblers Assistance Fund shall be transferred to the  
2 General Fund; and

3 ~~(f)~~ (g) One percent of the money remaining after the  
4 payment of prizes and operating expenses and the initial transfer  
5 to the Compulsive Gamblers Assistance Fund shall be transferred to  
6 the Compulsive Gamblers Assistance Fund to be used as provided in  
7 section 71-817.

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

11 (b) For fiscal year 2005-06, the Education Innovation  
12 Fund shall be allocated as follows: The first one million dollars  
13 shall be transferred to the School District Reorganization Fund,  
14 and the remaining amount shall be allocated to the General Fund  
15 after operating expenses for the Excellence in Education Council  
16 are deducted.

17 (c) For fiscal year 2006-07, the Education Innovation  
18 Fund shall be allocated as follows: The first two hundred fifty  
19 thousand dollars shall be transferred to the Attracting Excellence  
20 to Teaching Program Cash Fund to fund the Attracting Excellence  
21 to Teaching Program Act, the next one million dollars shall  
22 be transferred to the School District Reorganization Fund, and  
23 the amount remaining in the Education Innovation Fund shall be  
24 allocated, after administrative expenses, for distance education  
25 equipment and incentives pursuant to sections 79-1336 and 79-1337.

1           (d) For fiscal year 2007-08, the Education Innovation  
2 Fund shall be allocated as follows: The first five hundred thousand  
3 dollars shall be transferred to the Attracting Excellence to  
4 Teaching Program Cash Fund to fund the Attracting Excellence to  
5 Teaching Program Act, and the amount remaining in the Education  
6 Innovation Fund shall be allocated, after administrative expenses,  
7 for distance education equipment and incentives pursuant to  
8 sections 79-1336 and 79-1337.

9           (e) For fiscal year 2008-09, the Education Innovation  
10 Fund shall be allocated as follows: The first seven hundred  
11 fifty thousand dollars shall be transferred to the Attracting  
12 Excellence to Teaching Program Cash Fund to fund the Attracting  
13 Excellence to Teaching Program Act, and the amount remaining in the  
14 Education Innovation Fund shall be allocated, after administrative  
15 expenses, for distance education equipment and incentives pursuant  
16 to sections 79-1336 and 79-1337.

17           (f) For fiscal years 2009-10 through 2015-16, the  
18 Education Innovation Fund shall be allocated as follows: The  
19 first one million dollars shall be transferred to the Attracting  
20 Excellence to Teaching Program Cash Fund to fund the Attracting  
21 Excellence to Teaching Program Act, and the amount remaining in the  
22 Education Innovation Fund shall be allocated, after administrative  
23 expenses, for distance education equipment and incentives pursuant  
24 to sections 79-1336 and 79-1337.

25           (g) For fiscal year 2016-17 and each fiscal year

1 thereafter, the Education Innovation Fund shall be allocated,  
2 after administrative expenses, for education purposes as provided  
3 by the Legislature.

4 (5) Any money in the State Lottery Operation Trust  
5 Fund, the State Lottery Operation Cash Fund, the State Lottery  
6 Prize Trust Fund, or the Education Innovation Fund available  
7 for investment shall be invested by the state investment officer  
8 pursuant to the Nebraska Capital Expansion Act and the Nebraska  
9 State Funds Investment Act.

10 (6) Unclaimed prize money on a winning lottery ticket  
11 shall be retained for a period of time prescribed by rules and  
12 regulations. If no claim is made within such period, the prize  
13 money shall be used at the discretion of the Tax Commissioner for  
14 any of the purposes prescribed in this section.

15 Sec. 49. Section 9-836.01, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17 9-836.01 The division may endorse and sell for profit  
18 tangible personal property related to the lottery. Any money  
19 received as profit by the division pursuant to this section shall  
20 be remitted to the State Treasurer for credit to the State Lottery  
21 Operation Trust Fund to be distributed to the Education Innovation  
22 Fund, ~~the Nebraska Scholarship Fund,~~ the State Scholarship Award  
23 Program Fund, the Scholarship Assistance Program Fund, the Nebraska  
24 Environmental Trust Fund, and the Compulsive Gamblers Assistance  
25 Fund pursuant to the requirements of section 9-812.

1           Sec. 50. Section 71-5715, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           71-5715 (1) The Teen Tobacco Education and Prevention  
4 Project is created. The purpose of the project is to provide  
5 scholarships for high school students who design creative project  
6 proposals to aid in the prevention, reduction, and cessation of  
7 teen smoking and to provide award money for the sponsors of such  
8 proposals.

9           (2) The Teen Tobacco Education and Prevention Project  
10 Committee is created. The committee shall develop criteria for the  
11 submission of project proposals and shall select winning project  
12 proposals pursuant to subsection (4) of this section and rules  
13 and regulations adopted and promulgated under this section. The  
14 committee shall be appointed by the Governor and shall have no  
15 more than fifteen members. Committee members shall include (a) high  
16 school teachers or advisors, (b) one high school student from each  
17 category of school listed in subsection (4) of this section, (c) a  
18 physician, (d) persons with advertising or broadcasting expertise,  
19 (e) tobacco control advocates, (f) public health representatives,  
20 and (g) business persons. Any vacancy on the committee shall  
21 be filled in the same manner as the initial appointment. The  
22 Department of Health and Human Services shall provide staff support  
23 for the committee. Committee members shall be reimbursed for their  
24 actual and necessary expenses as provided in sections 81-1174 to  
25 81-1177.



1           (3) On or before December 31 of each year prior to 2003,  
2 high school students who reside or attend school in Nebraska may  
3 submit project proposals to the committee. Each project proposal  
4 shall be designed and developed, by no more than four high school  
5 students, to be implemented statewide or in the school, community,  
6 or geographic area where such students reside or attend school.  
7 Project proposals may include programs, advertisement campaigns,  
8 small group projects, conferences, seminars, billboards, pamphlets,  
9 productions, television advertisements, radio advertisements,  
10 promotional ideas, or any other innovative concept the purpose of  
11 which is to help reduce, prevent, or stop teen smoking. The budget  
12 for each project proposal shall not exceed one hundred thousand  
13 dollars. The Department of Health and Human Services shall use all  
14 reasonable efforts to promote the program and shall provide at  
15 least one application to each high school in the state.

16           (4) By March 1 of each year prior to 2004, the committee  
17 shall select four winning project proposals from among those  
18 submitted: (a) One from a school with a membership of less than  
19 one hundred twenty-five students in grades nine through twelve, (b)  
20 one from a school with a membership of less than three hundred  
21 twenty but at least one hundred twenty-five students in grades  
22 nine through twelve, (c) one from a school with a membership of  
23 less than one thousand fifty but at least three hundred twenty  
24 students in grades nine through twelve, and (d) one from a school  
25 with a membership of one thousand fifty or more students in grades

1 nine through twelve. The designers of the winning project proposals  
2 shall each be awarded a five-thousand-dollar scholarship and shall  
3 oversee the implementation of such project proposals statewide or  
4 in their school, community, or geographic area. The sponsor of  
5 each winning project proposal shall also be awarded five thousand  
6 dollars. The Department of Health and Human Services shall oversee  
7 and administer the sponsorship awards provided in this section.

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

12 (6) The Coordinating Commission for Postsecondary  
13 Education shall oversee and administer the scholarships provided  
14 in this section. Scholarships may only be used by an eligible  
15 student for educational expenses at an eligible postsecondary  
16 educational institution as defined under the Nebraska Scholarship  
17 State Scholarship Award Program Act. The commission shall may adopt  
18 and promulgate rules and regulations as necessary to carry out the  
19 duties set forth in this subsection.

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

24 Sec. 51. Section 85-1412, Reissue Revised Statutes of  
25 Nebraska, is amended to read:

1           85-1412   The commission shall have the following  
2 additional powers and duties:

3           (1) Conduct surveys and studies as may be necessary to  
4 undertake the coordination function of the commission pursuant  
5 to section 85-1403 and request information from governing  
6 boards and appropriate administrators of public institutions and  
7 other governmental agencies for research projects. All public  
8 institutions and governmental agencies receiving state funds  
9 shall comply with reasonable requests for information under this  
10 subdivision. Public institutions may comply with such requests  
11 pursuant to section 85-1417;

12           (2) Recommend to the Legislature and the Governor  
13 legislation it deems necessary or appropriate to improve  
14 postsecondary education in Nebraska and any other legislation it  
15 deems appropriate to change the role and mission provisions in  
16 sections 85-917 to 85-966.01;

17           (3) Establish any advisory committees as may be necessary  
18 to undertake the coordination function of the commission pursuant  
19 to section 85-1403 or to solicit input from affected parties  
20 such as students, faculty, governing boards, administrators  
21 of the public institutions, administrators of the private  
22 nonprofit institutions of postsecondary education and proprietary  
23 institutions in the state, and community and business leaders  
24 regarding the coordination function of the commission;

25           (4) Participate in or designate an employee or employees

1 to participate in any committee which may be created to prepare  
2 a coordinated plan for the delivery of educational programs and  
3 services in Nebraska through the telecommunications system;

4 (5) Seek a close liaison with the State Board of  
5 Education and the State Department of Education in recognition  
6 of the need for close coordination of activities between elementary  
7 and secondary education and postsecondary education;

8 (6) Administer the Integrated Postsecondary Education  
9 Data System or other information system or systems to provide the  
10 commission with timely, comprehensive, and meaningful information  
11 pertinent to the exercise of its duties. The information system  
12 shall be designed to provide comparable data on each public  
13 institution. The commission shall also administer the uniform  
14 information system prescribed in sections 85-1421 to 85-1427 known  
15 as the Nebraska Educational Data System. Public institutions shall  
16 supply the appropriate data for the information system or systems  
17 required by the commission;

18 (7) Administer the Access College Early Scholarship  
19 Program Act, the Nebraska Scholarship Act, the State Scholarship  
20 Award Program Act, and the Scholarship Assistance Program Act; ~~and~~  
21 ~~the Nebraska Scholarship Act;~~

22 (8) Accept and administer loans, grants, and programs  
23 from the federal or state government and from other sources, public  
24 and private, for carrying out any of its functions, including  
25 the administration of privately endowed scholarship programs. Such

1 loans and grants shall not be expended for any other purposes than  
2 those for which the loans and grants were provided. The commission  
3 shall determine eligibility for such loans, grants, and programs,  
4 and such loans and grants shall not be expended unless approved by  
5 the Governor;

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

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

16 (11) Pursuant to sections 85-1105 to 85-1111, approve  
17 or disapprove petitions to establish new private colleges in this  
18 state;

19 (12) On or before December 1, 2000, and on or before  
20 December 1 every two years thereafter, submit to the Legislature  
21 and the Governor a report of its objectives and activities and  
22 any new private colleges in Nebraska and the implementation of any  
23 recommendations of the commission for the preceding two calendar  
24 years;

25 (13) Provide staff support for interstate compacts on

1 postsecondary education; and

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

4 Sec. 52. No new applications under the Nebraska  
5 Scholarship Act shall be accepted for academic years beginning on  
6 or after July 1, 2010.

7 Sec. 53. Fifty percent of the money in the Nebraska  
8 Scholarship Fund on the operative date of this section shall be  
9 transferred to the Nebraska State Scholarship Award Program Fund  
10 on such date, and fifty percent of the money in the Nebraska  
11 Scholarship Fund on the operative date of this section shall be  
12 transferred to the Scholarship Assistance Program Fund on such  
13 date.

14 Sec. 54. Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12,  
15 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29,  
16 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46,  
17 47, 48, 49, 50, 51, 53, 55, and 56 of this act become operative on  
18 July 1, 2010. The other sections of this act become operative on  
19 their effective date.

20 Sec. 55. Original sections 9-812, 9-836.01, 71-5715, and  
21 85-1412, Reissue Revised Statutes of Nebraska, are repealed.

22 Sec. 56. The following sections are outright repealed:  
23 Sections 85-1901, 85-1902, 85-1903, 85-1904, 85-1905, 85-1906,  
24 85-1907, 85-1908, 85-1909, 85-1910, 85-1911, 85-1912, 85-1913,  
25 85-1914, 85-1915, 85-1916, 85-1917, 85-1918, 85-1919, and 85-1920,

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1 Reissue Revised Statutes of Nebraska.