

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 956

Introduced by Adams, 24.

Read first time January 14, 2010

Committee: Education

A BILL

1 FOR AN ACT relating to the Nebraska Scholarship Act; to amend  
2 sections 9-836.01, 85-1901, 85-1902, 85-1903, 85-1907,  
3 85-1908, 85-1909, 85-1911, 85-1912, 85-1913, 85-1914,  
4 85-1915, 85-1917, 85-1918, 85-1919, and 85-1920, Reissue  
5 Revised Statutes of Nebraska, section 85-1412, Revised  
6 Statutes Supplement, 2009, and section 9-812, Revised  
7 Statutes Supplement, 2009, as amended by section 1,  
8 Legislative Bill 2, One Hundred First Legislature, First  
9 Special Session, 2009; to rename the act and a fund;  
10 to redefine terms; to change provisions relating to  
11 awards; to harmonize provisions; to provide an operative  
12 date; to repeal the original sections; and to declare an  
13 emergency.

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

1           Section 1. Section 9-812, Revised Statutes Supplement,  
2 2009, as amended by section 1, Legislative Bill 2, One Hundred  
3 First Legislature, First Special Session, 2009, is amended to read:

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

19           (2) Beginning October 1, 2003, a portion of the dollar  
20 amount of the lottery tickets which have been sold on an annualized  
21 basis shall be transferred from the State Lottery Operation Trust  
22 Fund to the Education Innovation Fund, the Nebraska ~~Scholarship~~  
23 Opportunity Grant Fund, the Nebraska Environmental Trust Fund, the  
24 Nebraska State Fair Board, and the Compulsive Gamblers Assistance  
25 Fund. The dollar amount transferred pursuant to this subsection

1 shall equal the greater of (a) the dollar amount transferred to the  
2 funds in fiscal year 2002-03 or (b) any amount which constitutes  
3 at least twenty-two percent and no more than twenty-five percent of  
4 the dollar amount of the lottery tickets which have been sold on  
5 an annualized basis. To the extent that funds are available, the  
6 Tax Commissioner and director may authorize a transfer exceeding  
7 twenty-five percent of the dollar amount of the lottery tickets  
8 sold on an annualized basis.

9 (3) Of the money available to be transferred to the  
10 Education Innovation Fund, the Nebraska ~~Scholarship~~ Opportunity  
11 Grant 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~~ Opportunity Grant  
24 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 year 2009-10, the Education Innovation  
8 Fund shall be allocated as follows: Any amounts transferred to the  
9 Education Innovation Fund from the School District Reorganization  
10 Fund shall be returned to the School District Reorganization Fund  
11 first, the next one million dollars shall be transferred to the  
12 Excellence in Teaching Cash Fund to fund the Excellence in Teaching  
13 Act, and the amount remaining in the Education Innovation Fund  
14 shall be allocated, after administrative expenses, for distance  
15 education equipment and incentives pursuant to sections 79-1336 and  
16 79-1337.

17 (g) For fiscal years 2010-11 through 2015-16, the  
18 Education Innovation Fund shall be allocated as follows: The first  
19 one million dollars shall be transferred to the Excellence in  
20 Teaching Cash Fund to fund the Excellence in Teaching Act, and  
21 the amount remaining in the Education Innovation Fund shall be  
22 allocated, after administrative expenses, for distance education  
23 equipment and incentives pursuant to sections 79-1336 and 79-1337.

24 (h) For fiscal year 2016-17 and each fiscal year  
25 thereafter, the Education Innovation Fund shall be allocated,

1 after administrative expenses, for education purposes as provided  
2 by the Legislature.

3 (i) The State Treasurer shall transfer ten million  
4 dollars from the Education Innovation Fund to the University  
5 Cash Fund on or before December 31, 2009, as directed by the  
6 budget administrator of the budget division of the Department of  
7 Administrative Services.

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

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

19 Sec. 2. Section 9-836.01, Reissue Revised Statutes of  
20 Nebraska, is amended to read:

21 9-836.01 The division may endorse and sell for profit  
22 tangible personal property related to the lottery. Any money  
23 received as profit by the division pursuant to this section shall  
24 be remitted to the State Treasurer for credit to the State Lottery  
25 Operation Trust Fund to be distributed to the Education Innovation

1 Fund, the Nebraska ~~Scholarship~~ Opportunity Grant Fund, the Nebraska  
2 Environmental Trust Fund, and the Compulsive Gamblers Assistance  
3 Fund pursuant to the requirements of section 9-812.

4 Sec. 3. Section 85-1412, Revised Statutes Supplement,  
5 2009, is amended to read:

6 85-1412 The commission shall have the following  
7 additional powers and duties:

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

17 (2) Recommend to the Legislature and the Governor  
18 legislation it deems necessary or appropriate to improve  
19 postsecondary education in Nebraska and any other legislation it  
20 deems appropriate to change the role and mission provisions in  
21 sections 85-917 to 85-966.01;

22 (3) Establish any advisory committees as may be necessary  
23 to undertake the coordination function of the commission pursuant  
24 to section 85-1403 or to solicit input from affected parties  
25 such as students, faculty, governing boards, administrators



1 of the public institutions, administrators of the private  
2 nonprofit institutions of postsecondary education and proprietary  
3 institutions in the state, and community and business leaders  
4 regarding the coordination function of the commission;

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

9 (5) Seek a close liaison with the State Board of  
10 Education and the State Department of Education in recognition  
11 of the need for close coordination of activities between elementary  
12 and secondary education and postsecondary education;

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

23 (7) Administer the Access College Early Scholarship  
24 Program Act and the Nebraska ~~Scholarship~~ Opportunity Grant Act;

25 (8) Accept and administer loans, grants, and programs

1 from the federal or state government and from other sources, public  
2 and private, for carrying out any of its functions, including  
3 the administration of privately endowed scholarship programs. Such  
4 loans and grants shall not be expended for any other purposes than  
5 those for which the loans and grants were provided. The commission  
6 shall determine eligibility for such loans, grants, and programs,  
7 and such loans and grants shall not be expended unless approved by  
8 the Governor;

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

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

19 (11) Pursuant to sections 85-1105 to 85-1111, approve  
20 or disapprove petitions to establish new private colleges in this  
21 state;

22 (12) On or before December 1, 2000, and on or before  
23 December 1 every two years thereafter, submit to the Legislature  
24 and the Governor a report of its objectives and activities and  
25 any new private colleges in Nebraska and the implementation of any

1 recommendations of the commission for the preceding two calendar  
2 years;

3 (13) Provide staff support for interstate compacts on  
4 postsecondary education;

5 (14) Request inclusion of the commission in any existing  
6 grant review process and information system; and

7 (15) Facilitate a study that explores the following  
8 issues related to the Nebraska community college system:

9 (a) The need for changes to the statutory role and  
10 mission of Nebraska community colleges;

11 (b) Changes in the weighting of courses that may be  
12 necessary for reimbursable educational units to properly reflect  
13 the role and mission of Nebraska community colleges and the cost of  
14 providing such courses;

15 (c) Powers, duties, and mission of the Nebraska Community  
16 College Association or its successor and whether membership in such  
17 an association should be required;

18 (d) Consequences for failing to satisfy current community  
19 college association membership requirements contained in section  
20 85-1502; and

21 (e) State coordination of community colleges in the  
22 absence of a community college association or membership therein.

23 The commission shall include and facilitate discussion  
24 among the state's community colleges in the completion of such  
25 study. Each community college shall participate in good faith with

1 the conduct of such study. The commission shall report its findings  
2 to the Legislature on or before December 15, 2009.

3 Sec. 4. Section 85-1901, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5 85-1901 Sections 85-1901 to 85-1920 shall be known and  
6 may be cited as the Nebraska ~~Scholarship~~ Opportunity Grant Act.

7 Sec. 5. Section 85-1902, Reissue Revised Statutes of  
8 Nebraska, is amended to read:

9 85-1902 For purposes of the Nebraska ~~Scholarship~~  
10 Opportunity Grant Act, the definitions found in sections 85-1903  
11 to 85-1910 apply.

12 Sec. 6. Section 85-1903, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14 85-1903 Award means a grant of money by the commission  
15 to an eligible student for educational expenses. Awards shall not  
16 exceed:

17 (1) For ~~the 2007-08~~ each award year except award years  
18 2008-09 and 2009-10, fifty percent of the tuition and mandatory  
19 fees for a full-time, resident, undergraduate student for the last  
20 completed award year at the University of Nebraska-Lincoln; and

21 (2) For ~~the 2008-09 award year and each award year~~  
22 thereafter, award years 2008-09 and 2009-10, twenty-five percent  
23 of the tuition and mandatory fees for a full-time, resident,  
24 undergraduate student for the last completed award year at the  
25 University of Nebraska-Lincoln.

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~~ Has applied for federal financial aid through  
8 the Free Application for Federal Student Aid for the applicable  
9 award year and either is eligible to receive a Federal Pell Grant  
10 from the United States Department of Education or has an expected  
11 family contribution for the applicable award year of no more than  
12 the qualifying maximum which will equal six thousand dollars for  
13 award year 2010-11 and will equal the prior year's qualifying  
14 maximum increased by two and one-half percent for each award year  
15 thereafter;

16                   (3) Is a resident student who is domiciled in Nebraska as  
17 provided by section 85-502; and

18                   (4) Complies with all other provisions of the Nebraska  
19 ~~Scholarship Opportunity Grant Act~~ and its rules and regulations.

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

22                   85-1908 Full-time student and full-time-equivalent  
23 student have the definitions found in rules and regulations adopted  
24 and promulgated pursuant to the Nebraska ~~Scholarship Opportunity~~  
25 Grant Act.

1           Sec. 9. Section 85-1909, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           85-1909 Tuition and mandatory fees means ~~+(1) For students~~  
4 ~~who received an award from the Postsecondary Education Award~~  
5 ~~Program Act, the Scholarship Assistance Program Act, or the State~~  
6 ~~Scholarship Award Program Act for the 2002-03 award year, the~~  
7 ~~student costs for tuition and mandatory fees for a full-time,~~  
8 ~~resident, undergraduate student for the last completed award year~~  
9 ~~at the eligible postsecondary educational institution, or (2) For~~  
10 ~~students who did not receive an award from the Postsecondary~~  
11 ~~Education Award Program Act, the Scholarship Assistance Program~~  
12 ~~Act, or the State Scholarship Award Program Act for the 2002-03~~  
13 ~~award year, the lesser of the student costs for tuition and~~  
14 ~~mandatory fees for a full-time, resident, undergraduate student~~  
15 ~~for the last completed award year at the eligible postsecondary~~  
16 ~~educational institution or the student costs for tuition~~  
17 ~~and mandatory fees for a full-time, resident, undergraduate~~  
18 ~~student for the last completed award year at the University of~~  
19 ~~Nebraska-Lincoln.~~

20           Sec. 10. Section 85-1911, Reissue Revised Statutes of  
21 Nebraska, is amended to read:

22           85-1911 The Nebraska Scholarship Opportunity Grant Act  
23 shall provide for awards made directly to eligible students based  
24 on financial need.

25           Sec. 11. Section 85-1912, Reissue Revised Statutes of

1 Nebraska, is amended to read:

2           85-1912 In order to reduce the costs of administering the  
3 Nebraska ~~Scholarship~~ Opportunity Grant Act, the commission shall  
4 identify a target level of funds to be distributed to students  
5 pursuant to the act at each eligible postsecondary educational  
6 institution. The target level of funds shall represent the maximum  
7 amount that may be awarded pursuant to the act to eligible students  
8 enrolled in such eligible postsecondary educational institution.  
9 ~~The~~ To determine the target level of funds for each eligible  
10 postsecondary educational institution, the commission shall: ~~shall~~  
11 ~~be determined as follows:~~

12           ~~(1) For award years prior to the 2006-07 award year for~~  
13 ~~eligible postsecondary educational institutions when the student~~  
14 ~~cost for tuition and mandatory fees for a full-time, resident,~~  
15 ~~undergraduate student for the last completed award year at the~~  
16 ~~eligible postsecondary educational institution was greater than~~  
17 ~~the student cost for tuition and mandatory fees for a full-time,~~  
18 ~~resident, undergraduate student for the last completed award year~~  
19 ~~at the University of Nebraska-Lincoln:~~

20           ~~(a) Determine the number of eligible full-time-equivalent~~  
21 ~~students enrolled at the eligible postsecondary educational~~  
22 ~~institution for the last completed award year;~~

23           ~~(b) Determine the number of eligible full-time-equivalent~~  
24 ~~students enrolled at the eligible postsecondary educational~~  
25 ~~institution for the last completed award year who received an award~~

1 pursuant to the Postsecondary Education Award Program Act, the  
2 Scholarship Assistance Program Act, or the State Scholarship Award  
3 Program Act for the 2002-03 award year;

4 (c) For the 2003-04 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 who  
7 received an award pursuant to the Postsecondary Education Award  
8 Program Act, the Scholarship Assistance Program Act, or the State  
9 Scholarship Award Program Act for both the 2002-03 award year and  
10 the 2001-02 award year at the eligible postsecondary educational  
11 institution divided by the number of eligible full-time-equivalent  
12 students who received an award pursuant to the Postsecondary  
13 Education Award Program Act, the Scholarship Assistance Program  
14 Act, or the State Scholarship Award Program Act for the 2001-02  
15 award year at the eligible postsecondary educational institution;

16 (d) For the 2004-05 award year, multiply the number  
17 determined in subdivision (1)(b) of this section by the ratio  
18 equal to the number of eligible full-time-equivalent students who  
19 received both an award pursuant to the Nebraska Scholarship Act for  
20 the 2003-04 award year and an award pursuant to the Postsecondary  
21 Education Award Program Act, the Scholarship Assistance Program  
22 Act, or the State Scholarship Award Program Act for the 2001-02  
23 award year at the eligible postsecondary educational institution  
24 divided by the number of eligible full-time-equivalent students who  
25 received an award pursuant to the Postsecondary Education Award



1 Program Act, the Scholarship Assistance Program Act, or the State  
2 Scholarship Award Program Act for both the 2002-03 award year and  
3 the 2001-02 award year at the eligible postsecondary educational  
4 institution;

5 (e) For the 2005-06 award year, multiply the number  
6 determined in subdivision (1)(b) of this section by the ratio  
7 equal to the number of eligible full-time-equivalent students who  
8 received both an award pursuant to the Nebraska Scholarship Act for  
9 the 2004-05 award year and an award pursuant to the Postsecondary  
10 Education Award Program Act, the Scholarship Assistance Program  
11 Act, or the State Scholarship Award Program Act for the 2001-02  
12 award year at the eligible postsecondary educational institution  
13 divided by the number of eligible full-time-equivalent students  
14 enrolled at the eligible postsecondary educational institution who  
15 received both an award pursuant to the Nebraska Scholarship Act for  
16 the 2003-04 award year and an award pursuant to the Postsecondary  
17 Education Award Program Act, the Scholarship Assistance Program  
18 Act, or the State Scholarship Award Program Act for the 2001-02  
19 award year at the eligible postsecondary educational institution;

20 (f) Multiply the difference of the number determined  
21 pursuant to subdivision (1)(a) of this section minus the number  
22 determined pursuant to subdivision (1)(c), (d), or (e) of this  
23 section by the tuition and mandatory fees determined pursuant to  
24 subdivision (2) of section 85-1909;

25 (g) Multiply the number determined pursuant to

1 ~~subdivision (1)(c), (d), or (e) of this section by the tuition and~~  
2 ~~mandatory fees determined pursuant to subdivision (1) of section~~  
3 ~~85-1909;~~

4 ~~(h) Divide the sum of the products derived pursuant to~~  
5 ~~subdivisions (1)(f) and (g) of this section for each eligible~~  
6 ~~postsecondary educational institution by the sum of the products~~  
7 ~~derived pursuant to subdivisions (1)(f) and (g) and (2)(b) of this~~  
8 ~~section for all eligible postsecondary educational institutions;~~  
9 ~~and~~

10 ~~(i) Multiply the total of federal and state funds~~  
11 ~~appropriated for purposes of distribution pursuant to the Nebraska~~  
12 ~~Scholarship Act by the ratio derived pursuant to subdivision (1)(h)~~  
13 ~~of this section; and~~

14 ~~(2) For award years prior to 2006-07 for eligible~~  
15 ~~postsecondary educational institutions when the student costs for~~  
16 ~~tuition and mandatory fees for a full-time, resident, undergraduate~~  
17 ~~student for the last completed award year at the eligible~~  
18 ~~postsecondary educational institution was less than or equal to~~  
19 ~~the student costs for tuition and mandatory fees for a full-time,~~  
20 ~~resident, undergraduate student for the last completed award year~~  
21 ~~at the University of Nebraska-Lincoln and for the 2006-07 award~~  
22 ~~year and each award year thereafter for all eligible postsecondary~~  
23 ~~educational institutions;~~

24 ~~(a) (1) Determine the number of eligible~~  
25 ~~full-time-equivalent students enrolled at the eligible~~

1 postsecondary educational institution for the last completed award  
2 year;

3 ~~(b)~~ (2) Multiply the number determined in subdivision  
4 ~~(2)(a)~~ (1) of this section by the tuition and mandatory fees as  
5 limited pursuant to subdivision (2) of section 85-1909;

6 ~~(e)~~ (3) Divide the product derived pursuant to  
7 subdivision ~~(2)(b)~~ (2) of this section for each eligible  
8 postsecondary educational institution by the sum of the products  
9 derived pursuant to ~~subdivisions (1)(f) and (g) and (2)(b)~~  
10 subdivision (2) of this section for all eligible postsecondary  
11 educational institutions; and

12 ~~(d)~~ (4) Multiply the total of federal and state funds  
13 appropriated for purposes of distribution pursuant to the act  
14 by the ratio derived pursuant to subdivision ~~(2)(e)~~ (3) of this  
15 section.

16 Sec. 12. Section 85-1913, Reissue Revised Statutes of  
17 Nebraska, is amended to read:

18 85-1913 Eligible postsecondary educational institutions,  
19 acting as agents of the commission, shall:

20 (1) Receive and process applications for awards under the  
21 Nebraska ~~Scholarship~~ Opportunity Grant Act;

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

24 (3) At any time prior to June 1 of each award year, make  
25 recommendations as often as necessary to the commission for awards

1 to eligible students, including the name of each eligible student,  
2 social security number of each eligible student, and recommended  
3 award amount for each eligible student.

4 Sec. 13. Section 85-1914, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 85-1914 (1) Within thirty days after receiving  
7 recommendations pursuant to section 85-1913, the commission shall  
8 review the recommended awards for compliance with the Nebraska  
9 ~~Scholarship~~ Opportunity Grant Act and its rules and regulations and  
10 notify each eligible postsecondary educational institution of the  
11 approval or disapproval of recommended awards.

12 (2) The commission shall distribute to each eligible  
13 postsecondary educational institution the total award amount  
14 approved for eligible students at such institution. The eligible  
15 postsecondary educational institution shall act as an agent of the  
16 commission to disburse the awards directly to eligible students  
17 during the award year.

18 Sec. 14. Section 85-1915, Reissue Revised Statutes of  
19 Nebraska, is amended to read:

20 85-1915 An award may be granted to an eligible student  
21 for attendance at an eligible postsecondary educational institution  
22 if:

23 (1) The eligible student is accepted for enrollment as  
24 follows:

25 (a) In the case of an eligible student beginning his

1 or her first year in attendance at an eligible postsecondary  
2 educational institution, such eligible student has satisfied  
3 requirements for admission and has enrolled or indicated an intent  
4 to enroll in an eligible postsecondary educational institution; or

5 (b) In the case of an eligible student enrolled in  
6 an eligible postsecondary educational institution following the  
7 successful completion of the student's first year in attendance,  
8 such eligible student continues to meet the requirements of the  
9 Nebraska ~~Scholarship~~ Opportunity Grant Act and has maintained  
10 the minimum standards of performance as required by the eligible  
11 postsecondary educational institution in which the eligible student  
12 is enrolled;

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

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

17 Sec. 15. Section 85-1917, Reissue Revised Statutes of  
18 Nebraska, is amended to read:

19 85-1917 (1) The commission shall:

20 (a) Supervise the issuance of public information  
21 concerning the Nebraska ~~Scholarship~~ Opportunity Grant Act; and

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

1           (2) The commission may adopt and promulgate rules  
2 and regulations necessary to carry out the act, including such  
3 rules and regulations for maintenance of fiscal controls and  
4 fund accounting procedures as may be necessary to assure proper  
5 disbursement of funds and to assure that the eligible postsecondary  
6 educational institutions, as agents of the commission, have  
7 complied with the act. Such rules and regulations shall be  
8 developed in cooperation with representatives of eligible  
9 postsecondary educational institutions and shall be designed, to  
10 the extent consistent with requirements of the act, to minimize  
11 the administrative burden on the eligible postsecondary educational  
12 institutions and the commission.

13           Sec. 16. Section 85-1918, Reissue Revised Statutes of  
14 Nebraska, is amended to read:

15           85-1918   Each eligible postsecondary educational  
16 institution shall file an annual report with the commission.  
17 The report shall document that students receiving awards under  
18 the Nebraska ~~Scholarship~~ Opportunity Grant Act have met the  
19 eligibility standards and requirements established in the act and  
20 rules and regulations. The report shall include an accounting  
21 of all state-funded or federally funded student financial aid  
22 awarded by the eligible postsecondary educational institution in  
23 the previous fiscal year. The report may include other data,  
24 including the unmet need as defined by the commission for all  
25 Federal-Pell-Grant-eligible students at each eligible postsecondary

1 educational institution.

2           Sec. 17. Section 85-1919, Reissue Revised Statutes of  
3 Nebraska, is amended to read:

4           85-1919 The Nebraska ~~Scholarship~~ Opportunity Grant Act  
5 does not grant any authority to the commission to (1) control or  
6 influence the policies of any eligible postsecondary educational  
7 institution because such institution accepts students who receive  
8 awards or (2) require any eligible postsecondary educational  
9 institution to enroll any student receiving an award or, once  
10 admitted, to continue in such institution any student receiving an  
11 award.

12           Sec. 18. Section 85-1920, Reissue Revised Statutes of  
13 Nebraska, is amended to read:

14           85-1920 The Nebraska ~~Scholarship~~ Opportunity Grant Fund  
15 is created. Money in the fund shall include amounts transferred  
16 from the State Lottery Operation Trust Fund pursuant to section  
17 9-812. ~~For fiscal years 2003-04 and 2004-05, two million dollars~~  
18 ~~shall be used to carry out the Nebraska Scholarship Act, and~~  
19 ~~the remainder accruing to the Nebraska Scholarship Fund shall be~~  
20 ~~transferred to the General Fund. For fiscal year 2005-06, two~~  
21 ~~million five hundred thousand dollars shall be used to carry out~~  
22 ~~the Nebraska Scholarship Act, and the remainder accruing to the~~  
23 ~~Nebraska Scholarship Fund shall be transferred to the General Fund.~~  
24 ~~For fiscal year 2006-07 and each fiscal year thereafter, all All~~  
25 ~~amounts accruing to the Nebraska Scholarship Opportunity Grant Fund~~

1 shall be used to carry out the Nebraska ~~Scholarship~~ Opportunity  
2 Grant Act. Any money in the fund available for investment shall be  
3 invested by the state investment officer pursuant to the Nebraska  
4 Capital Expansion Act and the Nebraska State Funds Investment Act.  
5 Any money in the Nebraska Scholarship Fund on the operative date of  
6 this section shall be transferred to the Nebraska Opportunity Grant  
7 Fund on such date.

8           Sec. 19. This act becomes operative on July 1, 2010.

9           Sec. 20. Original sections 9-836.01, 85-1901, 85-1902,  
10 85-1903, 85-1907, 85-1908, 85-1909, 85-1911, 85-1912, 85-1913,  
11 85-1914, 85-1915, 85-1917, 85-1918, 85-1919, and 85-1920, Reissue  
12 Revised Statutes of Nebraska, section 85-1412, Revised Statutes  
13 Supplement, 2009, and section 9-812, Revised Statutes Supplement,  
14 2009, as amended by section 1, Legislative Bill 2, One Hundred  
15 First Legislature, First Special Session, 2009, are repealed.

16           Sec. 21. Since an emergency exists, this act takes effect  
17 when passed and approved according to law.