

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT (CORRECTED)
LB1020

Hearing Date: Tuesday January 31, 2012
Committee On: Education
Introducer: Nordquist
One Liner: Adopt the Nebraska Coordinated School Health Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Avery, Cornett, Council, Haar, Howard, Seiler, Sullivan
Nay:	1	Senator Adams
Absent:		
Present Not Voting:		

Proponents:

Senator Jeremy Nordquist
Jan Thede
Lisa Johnson
Sharon Wade
Andrea Skolkin
Jeanee Weiss
Jay Sears
John Bonaiuto

Representing:

Introducer
Self
Ralston Public Schools
Omaha Public Schools
One World Community Health Centers
Building Bright Futures
Nebraska State Education Association
Nebraska Association of School Boards

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 1020 would create the Nebraska Coordinated School Health Act. The bill would create the Coordinated School Health Program for the purpose of awarding grants to school districts which: (a) seek funding to support the establishment of a school-based health center; (b) are able to demonstrate a relationship with a sponsoring facility; and (c) are able to demonstrate long-term financial sustainability of the school-based health center. At least ninety percent of the money available for distribution would be required to be awarded as grants, with preference given if (i) the school district is located in an area that has been designated as a health professional shortage area pursuant to section 71-5665 or federal law or as a medically underserved area or population pursuant to Nebraska or federal law, or (ii) the majority of the school district's students are eligible for free or reduced-price lunches. Up to ten percent of the money available could be used by the State Department of Education (Department) for administration purposes.

To be eligible for a grant, a school district would be required to provide fifty percent matching funds for the establishment of the school-based health center, which could be obtained from any source available to the school district, including in-kind contributions, community or foundation grants, individual contributions, and local governmental agency operating funds. Funds from a grant received under the program could only be used for capital construction and startup costs for school-based health centers and could not be used for ongoing operations, administration, or service delivery costs. School districts would be eligible for only one grant for the same school-based health center. School districts would be

eligible for grants for multiple school-based health centers but could only receive one such grant per fiscal year.

The Department would be required to establish an application process for the program. The Department would be required to provide potential applicants with: (a) the application procedures and deadlines; (b) required information; (c) criteria for selection and evaluation of applications; (d) criteria for determining the amount and duration of the grants; (e) reporting requirements for grant recipients; and (f) any other information the Department deems necessary. Grant recipients would be required to submit a report to the Department upon completion of the project for which the grant was awarded summarizing the use of the grant money in accordance with the reporting requirements established by the Department.

School districts would be required to repay grants received under the program if the facility purchased, constructed, or remodeled with such grant funding is used for purposes other than those stated to qualify for the grant. Interest on the grant amount would accrue at the rate specified in section 45-104.02 (currently 5% per year) from the date that the Department determines that the facility was last used as a school-based health center, or the date that the Department determines that the facility will not be used as a school-based health center or that such facility will not be purchased, constructed, or remodeled for such purpose. Interest would continue to accrue on outstanding balances until repayment is complete. The Department would be required to determine any remaining terms of repayment.

The Department would have authority to promulgate rules and regulations to carry out the act.

The bill would create the Nebraska Coordinated School Health Fund, which would be under the control of the Department and used to finance the program. The fund would consist of transfers authorized by the Legislature and any additional public or private funds. The bill would require the State Treasurer, on July 1, 2012, and on July 1 of each subsequent fiscal year, or the first working day thereafter, to transfer \$200,000 from the Education Innovation Fund to the Nebraska Coordinated School Health Fund. Any money in the fund available for investment would be invested by the State Investment Officer pursuant to the Capital Expansion Act and the Nebraska State Funds Investment Act. Interest earned from any such investment would be credited to the fund. All unspent money in the fund at the end of the fiscal year would remain in the fund to be used in awarding grants in subsequent fiscal year.

Section 9-812 would be amended to provide for annual transfers from the Education Innovation Fund to the Nebraska Coordinated School Health Fund of (i) \$200,000 for fiscal years 2012-13 through 2015-16 and (ii) \$250,000 for fiscal year 2016-17 and each fiscal year thereafter. For the 2012-13 fiscal year, the transfer to the Nebraska Coordinated School Health Fund would be the tenth project designated to receive funds, trailing all other uses except distance education equipment and incentives. For fiscal year 2013-14 through 2015-16, the transfer to the Nebraska Coordinated School Health Fund would rise to the second project designated to receive funding, trailing only funding for the Excellence in Teaching Act. The transfer to the Nebraska Coordinated School Health Fund would be the first project designated to receive funding for fiscal year 2016-17 and subsequent fiscal years, though the remaining allocation of the fund for such fiscal years is not specified.

Section 9-836.01 would be amended to include the Nebraska Coordinated School Health Fund among the funds which receive distributions from the State Lottery Operation Trust Fund.

The bill contains the emergency clause.

Explanation of amendments:

The committee amendment would terminate the Nebraska Coordinated School Health Act on June 30, 2014. The amendment would provide for transfers of \$100,000 from both the Education Innovation Fund and the General Fund to the Nebraska Coordinated School Health Fund on July 1, 2012 and July 1, 2013. The bill originally provided for annual transfers from the Education Innovation Fund to the Nebraska Coordinated School Health Fund of \$200,000 for fiscal years 2012-13 through 2015-16 and \$250,000 for fiscal year 2016-17 and each fiscal year thereafter. The amendment would provide that any money remaining from the transfers from the Education Innovation Fund at the end of fiscal year 2013-14 would revert to the Education Innovation Fund.

Greg Adams, Chairperson