

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1020

Final Reading

Introduced by Nordquist, 7; Ashford, 20; Campbell, 25; Council, 11;
Howard, 9; Mello, 5.

Read first time January 17, 2012

Committee: Education

A BILL

1 FOR AN ACT relating to public health and welfare; to amend section
2 9-836.01, Revised Statutes Cumulative Supplement, 2010,
3 and section 9-812, Revised Statutes Supplement, 2011; to
4 adopt the Nebraska Coordinated School Health Act; to
5 change allocation provisions relating to the Education
6 Innovation Fund; to harmonize provisions; to repeal the
7 original sections; and to declare an emergency.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 7 of this act shall be known and
2 may be cited as the Nebraska Coordinated School Health Act.

3 Sec. 2. (1) The Nebraska Coordinated School Health Fund
4 is created. The fund shall be under the control of and administered
5 by the State Department of Education. The fund shall be used for
6 administration of and competitive grants pursuant to the Coordinated
7 School Health Program under section 3 of this act. The fund shall
8 consist of transfers authorized by the Legislature and any additional
9 public or private funds. Any money in the fund available for
10 investment shall be invested by the state investment officer pursuant
11 to the Nebraska Capital Expansion Act and the Nebraska State Funds
12 Investment Act. Interest earned shall be credited back to the
13 Nebraska Coordinated School Health Fund.

14 (2) On July 1, 2012, and July 1, 2013, or the first
15 working day thereafter, the State Treasurer shall transfer one
16 hundred thousand dollars from the Education Innovation Fund to the
17 Nebraska Coordinated School Health Fund. Any unspent money from the
18 transfer under this subsection remaining in the Nebraska Coordinated
19 School Health Fund at the end of FY2013-14 shall revert to the
20 Education Innovation Fund.

21 (3) It is the intent of the Legislature to appropriate
22 \$100,000 from the General Fund for FY2012-13 and \$100,000 from the
23 General Fund for FY2013-14 to the State Department of Education to
24 carry out the provisions of the Nebraska Coordinated School Health
25 Act.

1 Sec. 3. (1) The State Department of Education shall award
2 competitive grants under the Coordinated School Health Program from
3 the Nebraska Coordinated School Health Fund as provided in this
4 section. Any school district shall be eligible for a competitive
5 grant under the Coordinated School Health Program if such school
6 district applies for the grant and:

7 (a) Is seeking funding to support the establishment of a
8 school-based health center as defined in section 68-907;

9 (b) Is able to demonstrate a relationship with a
10 sponsoring facility as defined in section 68-907; and

11 (c) Is able to demonstrate long-term financial
12 sustainability of the school-based health center.

13 (2) The department shall consider the following when
14 selecting the recipients of competitive grants under the Coordinated
15 School Health Program:

16 (a) Location in an area that has been designated as a
17 health profession shortage area pursuant to section 71-5665 or
18 federal law or as a medically underserved area or population pursuant
19 to Nebraska or federal law; or

20 (b) The majority of the district's students are eligible
21 for free or reduced-price lunches.

22 (3) The department shall award competitive grants up to
23 the amount credited to the fund as follows:

24 (a) Not less than ninety percent of the money in the fund
25 shall be awarded as competitive grants to school districts in a

1 manner to be determined by the department; and

2 (b) Up to ten percent of the fund may be used by the
3 department to administer the Coordinated School Health Program.

4 (4) To be eligible to receive a competitive grant under
5 the program, a school district shall provide fifty percent matching
6 funds for the establishment of the school-based health center. The
7 funds may be obtained from any source available to the school
8 district, including in-kind contributions, community or foundation
9 grants, individual contributions, and local governmental agency
10 operating funds.

11 (5) Funds from a competitive grant received under the
12 program may only be used for capital construction and startup costs
13 for school-based health centers and may not be used for ongoing
14 operations, administration, or service delivery costs.

15 (6) A school district is not eligible to receive a
16 competitive grant under the program more than once for the same
17 school-based health center. A district may apply for and receive a
18 competitive grant for multiple school-based health centers within the
19 same district but may receive only one such grant in any fiscal year.

20 Sec. 4. (1) The State Department of Education shall
21 select the recipients of competitive grants under the Coordinated
22 School Health Program.

23 (2) The department shall establish an application process
24 for competitive grants under the Coordinated School Health Program
25 and shall provide the following information to potential applicants:

- 1 (a) Application procedures and deadlines;
2 (b) Required information;
3 (c) Criteria for selection and evaluation of
4 applications;
5 (d) Criteria for determining the amount and duration of
6 the grants;
7 (e) Reporting requirements for grant recipients; and
8 (f) Any other information the department deems necessary.
9 (3) Grant recipients shall submit a report to the
10 department upon completion of the project for which the grant is
11 awarded, summarizing the use of the grant money according to the
12 requirements established by the department under subdivision (2)(e)
13 of this section.

14 Sec. 5. If, within the five years following receipt of a
15 grant for a school-based health center project pursuant to the
16 Nebraska Coordinated School Health Act, a school district receiving
17 such grant uses the facility purchased, constructed, or remodeled
18 with grant funds for purposes other than those stated to qualify for
19 the grant, the school district shall repay the grant to the Education
20 Innovation Fund with interest at the rate prescribed in section
21 45-104.02 accruing from the last date the facility was used as a
22 school-based health center as determined by the State Department of
23 Education or the date that the department determines that the
24 facility will not be used as a school-based health center or that
25 such facility will not be purchased, constructed, or remodeled for

1 such purpose. Interest shall continue to accrue on outstanding
2 balances until the repayment has been completed. The remaining terms
3 of repayment shall be determined by the department.

4 Sec. 6. The State Department of Education may adopt and
5 promulgate rules and regulations to carry out the Nebraska
6 Coordinated School Health Act.

7 Sec. 7. The Nebraska Coordinated School Health Act
8 terminates on June 30, 2014.

9 Sec. 8. Section 9-812, Revised Statutes Supplement, 2011,
10 is amended to read:

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

25 (2) Beginning October 1, 2003, a portion of the dollar

1 amount of the lottery tickets which have been sold on an annualized
2 basis shall be transferred from the State Lottery Operation Trust
3 Fund to the Education Innovation Fund, the Nebraska Opportunity Grant
4 Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair
5 Board, and the Compulsive Gamblers Assistance Fund. The dollar amount
6 transferred pursuant to this subsection shall equal the greater of
7 (a) the dollar amount transferred to the funds in fiscal year 2002-03
8 or (b) any amount which constitutes at least twenty-two percent and
9 no more than twenty-five percent of the dollar amount of the lottery
10 tickets which have been sold on an annualized basis. To the extent
11 that funds are available, the Tax Commissioner and director may
12 authorize a transfer exceeding twenty-five percent of the dollar
13 amount of the lottery tickets sold on an annualized basis.

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

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

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

25 (c) Twenty-four and three-fourths percent of the money

1 remaining after the payment of prizes and operating expenses and the
2 initial transfer to the Compulsive Gamblers Assistance Fund shall be
3 transferred to the Nebraska Opportunity Grant Fund;

4 (d) Forty-four and one-half percent of the money
5 remaining after the payment of prizes and operating expenses and the
6 initial transfer to the Compulsive Gamblers Assistance Fund shall be
7 transferred to the Nebraska Environmental Trust Fund to be used as
8 provided in the Nebraska Environmental Trust Act;

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

21 (f) One percent of the money remaining after the payment
22 of prizes and operating expenses and the initial transfer to the
23 Compulsive Gamblers Assistance Fund shall be transferred to the
24 Compulsive Gamblers Assistance Fund to be used as provided in section
25 71-817.

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

4 (b) For fiscal year 2010-11, the Education Innovation
5 Fund shall be allocated as follows: The first one million dollars
6 shall be transferred to the Excellence in Teaching Cash Fund to fund
7 the Excellence in Teaching Act, and the amount remaining in the
8 Education Innovation Fund shall be allocated, after administrative
9 expenses, for distance education equipment and incentives pursuant to
10 sections 79-1336 and 79-1337.

11 (c) For fiscal year 2011-12, the Education Innovation
12 Fund shall be allocated as follows: (i) The first two hundred twenty-
13 five thousand dollars shall be transferred to the Excellence in
14 Teaching Cash Fund to fund the Attracting Excellence to Teaching
15 Program; (ii) the next three million three hundred sixty-five
16 thousand nine hundred sixty-two dollars shall be distributed to
17 school districts as grants pursuant to the Early Childhood Education
18 Grant Program; (iii) the next two million one hundred seventy-five
19 thousand six hundred seventy-three dollars shall be distributed to
20 local systems as grants for approved accelerated or differentiated
21 curriculum programs for students identified as learners with high
22 ability pursuant to section 79-1108.02; (iv) the next four hundred
23 ninety-one thousand five hundred forty-one dollars shall be used by
24 the State Department of Education for the development of an
25 integrated early childhood, elementary, secondary, and postsecondary

1 student information system; (v) the next four hundred fifty thousand
2 dollars shall fund the Center for Student Leadership and Extended
3 Learning Act; (vi) the next one hundred fourteen thousand six hundred
4 twenty-nine dollars shall fund the multicultural education program
5 created under section 79-720; (vii) the next one hundred twenty-three
6 thousand four hundred sixty-eight dollars shall be used by the
7 department to employ persons to investigate and prosecute alleged
8 violations as provided in section 79-868; (viii) up to the next one
9 hundred sixty thousand dollars shall be used by the department to
10 implement section 79-759; and (ix) the amount remaining shall be
11 allocated, after administrative expenses, for distance education
12 equipment and incentives pursuant to sections 79-1336 and 79-1337.

13 (d) For fiscal year 2012-13, the Education Innovation
14 Fund shall be allocated as follows: (i) The first forty-five thousand
15 dollars shall be transferred to the Excellence in Teaching Cash Fund
16 to fund the Attracting Excellence to Teaching Program; (ii) the next
17 three million three hundred sixty-five thousand nine hundred sixty-
18 two dollars shall be distributed to school districts as grants
19 pursuant to the Early Childhood Education Grant Program; (iii) the
20 next two million one hundred seventy-five thousand six hundred
21 seventy-three dollars shall be distributed to local systems as grants
22 for approved accelerated or differentiated curriculum programs for
23 students identified as learners with high ability pursuant to section
24 79-1108.02; (iv) the next one hundred eight thousand one hundred
25 thirty-six dollars shall be used by the department for the

1 development of an integrated early childhood, elementary, secondary,
2 and postsecondary student information system; (v) the next four
3 hundred fifty thousand dollars shall fund the Center for Student
4 Leadership and Extended Learning Act; (vi) the next one hundred
5 fourteen thousand six hundred twenty-nine dollars shall be used by
6 the department to fund the multicultural education program created
7 under section 79-720; (vii) the next one hundred twenty-three
8 thousand four hundred sixty-eight dollars shall be used by the
9 department to employ persons to investigate and prosecute alleged
10 violations as provided in section 79-868; (viii) up to the next one
11 hundred sixty thousand dollars shall be used by the department to
12 implement section 79-759; (ix) the next twenty-seven thousand two
13 hundred dollars shall be used to fund the Interstate Compact on
14 Educational Opportunity for Military Children; ~~and~~ (x) the next one
15 hundred thousand dollars shall be transferred to the Nebraska
16 Coordinated School Health Fund pursuant to section 2 of this act; and
17 (xi) the amount remaining shall be allocated, after administrative
18 expenses, for distance education equipment and incentives pursuant to
19 sections 79-1336 and 79-1337.

20 (e) For fiscal year 2013-14, the Education Innovation
21 Fund shall be allocated as follows: (i) The first one million dollars
22 shall be transferred to the Excellence in Teaching Cash Fund to fund
23 the Excellence in Teaching Act; (ii) the next one hundred thousand
24 dollars shall be transferred to the Nebraska Coordinated School
25 Health Fund pursuant to section 2 of this act; (iii) the next

1 allocation shall be distributed to local systems as grants for
2 approved accelerated or differentiated curriculum programs for
3 students identified as learners with high ability pursuant to section
4 79-1108.02 in an aggregated amount up to the amount distributed in
5 the prior fiscal year for such purposes increased by the basic
6 allowable growth rate pursuant to section 79-1025; ~~(iii)~~ (iv) the
7 next allocation shall be used by the State Department of Education
8 for the integrated early childhood, elementary, secondary, and
9 postsecondary student information system in an aggregated amount up
10 to the amount used in the prior fiscal year for such purposes
11 increased by the basic allowable growth rate pursuant to section
12 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for
13 Student Leadership and Extended Learning Act in an aggregated amount
14 up to the amount used in the prior fiscal year for such purposes
15 increased by the basic allowable growth rate pursuant to section
16 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department
17 to fund the multicultural education program created under section
18 79-720 in an aggregated amount up to the amount used in the prior
19 fiscal year for such purposes increased by the basic allowable growth
20 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation
21 shall be used by the department to employ persons to investigate and
22 prosecute alleged violations as provided in section 79-868 in an
23 aggregated amount up to the amount used in the prior fiscal year for
24 such purposes increased by the basic allowable growth rate pursuant
25 to section 79-1025; ~~(vii)~~ (viii) up to the next one hundred sixty

1 thousand dollars shall be used by the department to implement section
2 79-759; and ~~(viii)~~ (ix) the amount remaining shall be allocated,
3 after administrative expenses, for distance education equipment and
4 incentives pursuant to sections 79-1336 and 79-1337.

5 (f) For fiscal years 2014-15 and 2015-16, the Education
6 Innovation Fund shall be allocated as follows: (i) The first one
7 million dollars shall be transferred to the Excellence in Teaching
8 Cash Fund to fund the Excellence in Teaching Act; (ii) the next
9 allocation shall be distributed to local systems as grants for
10 approved accelerated or differentiated curriculum programs for
11 students identified as learners with high ability pursuant to section
12 79-1108.02 in an aggregated amount up to the amount distributed in
13 the prior fiscal year for such purposes increased by the basic
14 allowable growth rate pursuant to section 79-1025; (iii) the next
15 allocation shall be used by the State Department of Education for the
16 integrated early childhood, elementary, secondary, and postsecondary
17 student information system in an aggregated amount up to the amount
18 used in the prior fiscal year for such purposes increased by the
19 basic allowable growth rate pursuant to section 79-1025; (iv) the
20 next allocation shall fund the Center for Student Leadership and
21 Extended Learning Act in an aggregated amount up to the amount used
22 in the prior fiscal year for such purposes increased by the basic
23 allowable growth rate pursuant to section 79-1025; (v) the next
24 allocation shall be used by the department to fund the multicultural
25 education program created under section 79-720 in an aggregated

1 amount up to the amount used in the prior fiscal year for such
2 purposes increased by the basic allowable growth rate pursuant to
3 section 79-1025; (vi) the next allocation shall be used by the
4 department to employ persons to investigate and prosecute alleged
5 violations as provided in section 79-868 in an aggregated amount up
6 to the amount used in the prior fiscal year for such purposes
7 increased by the basic allowable growth rate pursuant to section
8 79-1025; and (vii) the amount remaining shall be allocated, after
9 administrative expenses, for distance education equipment and
10 incentives pursuant to sections 79-1336 and 79-1337.

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

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

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

25 Sec. 9. Section 9-836.01, Revised Statutes Cumulative

1 Supplement, 2010, is amended to read:

2 9-836.01 The division may endorse and sell for profit
3 tangible personal property related to the lottery. Any money received
4 as profit by the division pursuant to this section shall be remitted
5 to the State Treasurer for credit to the State Lottery Operation
6 Trust Fund to be distributed to the Education Innovation Fund, the
7 Nebraska Opportunity Grant Fund, the Nebraska Environmental Trust
8 Fund, ~~and the Compulsive Gamblers Assistance Fund,~~ and the Nebraska
9 Coordinated School Health Fund pursuant to the requirements of
10 section 9-812.

11 Sec. 10. Original section 9-836.01, Revised Statutes
12 Cumulative Supplement, 2010, and section 9-812, Revised Statutes
13 Supplement, 2011, are repealed.

14 Sec. 11. Since an emergency exists, this act takes effect
15 when passed and approved according to law.