

AMENDMENTS TO LB528

(Amendments to Standing Committee amendments, AM556)

Introduced by Walz, 15.

1 1. Insert the following new sections:

2 Sec. 2. Section 9-812, Revised Statutes Cumulative Supplement, 2020,
3 is amended to read:

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

17 (2) A portion of the dollar amount of the lottery tickets which have
18 been sold on an annualized basis shall be transferred from the State
19 Lottery Operation Trust Fund to the Education Innovation Fund, the
20 Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,
21 the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and
22 the Compulsive Gamblers Assistance Fund as provided in subsection (3) of
23 this section. The dollar amount transferred pursuant to this subsection
24 shall equal the greater of (a) the dollar amount transferred to the funds
25 in fiscal year 2002-03 or (b) any amount which constitutes at least
26 twenty-two percent and no more than twenty-five percent of the dollar

1 amount of the lottery tickets which have been sold on an annualized
2 basis. To the extent that funds are available, the Tax Commissioner and
3 director may authorize a transfer exceeding twenty-five percent of the
4 dollar amount of the lottery tickets sold on an annualized basis.

5 (3) Of the money available to be transferred to the Education
6 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska
7 Education Improvement Fund, the Nebraska Environmental Trust Fund, the
8 Nebraska State Fair Board, and the Compulsive Gamblers Assistance Fund:

9 (a) The first five hundred thousand dollars shall be transferred to
10 the Compulsive Gamblers Assistance Fund to be used as provided in section
11 9-1006;

12 (b) Beginning July 1, 2016, forty-four and one-half percent of the
13 money remaining after the payment of prizes and operating expenses and
14 the initial transfer to the Compulsive Gamblers Assistance Fund shall be
15 transferred to the Nebraska Education Improvement Fund;

16 (c) Forty-four and one-half percent of the money remaining after the
17 payment of prizes and operating expenses and the initial transfer to the
18 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska
19 Environmental Trust Fund to be used as provided in the Nebraska
20 Environmental Trust Act;

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

1 Fund; and

2 (e) One percent of the money remaining after the payment of prizes
3 and operating expenses and the initial transfer to the Compulsive
4 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers
5 Assistance Fund to be used as provided in section 9-1006.

6 (4) The Nebraska Education Improvement Fund is created. The fund
7 shall consist of money transferred pursuant to subsection (3) of this
8 section, money transferred pursuant to section 85-1920, and any other
9 funds appropriated by the Legislature. The fund shall be allocated, after
10 actual and necessary administrative expenses, as provided in this section
11 for fiscal years 2016-17 through 2023-24 ~~2020-21~~. A portion of each
12 allocation may be retained by the agency to which the allocation is made
13 or the agency administering the fund to which the allocation is made for
14 actual and necessary expenses incurred by such agency for administration,
15 evaluation, and technical assistance related to the purposes of the
16 allocation, except that no amount of the allocation to the Nebraska
17 Opportunity Grant Fund may be used for such purposes. On or before
18 December 31, 2022 ~~2019~~, the Education Committee of the Legislature shall
19 electronically submit recommendations to the Clerk of the Legislature
20 regarding how the fund should be allocated to best advance the
21 educational priorities of the state for the five-year period beginning
22 with fiscal year 2024-25 ~~2021-22~~. For fiscal year 2016-17, an amount
23 equal to ten percent of the revenue allocated to the Education Innovation
24 Fund and to the Nebraska Opportunity Grant Fund for fiscal year 2015-16
25 shall be retained in the Nebraska Education Improvement Fund. For fiscal
26 years 2017-18 through 2023-24 ~~2020-21~~, an amount equal to ten percent of
27 the revenue received by the Nebraska Education Improvement Fund in the
28 prior fiscal year shall be retained in the fund at all times plus any
29 interest earned during the current fiscal year. For fiscal years 2016-17
30 through 2023-24 ~~2020-21~~, the remainder of the fund, ~~after payment of any~~
31 ~~learning community transition aid pursuant to section 79-10,145,~~ shall be

1 allocated as follows:

2 (a) One percent of the allocated funds to the Expanded Learning
3 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
4 Grant Program Act;

5 (b) Seventeen percent of the allocated funds to the Department of
6 Education Innovative Grant Fund to be used ~~(i)~~ for competitive innovation
7 grants pursuant to section 79-1054 ~~and (ii) to carry out the purposes of~~
8 ~~section 79-759;~~

9 (c) Nine percent of the allocated funds to the Community College Gap
10 Assistance Program Fund to carry out the community college gap assistance
11 program;

12 (d) Eight percent of the allocated funds to the Excellence in
13 Teaching Cash Fund to carry out the Excellence in Teaching Act;

14 (e) Sixty-two percent of the allocated funds to the Nebraska
15 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in
16 conjunction with appropriations from the General Fund; and

17 (f) Three percent of the allocated funds to fund distance education
18 incentives pursuant to section 79-1337.

19 (5)(a) On or before September 20, 2022, and on or before each
20 September 20 thereafter, (i) any department or agency receiving a
21 transfer or acting as the administrator for a fund receiving a transfer
22 pursuant to subsection (4) of this section, (ii) any recipient or
23 subsequent recipient of money from any such fund, and (iii) any service
24 contractor responsible for managing any portion of any such fund or any
25 money disbursed from any such fund on behalf of any entity shall prepare
26 and submit an annual report to the Auditor of Public Accounts in a manner
27 prescribed by the auditor for the immediately preceding July 1 through
28 June 30 fiscal year detailing information regarding the use of such fund
29 or such money.

30 (b) The Auditor of Public Accounts shall annually compile a summary
31 of the annual reports received pursuant to subdivision (5)(a) of this

1 section, any audits related to transfers pursuant to subsection (4) of
2 this section conducted by the Auditor of Public Accounts, and any
3 findings or recommendations related to such transfers into a consolidated
4 annual report and shall submit such consolidated annual report
5 electronically to the Legislature on or before January 1, 2023, and on or
6 before each January 1 thereafter.

7 (c) For purposes of this subsection, recipient, subsequent
8 recipient, or service contractor means a nonprofit entity that expends
9 funds transferred pursuant to subsection (4) of this section to carry out
10 a state program or function, but does not include an individual who is a
11 direct beneficiary of such a program or function.

12 (6) (5) Any money in the State Lottery Operation Trust Fund, the
13 State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or
14 the Nebraska Education Improvement Fund, ~~or the Education Innovation Fund~~
15 available for investment shall be invested by the state investment
16 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
17 State Funds Investment Act.

18 (7) (6) Unclaimed prize money on a winning lottery ticket shall be
19 retained for a period of time prescribed by rules and regulations. If no
20 claim is made within such period, the prize money shall be used at the
21 discretion of the Tax Commissioner for any of the purposes prescribed in
22 this section.

23 Sec. 3. Section 9-836.01, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 9-836.01 The division may endorse and sell for profit tangible
26 personal property related to the lottery. Any money received as profit by
27 the division pursuant to this section shall be remitted to the State
28 Treasurer for credit to the State Lottery Operation Trust Fund to be
29 distributed to ~~the Education Innovation Fund,~~ the Nebraska Opportunity
30 Grant Fund, the Nebraska Education Improvement Fund, the Nebraska
31 Environmental Trust Fund, and the Compulsive Gamblers Assistance Fund

1 pursuant to the requirements of section 9-812.

2 Sec. 28. Section 79-759, Revised Statutes Cumulative Supplement,
3 2020, is amended to read:

4 79-759 No later than the 2017-18 school year, the State Department
5 of Education shall administer a standard college admission test, selected
6 by the State Board of Education, to students in the eleventh grade
7 attending a public school in the state in lieu of the assessment for the
8 one grade in high school as required under section 79-760.03. The
9 department shall pay the expenses of administering such college admission
10 test ~~and may use funds from the Nebraska Education Improvement Fund as~~
11 ~~provided in section 9-812.~~

12 Sec. 34. Section 79-8,137.05, Revised Statutes Cumulative
13 Supplement, 2020, is amended to read:

14 79-8,137.05 (1) The Excellence in Teaching Cash Fund is created. The
15 fund shall consist of appropriations by the Legislature, transfers
16 pursuant to section 9-812, and loan repayments, penalties, and interest
17 payments received in the course of administering the Attracting
18 Excellence to Teaching Program and the Enhancing Excellence in Teaching
19 Program.

20 (2) For all fiscal years, the department shall allocate on an annual
21 basis up to four hundred thousand dollars in the aggregate of the funds
22 to be distributed for the Attracting Excellence to Teaching Program to
23 all eligible institutions according to the distribution formula as
24 determined by rule and regulation. The eligible institutions shall act as
25 agents of the department in the distribution of the funds for the
26 Attracting Excellence to Teaching Program to eligible students. The
27 department shall allocate on an annual basis up to eight hundred thousand
28 dollars of the remaining available funds to be distributed to eligible
29 students for the Enhancing Excellence in Teaching Program. Funding
30 amounts granted in excess of one million two hundred thousand dollars
31 shall be evenly divided for distribution between the two programs.

1 ~~(3) Any money remaining in the fund on August 1, 2021, shall be~~
2 ~~transferred to the Nebraska Education Improvement Fund on such date.~~

3 (3) ~~(4)~~ Any money in the Excellence in Teaching Cash Fund available
4 for investment shall be invested by the state investment officer pursuant
5 to the Nebraska Capital Expansion Act and the Nebraska State Funds
6 Investment Act.

7 Sec. 42. Section 79-1201.01, Reissue Revised Statutes of Nebraska,
8 is amended to read:

9 79-1201.01 For purposes of the Educational Service Units Act and
10 section ~~sections 79-1336 and 79-1337~~:

11 (1) Distance education course means a course with at least one
12 student in any of grades kindergarten through twelve who is in a
13 different location than the teacher and taught by a teacher employed by
14 an educational entity utilizing either two-way interactive video or the
15 Internet without two-way interactive video. Distance education course
16 includes a dual-enrollment course with at least one student who is in a
17 different location than the teacher and taught by a teacher employed by
18 an educational entity utilizing either two-way interactive video or the
19 Internet without two-way interactive video;

20 (2) Dual-enrollment course means a course taught to students for
21 credit at both a high school and a postsecondary educational institution;

22 (3) Educational entity means a school district, a private,
23 denominational, or parochial school, an educational service unit, a
24 community college, a state college, the University of Nebraska, or a
25 nonprofit private postsecondary educational institution;

26 (4) Elementary distance education course means a distance education
27 course which is delivered utilizing two-way interactive video to students
28 who are enrolled in any of grades kindergarten through eight;

29 (5) Network Nebraska means the network created pursuant to section
30 86-5,100;

31 (6) Qualified distance education course means a distance education

1 course which meets any applicable rules and regulations of the State
2 Department of Education, is offered for one semester of high school
3 credit or the equivalent, and for which all of the participating
4 educational entities are required to have access to Network Nebraska;

5 (7) Technical training means training to equip educators with
6 knowledge about the skills and tools necessary to infuse technological
7 resources and software applications into the curriculum to be used in
8 classrooms with and by students and includes, but is not limited to,
9 computer workstation troubleshooting, distance education, educational
10 software, Internet resources, local area network management, multimedia
11 presentation tools, and strategic planning;

12 (8) Technology includes technical training and technology
13 infrastructure;

14 (9) Technology infrastructure means hardware-related items necessary
15 for schools to interact electronically throughout the state, including,
16 but not limited to, physical connections, wiring, servers, routers,
17 switches, domain name service, and operating systems and human resources
18 necessary to maintain infrastructure, including, but not limited to,
19 systems engineers, programmers, webmasters, and help desk staff; and

20 (10) Two-way interactive video distance education course means a
21 distance education course in which a teacher delivers instruction to
22 students in a different location than the teacher using two-way
23 interactive video on at least two different days per week during the
24 course.

25 Sec. 44. Section 79-1337, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1337 (1) For fiscal years 2007-08 through 2023-24 ~~2020-21~~, the
28 State Department of Education shall provide distance education incentives
29 to school districts and educational service units for qualified distance
30 education courses coordinated through the Educational Service Unit
31 Coordinating Council as provided in this section. Through fiscal year

1 2015-16, funding for such distance education incentives shall come from
2 the Education Innovation Fund. For fiscal years 2016-17 through 2023-24
3 ~~2020-21~~, funding for such distance education incentives shall come from
4 the Nebraska Education Improvement Fund.

5 (2) School districts and educational service units shall apply for
6 incentives annually through calendar year 2023 ~~2020~~ to the department on
7 or before August 1 on a form specified by the department. The application
8 shall:

9 (a) For school districts, specify (i) the qualified distance
10 education courses which were received by students in the membership of
11 the district in the then-current school fiscal year and which were not
12 taught by a teacher employed by the school district and (ii) for each
13 such course (A) the number of students in the membership of the district
14 who received the course, (B) the educational entity employing the
15 teacher, and (C) whether the course was a two-way interactive video
16 distance education course; and

17 (b) For school districts and educational service units, specify (i)
18 the qualified distance education courses which were received by students
19 in the membership of another educational entity in the then-current
20 school fiscal year and which were taught by a teacher employed by the
21 school district or educational service unit, (ii) for each such course
22 for school districts, the number of students in the membership of the
23 district who received the course, and (iii) for each such course (A) the
24 other educational entities in which students received the course and how
25 many students received the course at such educational entities, (B) any
26 school district that is sparse or very sparse as such terms are defined
27 in section 79-1003 that had at least one student in the membership who
28 received the course, and (C) whether the course was a two-way interactive
29 video distance education course.

30 (3) On or before September 1 of each year through calendar year 2023
31 ~~2020~~, the department shall certify the incentives for each school

1 district and educational service unit which shall be paid on or before
2 October 1 of such year. The incentives for each district shall be
3 calculated as follows:

4 (a) Each district shall receive distance education units for each
5 qualified distance education course as follows:

6 (i) One distance education unit for each qualified distance
7 education course received as reported pursuant to subdivision (2)(a) of
8 this section if the course was a two-way interactive video distance
9 education course;

10 (ii) One distance education unit for each qualified distance
11 education course sent as reported pursuant to subdivision (2)(b) of this
12 section if the course was not received by at least one student who was in
13 the membership of another school district which was sparse or very
14 sparse;

15 (iii) One distance education unit for each qualified distance
16 education course sent as reported pursuant to subdivision (2)(b) of this
17 section if the course was received by at least one student who was in the
18 membership of another school district which was sparse or very sparse,
19 but the course was not a two-way interactive video distance education
20 course; and

21 (iv) Two distance education units for each qualified distance
22 education course sent as reported pursuant to subdivision (2)(b) of this
23 section if the course was received by at least one student who was in the
24 membership of another school district which was sparse or very sparse and
25 the course was a two-way interactive video distance education course;

26 (b) The difference of the amount available for distribution pursuant
27 to subdivision (4)(f) of section 9-812 in the Nebraska Education
28 Improvement Innovation Fund on the August 1 when the applications were
29 due ~~minus any amount to be paid to school districts pursuant to section~~
30 ~~79-1336~~ shall be divided by the number of distance education units to
31 determine the incentive per distance education unit, except that the

1 incentive per distance education unit shall not equal an amount greater
2 than one thousand dollars; and

3 (c) The incentives for each school district shall equal the number
4 of distance education units calculated for the school district multiplied
5 by the incentive per distance education unit.

6 (4) If there are additional funds available for distribution after
7 ~~equipment reimbursements pursuant to section 79-1336~~ and incentives
8 calculated pursuant to subsections (1) through (3) of this section,
9 school districts and educational service units may qualify for additional
10 incentives for elementary distance education courses. Such incentives
11 shall be calculated for sending and receiving school districts and
12 educational service units as follows:

13 (a) The per-hour incentives shall equal the funds available for
14 distribution after ~~equipment reimbursements pursuant to section 79-1336~~
15 ~~and~~ incentives calculated pursuant to subsections (1) through (3) of this
16 section divided by the sum of the hours of elementary distance education
17 courses sent or received for each school district and educational service
18 unit submitting an application, except that the per-hour incentives shall
19 not be greater than ten dollars; and

20 (b) The elementary distance education incentives for each school
21 district and educational service unit shall equal the per-hour incentive
22 multiplied by the hours of elementary distance education courses sent or
23 received by the school district or educational service unit.

24 (5) The department may verify any or all application information
25 using annual curriculum reports and may request such verification from
26 the council.

27 (6) On or before October 1 of each year through calendar year 2023
28 ~~2020~~, a school district or educational service unit may appeal the denial
29 of incentives for any course by the department to the State Board of
30 Education. The board shall allow a representative of the school district
31 or educational service unit an opportunity to present information

1 concerning the appeal to the board at the November board meeting. If the
2 board finds that the course meets the requirements of this section, the
3 department shall pay the district from the Nebraska Education Improvement
4 ~~Innovation~~ Fund as soon as practical in an amount for which the district
5 or educational service unit should have qualified based on the incentive
6 per distance education unit used in the original certification of
7 incentives pursuant to this section.

8 (7) The State Board of Education shall adopt and promulgate rules
9 and regulations to carry out this section.

10 Sec. 51. Section 84-304, Revised Statutes Cumulative Supplement,
11 2020, is amended to read:

12 84-304 It shall be the duty of the Auditor of Public Accounts:

13 (1) To give information electronically to the Legislature, whenever
14 required, upon any subject relating to the fiscal affairs of the state or
15 with regard to any duty of his or her office;

16 (2) To furnish offices for himself or herself and all fuel, lights,
17 books, blanks, forms, paper, and stationery required for the proper
18 discharge of the duties of his or her office;

19 (3)(a) To examine or cause to be examined, at such time as he or she
20 shall determine, books, accounts, vouchers, records, and expenditures of
21 all state officers, state bureaus, state boards, state commissioners, the
22 state library, societies and associations supported by the state, state
23 institutions, state colleges, and the University of Nebraska, except when
24 required to be performed by other officers or persons. Such examinations
25 shall be done in accordance with generally accepted government auditing
26 standards for financial audits and attestation engagements set forth in
27 Government Auditing Standards (2011 Revision for audit periods ending
28 before June 30, 2020, or 2018 Revision for audit periods ending on or
29 after June 30, 2020), published by the Comptroller General of the United
30 States, Government Accountability Office, and except as provided in
31 subdivision (11) ~~(10)~~ of this section, subdivision (16) of section

1 50-1205, and section 84-322, shall not include performance audits,
2 whether conducted pursuant to attestation engagements or performance
3 audit standards as set forth in Government Auditing Standards (2018
4 Revision), published by the Comptroller General of the United States,
5 Government Accountability Office.

6 (b) Any entity, excluding the state colleges and the University of
7 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of
8 this section and that is the subject of a comment and recommendation in a
9 management letter or report issued by the Auditor of Public Accounts
10 shall, on or before six months after the issuance of such letter or
11 report, provide to the Auditor of Public Accounts a detailed written
12 description of any corrective action taken or to be taken in response to
13 the comment and recommendation. The Auditor of Public Accounts may
14 investigate and evaluate the corrective action. The Auditor of Public
15 Accounts shall then electronically submit a report of any findings of
16 such investigation and evaluation to the Governor, the appropriate
17 standing committee of the Legislature, and the Appropriations Committee
18 of the Legislature. The Auditor of Public Accounts shall also ensure that
19 the report is delivered to the Appropriations Committee for entry into
20 the record during the committee's budget hearing process;

21 (4)(a) To examine or cause to be examined, at the expense of the
22 political subdivision, when the Auditor of Public Accounts determines
23 such examination necessary or when requested by the political
24 subdivision, the books, accounts, vouchers, records, and expenditures of
25 any agricultural association formed under Chapter 2, article 20, any
26 county agricultural society, any joint airport authority formed under the
27 Joint Airport Authorities Act, any city or county airport authority, any
28 bridge commission created pursuant to section 39-868, any cemetery
29 district, any community redevelopment authority or limited community
30 redevelopment authority established under the Community Development Law,
31 any development district, any drainage district, any health district, any

1 local public health department as defined in section 71-1626, any
2 historical society, any hospital authority or district, any county
3 hospital, any housing agency as defined in section 71-1575, any
4 irrigation district, any county or municipal library, any community
5 mental health center, any railroad transportation safety district, any
6 rural water district, any township, Wyuka Cemetery, the Educational
7 Service Unit Coordinating Council, any entity created pursuant to the
8 Interlocal Cooperation Act, any educational service unit, any village,
9 any service contractor or subrecipient of state or federal funds, any
10 political subdivision with the authority to levy a property tax or a
11 toll, or any entity created pursuant to the Joint Public Agency Act.

12 For purposes of this subdivision, service contractor or subrecipient
13 means any nonprofit entity that expends state or federal funds to carry
14 out a state or federal program or function, but it does not include an
15 individual who is a direct beneficiary of such a program or function or a
16 licensed health care provider or facility receiving direct payment for
17 medical services provided for a specific individual.

18 (b) The Auditor of Public Accounts may waive the audit requirement
19 of subdivision (4)(a) of this section upon the submission by the
20 political subdivision of a written request in a form prescribed by the
21 auditor. The auditor shall notify the political subdivision in writing of
22 the approval or denial of the request for a waiver.

23 (c) Through December 31, 2017, the Auditor of Public Accounts may
24 conduct audits under this subdivision for purposes of sections 2-3228,
25 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,
26 23-1118, 23-3526, 71-1631.02, and 79-987.

27 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
28 conduct audits under this subdivision for purposes of sections 13-2402,
29 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,
30 71-1631.02, and 79-987 and shall prescribe the form for the annual
31 reports required in each of such sections. Such annual reports shall be

1 published annually on the web site of the Auditor of Public Accounts;

2 (5) To report promptly to the Governor and the appropriate standing
3 committee of the Legislature the fiscal condition shown by such
4 examinations conducted by the auditor, including any irregularities or
5 misconduct of officers or employees, any misappropriation or misuse of
6 public funds or property, and any improper system or method of
7 bookkeeping or condition of accounts. The report submitted to the
8 committee shall be submitted electronically. In addition, if, in the
9 normal course of conducting an audit in accordance with subdivision (3)
10 of this section, the auditor discovers any potential problems related to
11 the effectiveness, efficiency, or performance of state programs, he or
12 she shall immediately report them electronically to the Legislative
13 Performance Audit Committee which may investigate the issue further,
14 report it electronically to the appropriate standing committee of the
15 Legislature, or both;

16 (6)(a) To examine or cause to be examined the books, accounts,
17 vouchers, records, and expenditures of a fire protection district. The
18 expense of the examination shall be paid by the political subdivision.

19 (b) Whenever the expenditures of a fire protection district are one
20 hundred fifty thousand dollars or less per fiscal year, the fire
21 protection district shall be audited no more than once every five years
22 except as directed by the board of directors of the fire protection
23 district or unless the auditor receives a verifiable report from a third
24 party indicating any irregularities or misconduct of officers or
25 employees of the fire protection district, any misappropriation or misuse
26 of public funds or property, or any improper system or method of
27 bookkeeping or condition of accounts of the fire protection district. In
28 the absence of such a report, the auditor may waive the five-year audit
29 requirement upon the submission of a written request by the fire
30 protection district in a form prescribed by the auditor. The auditor
31 shall notify the fire protection district in writing of the approval or

1 denial of a request for waiver of the five-year audit requirement. Upon
2 approval of the request for waiver of the five-year audit requirement, a
3 new five-year audit period shall begin.

4 (c) Whenever the expenditures of a fire protection district exceed
5 one hundred fifty thousand dollars in a fiscal year, the auditor may
6 waive the audit requirement upon the submission of a written request by
7 the fire protection district in a form prescribed by the auditor. The
8 auditor shall notify the fire protection district in writing of the
9 approval or denial of a request for waiver. Upon approval of the request
10 for waiver, a new five-year audit period shall begin for the fire
11 protection district if its expenditures are one hundred fifty thousand
12 dollars or less per fiscal year in subsequent years;

13 (7) To appoint two or more assistant deputies (a) whose entire time
14 shall be devoted to the service of the state as directed by the auditor,
15 (b) who shall be certified public accountants with at least five years'
16 experience, (c) who shall be selected without regard to party affiliation
17 or to place of residence at the time of appointment, (d) who shall
18 promptly report to the auditor the fiscal condition shown by each
19 examination, including any irregularities or misconduct of officers or
20 employees, any misappropriation or misuse of public funds or property,
21 and any improper system or method of bookkeeping or condition of
22 accounts, and it shall be the duty of the auditor to file promptly with
23 the Governor a duplicate of such report, and (e) who shall qualify by
24 taking an oath which shall be filed in the office of the Secretary of
25 State;

26 (8) To conduct audits and related activities for state agencies,
27 political subdivisions of this state, or grantees of federal funds
28 disbursed by a receiving agency on a contractual or other basis for
29 reimbursement to assure proper accounting by all such agencies, political
30 subdivisions, and grantees for funds appropriated by the Legislature and
31 federal funds disbursed by any receiving agency. The auditor may contract

1 with any political subdivision to perform the audit of such political
2 subdivision required by or provided for in section 23-1608 or 79-1229 or
3 this section and charge the political subdivision for conducting the
4 audit. The fees charged by the auditor for conducting audits on a
5 contractual basis shall be in an amount sufficient to pay the cost of the
6 audit. The fees remitted to the auditor for such audits and services
7 shall be deposited in the Auditor of Public Accounts Cash Fund;

8 (9)(a) To examine or cause to be examined the books, accounts,
9 vouchers, and records related to any money transferred pursuant to
10 subsection (4) of section 9-812, any fund receiving any such transfer, or
11 any subsequent transfer or expenditure of such money when the Auditor of
12 Public Accounts determines such examination necessary or when requested
13 by (i) any department or agency receiving any such transfer or acting as
14 the administrator for a fund receiving any such transfer, (ii) any
15 recipient or subsequent recipient of money disbursed from any such fund,
16 or (iii) any service contractor responsible for managing, on behalf of
17 any entity, any portion of any such fund or any money disbursed from any
18 such fund.

19 (b) Any examination pursuant to subdivision (9)(a) of this section
20 shall be made at the expense of the department or agency, recipient or
21 subsequent recipient, or service contractor whose books, accounts,
22 vouchers, or records are being examined.

23 (c) For purposes of this subdivision, recipient, subsequent
24 recipient, or service contractor means a nonprofit entity that expends
25 funds transferred pursuant to subsection (4) of section 9-812 to carry
26 out a state program or function, but does not include an individual who
27 is a direct beneficiary of such a program or function.

28 (d) The Auditor of Public Accounts shall prescribe the form for the
29 annual reports required in subsection (5) of section 9-812. Such annual
30 reports shall be published on the web site of the Auditor of Public
31 Accounts;

1 ~~(10)~~ ~~(9)~~ To develop and maintain an annual budget and actual
2 financial information reporting system for political subdivisions that is
3 accessible online by the public;

4 ~~(11)~~ ~~(10)~~ When authorized, to conduct joint audits with the
5 Legislative Performance Audit Committee as described in section 50-1205;

6 ~~(12)~~ ~~(11)~~ Unless otherwise specifically provided, to assess the
7 interest rate on delinquent payments of any fees for audits and services
8 owing to the Auditor of Public Accounts at a rate of fourteen percent per
9 annum from the date of billing unless paid within thirty days after the
10 date of billing. For an entity created pursuant to the Interlocal
11 Cooperation Act or the Joint Public Agency Act, any participating public
12 agencies shall be jointly and severally liable for the fees and interest
13 owed if such entity is defunct or unable to pay; and

14 ~~(13)~~ ~~(12)~~ In consultation with statewide associations representing
15 (a) counties and (b) cities and villages, to approve annual continuing
16 education programs for county treasurers, city treasurers, and village
17 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
18 23-1601. The cost of attending such programs shall be at the expense of
19 the county, city, or village. The auditor shall maintain records of
20 program attendance and notify each county board, city council, or village
21 board of trustees if its treasurer has not completed such program
22 attendance. The auditor shall inform the Attorney General and the county
23 attorney of the county in which a treasurer is located if such treasurer
24 has not completed a required annual continuing education program.

25 Sec. 56. Section 85-1920, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the
28 fund shall include amounts transferred from the State Lottery Operation
29 Trust Fund pursuant to section 9-812 until June 30, 2016, or the Nebraska
30 Education Improvement Fund pursuant to section 9-812 until June 30, 2024
31 ~~2021~~. All amounts accruing to the Nebraska Opportunity Grant Fund shall

1 be used to carry out the Nebraska Opportunity Grant Act. Any money in the
2 fund available for investment shall be invested by the state investment
3 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
4 State Funds Investment Act.

5 ~~The Nebraska Opportunity Grant Fund terminates on June 30, 2021. Any~~
6 ~~money in the fund on such date shall be transferred to the Nebraska~~
7 ~~Education Improvement Fund on such date.~~

8 Sec. 70. Sections 1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16,
9 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, 35, 36,
10 37, 38, 39, 40, 41, 43, 45, 46, 47, 48, 49, 50, 52, 53, 54, 55, 57, 58,
11 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 72, and 74 of this act become
12 operative three calendar months after the adjournment of this legislative
13 session. The other sections of this act become operative on their
14 effective date.

15 Sec. 71. Original section 79-1201.01, Reissue Revised Statutes of
16 Nebraska, and sections 9-812, 9-836.01, 79-759, 79-8,137.05, 79-1337,
17 84-304, and 85-1920, Revised Statutes Cumulative Supplement, 2020, are
18 repealed.

19 Sec. 73. The following sections are outright repealed: Section
20 79-1336, Reissue Revised Statutes of Nebraska, and section 79-10,145,
21 Revised Statutes Cumulative Supplement, 2020.

22 Sec. 75. Since an emergency exists, this act takes effect when
23 passed and approved according to law.

24 2. Renumber the remaining sections and correct internal references
25 accordingly.