

AMENDMENTS TO LB529

Introduced by Education.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,
4 2020, is amended to read:

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

18 (2) A portion of the dollar amount of the lottery tickets which have
19 been sold on an annualized basis shall be transferred from the State
20 Lottery Operation Trust Fund ~~to the Education Innovation Fund, the~~
21 ~~Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,~~
22 ~~the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and~~
23 ~~the Compulsive Gamblers Assistance Fund~~ as provided in subsection (3) of
24 this section. The dollar amount transferred pursuant to this subsection
25 shall equal the greater of (a) the dollar amount transferred ~~to the funds~~
26 in fiscal year 2002-03 or (b) any amount which constitutes at least
27 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 as provided in this
6 subsection ~~to the Education Innovation Fund, the Nebraska Opportunity~~
7 ~~Grant Fund, the Nebraska Education Improvement Fund, the Nebraska~~
8 ~~Environmental Trust Fund, the Nebraska State Fair Board, and the~~
9 ~~Compulsive Gamblers Assistance Fund:~~

10 (a) The first five hundred thousand dollars shall be transferred to
11 the Compulsive Gamblers Assistance Fund to be used as provided in section
12 9-1006;

13 (b) Forty-four ~~Beginning July 1, 2016, forty-four~~ and one-half
14 percent of the money remaining after the payment of prizes and operating
15 expenses and the initial transfer to the Compulsive Gamblers Assistance
16 Fund shall be used for education and transferred pursuant to subsections
17 (4), (5), and (6) of this section ~~the Nebraska Education Improvement~~
18 ~~Fund;~~

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

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

1 ceases operations, ten percent of the money remaining after the payment
2 of prizes and operating expenses and the initial transfer to the
3 Compulsive Gamblers Assistance Fund shall be transferred to the General
4 Fund; and

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

9 (4) For fiscal years through fiscal year 2020-21, the money
10 available to be used for education pursuant to subdivision (3)(b) of this
11 section shall be transferred to the Nebraska Education Improvement Fund.

12 (5) For fiscal years 2021-22 through 2025-26, the money available to
13 be used for education pursuant to subdivision (3)(b) of this section
14 shall be transferred as follows:

15 (a) Two and one-half percent to the Access College Early Scholarship
16 Cash Fund;

17 (b) Nine and one-half percent to the Behavioral Training Cash Fund;

18 (c) Two percent to the Career-Readiness and Dual-Credit Education
19 Cash Fund;

20 (d) One percent to the College Credit Testing Fee Cash Fund;

21 (e) Four and one-half percent to the Community College Gap
22 Assistance Program Fund;

23 (f) One percent to the Door to College Scholarship Fund;

24 (g) Seven and one-half percent to the Excellence in Teaching Cash
25 Fund;

26 (h) Three percent to the Expanded Learning Opportunity Grant Fund;

27 (i) One and one-half percent to the Mental Health Training Cash
28 Fund;

29 (j) Three percent to the Nebraska Education Improvement Fund;

30 (k) Fifty-eight percent to the Nebraska Opportunity Grant Fund;

31 (l) One and one-half percent to the State Department of Education

1 Cash Fund for the annual fee for an online education and career planning
2 tool;

3 (m) Four and one-half percent to the State Department of Education
4 Leadership Cash Fund; and

5 (n) One-half of one percent to the State Department of Education
6 Technology Upgrade Cash Fund.

7 (6) For fiscal year 2026-27 and each fiscal year thereafter, the
8 money available to be used for education pursuant to subdivision (3)(b)
9 of this section shall be transferred as the Legislature may direct.

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

30 (b) For fiscal years 2017-18 through 2020-21, an amount equal to ten
31 percent of the revenue received by the Nebraska Education Improvement

1 Fund in the prior fiscal year shall be retained in the fund. The balance
2 of the fund on July 26, 2021, less three percent of the money received
3 for the fourth quarter of fiscal year 2020-21, shall be transferred to
4 the Behavioral Training Cash Fund.

5 (c) For fiscal years 2016-17 through 2020-21, the Nebraska Education
6 Improvement Fund remainder of the fund, after payment of any learning
7 community transition aid pursuant to section 79-10,145, shall be
8 allocated as follows:

9 (i) (a) One percent of the allocated funds to the Expanded Learning
10 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
11 Grant Program Act;

12 (ii) (b) Seventeen percent of the allocated funds to the Department
13 of Education Innovative Grant Fund to be used (A) (i) for competitive
14 innovation grants pursuant to section 79-1054 and (B) (ii) to carry out
15 the purposes of section 79-759;

16 (iii) (c) Nine percent of the allocated funds to the Community
17 College Gap Assistance Program Fund to carry out the community college
18 gap assistance program;

19 (iv) (d) Eight percent of the allocated funds to the Excellence in
20 Teaching Cash Fund to carry out the Excellence in Teaching Act;

21 (v) (e) Sixty-two percent of the allocated funds to the Nebraska
22 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in
23 conjunction with appropriations from the General Fund; and

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

26 (d) For fiscal years 2021-22 through 2025-26, the Nebraska Education
27 Improvement Fund shall be allocated to the State Department of Education
28 for distance education incentives pursuant to section 79-1337.

29 (e) For fiscal year 2026-27 and each fiscal year thereafter, the
30 fund shall be allocated as the Legislature may direct.

31 (8) A portion of each transfer pursuant to subdivisions (5)(a), (c),

1 (d), (e), (f), (g), (h), (i), (j), (m), and (n) of this section and each
2 allocation pursuant to subdivision (7)(c)(ii) of this section may be
3 retained by the agency administering the fund to which such transfer is
4 made for actual and necessary expenses incurred by such agency for
5 administration, evaluation, and technical assistance related to the
6 purposes of the transfer.

7 (9)(a) On or before September 20, 2022, and on or before each
8 September 20 thereafter, (i) any department or agency receiving a
9 transfer or acting as the administrator for a fund receiving a transfer
10 pursuant to subsection (5) or (6) of this section, (ii) any recipient or
11 subsequent recipient of money from any such fund, and (iii) any service
12 contractor responsible for managing any portion of any such fund or any
13 money disbursed from any such fund on behalf of any entity shall prepare
14 and submit an annual report to the Auditor of Public Accounts in a manner
15 prescribed by the auditor for the immediately preceding July 1 through
16 June 30 fiscal year detailing information regarding the use of such fund
17 or such money.

18 (b) The Auditor of Public Accounts shall annually compile a summary
19 of the annual reports received pursuant to subdivision (9)(a) of this
20 section, any audits related to transfers pursuant to subsection (5) or
21 (6) of this section conducted by the Auditor of Public Accounts, and any
22 findings or recommendations related to such transfers into a consolidated
23 annual report and shall submit such consolidated annual report
24 electronically to the Legislature on or before January 1, 2023, and on or
25 before each January 1 thereafter.

26 (c) For purposes of this subsection, recipient, subsequent
27 recipient, or service contractor means a nonprofit entity that expends
28 funds transferred pursuant to subsection (5) or (6) of this section to
29 carry out a state program or function, but does not include an individual
30 who is a direct beneficiary of such a program or function.

31 (10) On or before December 31, 2024, the Education Committee of the

1 Legislature shall electronically submit recommendations to the Clerk of
2 the Legislature regarding how the money used for education from the State
3 Lottery Operation Trust Fund should be allocated to best advance the
4 educational priorities of the state for the five-year period beginning
5 with fiscal year 2026-27.

6 (11) ~~(5)~~ Any money in the State Lottery Operation Trust Fund, the
7 State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or
8 the Nebraska Education Improvement Fund, ~~or the Education Innovation Fund~~
9 available for investment shall be invested by the state investment
10 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
11 State Funds Investment Act.

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

17 Sec. 2. Section 9-836.01, Revised Statutes Cumulative Supplement,
18 2020, is amended to read:

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

27 Sec. 3. Sections 3 to 6 of this act shall be known and may be cited
28 as the Behavioral Awareness and Intervention Training and Teacher Support
29 Act.

30 Sec. 4. (1)(a) Beginning in school year 2021-22, the Educational
31 Service Unit Coordinating Council shall (i) ensure annual behavioral

1 awareness and intervention training is available statewide and (ii)
2 develop, implement, and administer an ongoing statewide teacher support
3 system.

4 (b) Beginning in school year 2023-24, each school district shall
5 ensure that each administrator, teacher, paraprofessional, school nurse,
6 and counselor receives behavioral awareness and intervention training.
7 Each administrator, teacher, paraprofessional, school nurse, and
8 counselor who has received such training shall receive a behavioral
9 awareness and intervention training review at least once every three
10 years. Each school district may offer such training, or similar training,
11 to any other school employees at the discretion of the school district.
12 In addition, all school employees shall have a basic awareness of the
13 goals, strategies, and schoolwide plans included in such training.

14 (c) Behavioral awareness and intervention training shall include,
15 but not be limited to, evidence-based training on a continuum that
16 includes:

17 (i) Recognition of detrimental factors impacting student behavior,
18 including, but not limited to, signs of trauma;

19 (ii) Positive behavior support and proactive teaching strategies,
20 including, but not limited to, expectations and boundaries;

21 (iii) Verbal intervention and de-escalation techniques; and

22 (iv) As a preamble to behavioral awareness and intervention
23 training, at least thirty minutes of interactive training dedicated
24 exclusively to understanding the duties, rights, and responsibilities
25 outlined in the Student Discipline Act and case law addressing student
26 behavior related to the classroom, extracurricular activities, school
27 transportation, and other time on school property. This interactive
28 training shall be provided within the framework of the other requirements
29 outlined in this subsection, but shall not be construed to require any
30 specific training option selected by the school district to fulfill such
31 other requirements.

1 (2)(a) On or before July 1, 2022, and on or before July 1 of each
2 year thereafter, each school district shall submit a behavioral awareness
3 and intervention training report to the Educational Service Unit
4 Coordinating Council. Such report shall include the school district
5 behavioral awareness and intervention training plan and summarize how
6 such plan fulfills the requirements of this section.

7 (b) On or before December 31, 2022, and each December 31 thereafter,
8 the Educational Service Unit Coordinating Council shall submit a report
9 electronically to the Education Committee of the Legislature summarizing
10 the behavioral awareness and intervention training reports received from
11 school districts, the various trainings provided across the state, the
12 teacher support system, and a financial report of funding received and
13 expended in accordance with the Behavioral Awareness and Intervention
14 Training and Teacher Support Act.

15 (3)(a) Behavioral awareness and intervention training and the
16 teacher support system required pursuant to this section shall be funded
17 with funding from the Behavioral Training Cash Fund.

18 (b) Any funding received by a school district for behavioral
19 awareness and intervention training under the Behavioral Awareness and
20 Intervention Training and Teacher Support Act shall be considered grant
21 funds under section 79-1003.

22 Sec. 5. (1) Each school district shall designate one or more school
23 employees as a behavioral awareness point of contact for each school
24 building or other division as determined by such school district. Each
25 behavioral awareness point of contact shall be trained pursuant to
26 section 4 of this act and shall have knowledge of community service
27 providers and other resources that are available for the students and
28 families in such school district.

29 (2) Each school district shall maintain or have access to an
30 existing registry of local mental health and counseling resources. The
31 registry shall include resource services that can be accessed by families

1 and individuals outside of school. Each behavioral awareness point of
2 contact shall coordinate access to support services for students whenever
3 possible. Except as provided in section 43-2101, if information for an
4 external support service is provided to an individual student, school
5 personnel shall notify a parent or guardian of such student in writing
6 unless such recommendation involves law enforcement or child protective
7 services. Each school district shall indicate each behavioral awareness
8 point of contact for such school district on the web site of the school
9 district and in any school directory for the school that the behavioral
10 awareness point of contact serves.

11 Sec. 6. The Behavioral Training Cash Fund is created. The fund
12 shall be administered by the State Department of Education, shall consist
13 of money received pursuant to section 9-812 and any money appropriated by
14 the Legislature, and shall be transferred to the Educational Service Unit
15 Coordinating Council for the purposes of coordinating training and
16 administering the teacher support system in compliance with the
17 Behavioral Awareness and Intervention Training and Teacher Support Act.
18 Any money in the fund available for investment shall be invested by the
19 state investment officer pursuant to the Nebraska Capital Expansion Act
20 and the Nebraska State Funds Investment Act.

21 Sec. 7. (1) The State Department of Education shall establish a
22 mental health training grant program. Mental health training grants
23 awarded pursuant to this section shall be funded from the Mental Health
24 Training Cash Fund. A grantee shall be a school district or an
25 educational service unit.

26 (2) Each applicant for a mental health training grant shall describe
27 in the application the training to be provided under the grant on:

28 (a) The skills, resources, and knowledge necessary to assist
29 students in crisis to connect with appropriate local mental health
30 services;

31 (b) Mental health resources, including, but not limited to, the

1 location of local community mental health centers; and

2 (c) Action plans and protocols for referral to such resources.

3 (3) Each application for a mental health training grant shall also
4 include in the application a description of how the training to be
5 provided under the grant will prepare recipients of such training to:

6 (a) Safely de-escalate crisis situations;

7 (b) Recognize the signs and symptoms of mental illness, including,
8 but not limited to, schizophrenia, bipolar disorder, major clinical
9 depression, and anxiety disorders; and

10 (c) Timely refer a student to available mental health services in
11 the early stages of the development of a mental disorder to avoid the
12 need for subsequent behavioral health care and to enhance the
13 effectiveness of mental health services.

14 (4) The State Board of Education may adopt and promulgate rules and
15 regulations to carry out this section, including, but not limited to,
16 application procedures, selection procedures, and annual reporting
17 procedures.

18 (5) Grants received pursuant to this section shall be considered
19 special grant funds under section 79-1003.

20 Sec. 8. The Mental Health Training Cash Fund is created. The fund
21 shall be administered by the State Department of Education and shall
22 consist of money received pursuant to section 9-812 and any money
23 appropriated by the Legislature. The department shall use money in the
24 fund for mental health training grants pursuant to section 7 of this act.
25 Any money in the fund available for investment shall be invested by the
26 state investment officer pursuant to the Nebraska Capital Expansion Act
27 and the Nebraska State Funds Investment Act.

28 Sec. 9. The State Department of Education Leadership Cash Fund is
29 created. The fund shall be administered by the State Department of
30 Education and shall consist of transfers pursuant to section 9-812 and
31 interest payments received in the course of administering this section.

1 The fund shall be used for expenses incurred by the State Department of
2 Education for leadership in (1) research for school finance, (2) data
3 infrastructure capacity to support education, and (3) the Quality
4 Education Accountability Act. Any money in the fund available for
5 investment shall be invested by the state investment officer pursuant to
6 the Nebraska Capital Expansion Act and the Nebraska State Funds
7 Investment Act.

8 Sec. 10. The State Department of Education Technology Upgrade Cash
9 Fund is created. The fund shall be administered by the State Department
10 of Education and shall consist of transfers pursuant to section 9-812 and
11 interest payments received in the course of administering this section.
12 The fund shall be used for expenses incurred by the department to upgrade
13 technology to automate enrollment option processes statewide, including,
14 but not limited to, establishing an electronic record of all applications
15 received, canceled, approved, and denied. After such upgrades and
16 automation have been completed, the State Department of Education
17 Technology Upgrade Cash Fund may be (1) used for expenses incurred by the
18 department to upgrade and automate additional statewide educational
19 processes as the department deems necessary or (2) transferred to the
20 State Department of Education Leadership Cash Fund. Any money in the
21 State Department of Education Technology Upgrade Cash Fund available for
22 investment shall be invested by the state investment officer pursuant to
23 the Nebraska Capital Expansion Act and the Nebraska State Funds
24 Investment Act.

25 Sec. 11. Section 79-759, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-759 No later than the 2017-18 school year, the State Department
28 of Education shall administer a standard college admission test, selected
29 by the State Board of Education, to students in the eleventh grade
30 attending a public school in the state in lieu of the assessment for the
31 one grade in high school as required under section 79-760.03. The

1 department shall pay the expenses of administering such college admission
2 ~~test and may use funds from the Nebraska Education Improvement Fund as~~
3 ~~provided in section 9-812.~~

4 Sec. 12. Sections 12 to 15 of this act shall be known and may be
5 cited as the College Credit Testing Fee Reduction Program Act.

6 Sec. 13. For purposes of the College Credit Testing Fee Reduction
7 Program Act:

8 (1) National college credit testing program means a testing program
9 administered on a national basis to allow students to apply for college
10 credit at colleges and universities in multiple states based on the
11 results of such testing;

12 (2) Qualified student means a student who meets the poverty
13 guidelines established by the State Department of Education and is taking
14 a test offered by a national college credit testing program related to a
15 course which is offered by a school district and in which such student is
16 or has been enrolled; and

17 (3) Testing fee reduction means the amount paid by a school district
18 to reduce the fees charged to a qualified student by a national college
19 credit testing program less any rebate received by the school district
20 for such student from the national college credit testing program.

21 Sec. 14. (1) The College Credit Testing Fee Reduction Program is
22 established and shall be administered by the State Department of
23 Education.

24 (2) Beginning in school year 2021-22, each school district may
25 apply, in the manner prescribed by the department, for the reimbursement
26 of testing fee reductions. Except as provided in subsection (3) of this
27 section, the department shall reimburse school districts from the College
28 Credit Testing Fee Cash Fund in the amount of all testing fee reductions
29 paid by such school district in the period covered by such application.

30 (3) If at any time there is not a sufficient amount of money
31 available in the College Credit Testing Fee Cash Fund to pay all

1 reimbursements pursuant to subsection (2) of this section, reimbursements
2 pursuant to this section shall be proportionally reduced such that, at
3 the time such reimbursements are paid, the amount of all such
4 reimbursements equals the amount of money available in the fund.

5 (4) On or before December 31, 2022, and on or before each December
6 31 thereafter, the department shall electronically submit an annual
7 report on the College Credit Testing Fee Reduction Program to the Clerk
8 of the Legislature. The report shall include, but not be limited to, the
9 number and amounts of testing fee reductions paid by school districts,
10 the reimbursement level for such testing fee reductions, the school
11 districts attended by testing fee reduction recipients, and information
12 regarding the number and types of courses associated with testing fee
13 reductions.

14 (5) The State Board of Education shall adopt and promulgate rules
15 and regulations to carry out the College Credit Testing Fee Reduction
16 Program that include, but are not limited to, poverty guidelines.

17 Sec. 15. The College Credit Testing Fee Cash Fund is created. The
18 fund shall be administered by the State Department of Education and shall
19 consist of money received pursuant to section 9-812 and any money
20 appropriated by the Legislature. The department shall use the fund to
21 carry out the College Credit Testing Fee Reduction Program Act. Any money
22 in the fund available for investment shall be invested by the state
23 investment officer pursuant to the Nebraska Capital Expansion Act and the
24 Nebraska State Funds Investment Act.

25 Sec. 16. Section 79-1003, Revised Statutes Cumulative Supplement,
26 2020, is amended to read:

27 79-1003 For purposes of the Tax Equity and Educational Opportunities
28 Support Act:

29 (1) Adjusted general fund operating expenditures means (a) for
30 school fiscal years 2013-14 through 2015-16, the difference of the
31 general fund operating expenditures as calculated pursuant to subdivision

1 (23) of this section increased by the cost growth factor calculated
2 pursuant to section 79-1007.10, minus the transportation allowance,
3 special receipts allowance, poverty allowance, limited English
4 proficiency allowance, distance education and telecommunications
5 allowance, elementary site allowance, summer school allowance,
6 instructional time allowance, teacher education allowance, and focus
7 school and program allowance, (b) for school fiscal years 2016-17 through
8 2018-19, the difference of the general fund operating expenditures as
9 calculated pursuant to subdivision (23) of this section increased by the
10 cost growth factor calculated pursuant to section 79-1007.10, minus the
11 transportation allowance, special receipts allowance, poverty allowance,
12 limited English proficiency allowance, distance education and
13 telecommunications allowance, elementary site allowance, summer school
14 allowance, and focus school and program allowance, and (c) for school
15 fiscal year 2019-20 and each school fiscal year thereafter, the
16 difference of the general fund operating expenditures as calculated
17 pursuant to subdivision (23) of this section increased by the cost growth
18 factor calculated pursuant to section 79-1007.10, minus the
19 transportation allowance, special receipts allowance, poverty allowance,
20 limited English proficiency allowance, distance education and
21 telecommunications allowance, elementary site allowance, summer school
22 allowance, community achievement plan allowance, and focus school and
23 program allowance;

24 (2) Adjusted valuation means the assessed valuation of taxable
25 property of each local system in the state, adjusted pursuant to the
26 adjustment factors described in section 79-1016. Adjusted valuation means
27 the adjusted valuation for the property tax year ending during the school
28 fiscal year immediately preceding the school fiscal year in which the aid
29 based upon that value is to be paid. For purposes of determining the
30 local effort rate yield pursuant to section 79-1015.01, adjusted
31 valuation does not include the value of any property which a court, by a

1 final judgment from which no appeal is taken, has declared to be
2 nontaxable or exempt from taxation;

3 (3) Allocated income tax funds means the amount of assistance paid
4 to a local system pursuant to section 79-1005.01;

5 (4) Average daily membership means the average daily membership for
6 grades kindergarten through twelve attributable to the local system, as
7 provided in each district's annual statistical summary, and includes the
8 proportionate share of students enrolled in a public school instructional
9 program on less than a full-time basis;

10 (5) Base fiscal year means the first school fiscal year following
11 the school fiscal year in which the reorganization or unification
12 occurred;

13 (6) Board means the school board of each school district;

14 (7) Categorical funds means funds limited to a specific purpose by
15 federal or state law, including, but not limited to, Title I funds, Title
16 VI funds, federal vocational education funds, federal school lunch funds,
17 Indian education funds, Head Start funds, and funds received prior to
18 July 1, 2022, from the Education Innovation Fund;

19 (8) Consolidate means to voluntarily reduce the number of school
20 districts providing education to a grade group and does not include
21 dissolution pursuant to section 79-498;

22 (9) Converted contract means an expired contract that was in effect
23 for at least fifteen school years beginning prior to school year 2012-13
24 for the education of students in a nonresident district in exchange for
25 tuition from the resident district when the expiration of such contract
26 results in the nonresident district educating students, who would have
27 been covered by the contract if the contract were still in effect, as
28 option students pursuant to the enrollment option program established in
29 section 79-234;

30 (10) Converted contract option student means a student who will be
31 an option student pursuant to the enrollment option program established

1 in section 79-234 for the school fiscal year for which aid is being
2 calculated and who would have been covered by a converted contract if the
3 contract were still in effect and such school fiscal year is the first
4 school fiscal year for which such contract is not in effect;

5 (11) Department means the State Department of Education;

6 (12) District means any school district or unified system as defined
7 in section 79-4,108;

8 (13) Ensuing school fiscal year means the school fiscal year
9 following the current school fiscal year;

10 (14) Equalization aid means the amount of assistance calculated to
11 be paid to a local system pursuant to section 79-1008.01;

12 (15) Fall membership means the total membership in kindergarten
13 through grade twelve attributable to the local system as reported on the
14 fall school district membership reports for each district pursuant to
15 section 79-528;

16 (16) Fiscal year means the state fiscal year which is the period
17 from July 1 to the following June 30;

18 (17) Formula students means:

19 (a) For state aid certified pursuant to section 79-1022, the sum of
20 the product of fall membership from the school fiscal year immediately
21 preceding the school fiscal year in which the aid is to be paid
22 multiplied by the average ratio of average daily membership to fall
23 membership for the second school fiscal year immediately preceding the
24 school fiscal year in which the aid is to be paid and the prior two
25 school fiscal years plus sixty percent of the qualified early childhood
26 education fall membership plus tuitioned students from the school fiscal
27 year immediately preceding the school fiscal year in which aid is to be
28 paid minus the product of the number of students enrolled in kindergarten
29 that is not full-day kindergarten from the fall membership multiplied by
30 0.5; and

31 (b) For the final calculation of state aid pursuant to section

1 79-1065, the sum of average daily membership plus sixty percent of the
2 qualified early childhood education average daily membership plus
3 tuitioned students minus the product of the number of students enrolled
4 in kindergarten that is not full-day kindergarten from the average daily
5 membership multiplied by 0.5 from the school fiscal year immediately
6 preceding the school fiscal year in which aid was paid;

7 (18) Free lunch and free milk calculated students means, using the
8 most recent data available on November 1 of the school fiscal year
9 immediately preceding the school fiscal year in which aid is to be paid,
10 (a) for schools that did not provide free meals to all students pursuant
11 to the community eligibility provision, students who individually
12 qualified for free lunches or free milk pursuant to the federal Richard
13 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
14 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
15 and sections existed on January 1, 2015, and rules and regulations
16 adopted thereunder, plus (b) for schools that provided free meals to all
17 students pursuant to the community eligibility provision, (i) for school
18 fiscal year 2016-17, the product of the students who attended such school
19 multiplied by the identified student percentage calculated pursuant to
20 such federal provision or (ii) for school fiscal year 2017-18 and each
21 school fiscal year thereafter, the greater of the number of students in
22 such school who individually qualified for free lunch or free milk using
23 the most recent school fiscal year for which the school did not provide
24 free meals to all students pursuant to the community eligibility
25 provision or one hundred ten percent of the product of the students who
26 qualified for free meals at such school pursuant to the community
27 eligibility provision multiplied by the identified student percentage
28 calculated pursuant to such federal provision, except that the free lunch
29 and free milk students calculated for any school pursuant to subdivision
30 (18)(b)(ii) of this section shall not exceed one hundred percent of the
31 students qualified for free meals at such school pursuant to the

1 community eligibility provision;

2 (19) Free lunch and free milk student means, for school fiscal years
3 prior to school fiscal year 2016-17, a student who qualified for free
4 lunches or free milk from the most recent data available on November 1 of
5 the school fiscal year immediately preceding the school fiscal year in
6 which aid is to be paid;

7 (20) Full-day kindergarten means kindergarten offered by a district
8 for at least one thousand thirty-two instructional hours;

9 (21) General fund budget of expenditures means the total budget of
10 disbursements and transfers for general fund purposes as certified in the
11 budget statement adopted pursuant to the Nebraska Budget Act, except that
12 for purposes of the limitation imposed in section 79-1023, the general
13 fund budget of expenditures does not include any special grant funds,
14 exclusive of local matching funds, received by a district;

15 (22) General fund expenditures means all expenditures from the
16 general fund;

17 (23) General fund operating expenditures means for state aid
18 calculated for school fiscal years 2012-13 and each school fiscal year
19 thereafter, as reported on the annual financial report for the second
20 school fiscal year immediately preceding the school fiscal year in which
21 aid is to be paid, the total general fund expenditures minus (a) the
22 amount of all receipts to the general fund, to the extent that such
23 receipts are not included in local system formula resources, from early
24 childhood education tuition, summer school tuition, educational entities
25 as defined in section 79-1201.01 for providing distance education courses
26 through the Educational Service Unit Coordinating Council to such
27 educational entities, private foundations, individuals, associations,
28 charitable organizations, the textbook loan program authorized by section
29 79-734, federal impact aid, and levy override elections pursuant to
30 section 77-3444, (b) the amount of expenditures for categorical funds,
31 tuition paid, transportation fees paid to other districts, adult

1 education, community services, redemption of the principal portion of
2 general fund debt service, retirement incentive plans authorized by
3 section 79-855, and staff development assistance authorized by section
4 79-856, (c) the amount of any transfers from the general fund to any bond
5 fund and transfers from other funds into the general fund, (d) any legal
6 expenses in excess of fifteen-hundredths of one percent of the formula
7 need for the school fiscal year in which the expenses occurred, (e)(i)
8 for state aid calculated for school fiscal years prior to school fiscal
9 year 2018-19, expenditures to pay for sums agreed to be paid by a school
10 district to certificated employees in exchange for a voluntary
11 termination occurring prior to July 1, 2009, occurring on or after the
12 last day of the 2010-11 school year and prior to the first day of the
13 2013-14 school year, or, to the extent that a district has demonstrated
14 to the State Board of Education pursuant to section 79-1028.01 that the
15 agreement will result in a net savings in salary and benefit costs to the
16 school district over a five-year period, occurring on or after the first
17 day of the 2013-14 school year or (ii) for state aid calculated for
18 school fiscal year 2018-19 and each school fiscal year thereafter,
19 expenditures to pay for incentives agreed to be paid by a school district
20 to certificated employees in exchange for a voluntary termination of
21 employment for which the State Board of Education approved an exclusion
22 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,
23 (f)(i) expenditures to pay for employer contributions pursuant to
24 subsection (2) of section 79-958 to the School Employees Retirement
25 System of the State of Nebraska to the extent that such expenditures
26 exceed the employer contributions under such subsection that would have
27 been made at a contribution rate of seven and thirty-five hundredths
28 percent or (ii) expenditures to pay for school district contributions
29 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the
30 retirement system established pursuant to the Class V School Employees
31 Retirement Act to the extent that such expenditures exceed the school

1 district contributions under such subdivision that would have been made
2 at a contribution rate of seven and thirty-seven hundredths percent, and
3 (g) any amounts paid by the district for lobbyist fees and expenses
4 reported to the Clerk of the Legislature pursuant to section 49-1483.

5 For purposes of this subdivision (23) of this section, receipts from
6 levy override elections shall equal ninety-nine percent of the difference
7 of the total general fund levy minus a levy of one dollar and five cents
8 per one hundred dollars of taxable valuation multiplied by the assessed
9 valuation for school districts that have voted pursuant to section
10 77-3444 to override the maximum levy provided pursuant to section
11 77-3442;

12 (24) Income tax liability means the amount of the reported income
13 tax liability for resident individuals pursuant to the Nebraska Revenue
14 Act of 1967 less all nonrefundable credits earned and refunds made;

15 (25) Income tax receipts means the amount of income tax collected
16 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
17 credits earned and refunds made;

18 (26) Limited English proficiency students means the number of
19 students with limited English proficiency in a district from the most
20 recent data available on November 1 of the school fiscal year preceding
21 the school fiscal year in which aid is to be paid plus the difference of
22 such students with limited English proficiency minus the average number
23 of limited English proficiency students for such district, prior to such
24 addition, for the three immediately preceding school fiscal years if such
25 difference is greater than zero;

26 (27) Local system means a unified system or a school district;

27 (28) Low-income child means (a) for school fiscal years prior to
28 2016-17, a child under nineteen years of age living in a household having
29 an annual adjusted gross income for the second calendar year preceding
30 the beginning of the school fiscal year for which aid is being calculated
31 equal to or less than the maximum household income that would allow a

1 student from a family of four people to be a free lunch and free milk
2 student during the school fiscal year immediately preceding the school
3 fiscal year for which aid is being calculated and (b) for school fiscal
4 year 2016-17 and each school fiscal year thereafter, a child under
5 nineteen years of age living in a household having an annual adjusted
6 gross income for the second calendar year preceding the beginning of the
7 school fiscal year for which aid is being calculated equal to or less
8 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
9 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
10 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
11 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
12 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
13 existed on January 1, 2015, for a household of that size that would have
14 allowed the child to meet the income qualifications for free meals during
15 the school fiscal year immediately preceding the school fiscal year for
16 which aid is being calculated;

17 (29) Low-income students means the number of low-income children
18 within the district multiplied by the ratio of the formula students in
19 the district divided by the total children under nineteen years of age
20 residing in the district as derived from income tax information;

21 (30) Most recently available complete data year means the most
22 recent single school fiscal year for which the annual financial report,
23 fall school district membership report, annual statistical summary,
24 Nebraska income tax liability by school district for the calendar year in
25 which the majority of the school fiscal year falls, and adjusted
26 valuation data are available;

27 (31) Poverty students means (a) for school fiscal years prior to
28 2016-17, the number of low-income students or the number of students who
29 are free lunch and free milk students in a district plus the difference
30 of the number of low-income students or the number of students who are
31 free lunch and free milk students in a district, whichever is greater,

1 minus the average number of poverty students for such district, prior to
2 such addition, for the three immediately preceding school fiscal years if
3 such difference is greater than zero and (b) for school fiscal year
4 2016-17 and each school fiscal year thereafter, the unadjusted poverty
5 students plus the difference of such unadjusted poverty students minus
6 the average number of poverty students for such district, prior to such
7 addition, for the three immediately preceding school fiscal years if such
8 difference is greater than zero;

9 (32) Qualified early childhood education average daily membership
10 means the product of the average daily membership for school fiscal year
11 2006-07 and each school fiscal year thereafter of students who will be
12 eligible to attend kindergarten the following school year and are
13 enrolled in an early childhood education program approved by the
14 department pursuant to section 79-1103 for such school district for such
15 school year multiplied by the ratio of the actual instructional hours of
16 the program divided by one thousand thirty-two if: (a) The program is
17 receiving a grant pursuant to such section for the third year; (b) the
18 program has already received grants pursuant to such section for three
19 years; or (c) the program has been approved pursuant to subsection (5) of
20 section 79-1103 for such school year and the two preceding school years,
21 including any such students in portions of any of such programs receiving
22 an expansion grant;

23 (33) Qualified early childhood education fall membership means the
24 product of membership on October 1 of each school year of students who
25 will be eligible to attend kindergarten the following school year and are
26 enrolled in an early childhood education program approved by the
27 department pursuant to section 79-1103 for such school district for such
28 school year multiplied by the ratio of the planned instructional hours of
29 the program divided by one thousand thirty-two if: (a) The program is
30 receiving a grant pursuant to such section for the third year; (b) the
31 program has already received grants pursuant to such section for three

1 years; or (c) the program has been approved pursuant to subsection (5) of
2 section 79-1103 for such school year and the two preceding school years,
3 including any such students in portions of any of such programs receiving
4 an expansion grant;

5 (34) Regular route transportation means the transportation of
6 students on regularly scheduled daily routes to and from the attendance
7 center;

8 (35) Reorganized district means any district involved in a
9 consolidation and currently educating students following consolidation;

10 (36) School year or school fiscal year means the fiscal year of a
11 school district as defined in section 79-1091;

12 (37) Sparse local system means a local system that is not a very
13 sparse local system but which meets the following criteria:

14 (a)(i) Less than two students per square mile in the county in which
15 each high school is located, based on the school district census, (ii)
16 less than one formula student per square mile in the local system, and
17 (iii) more than ten miles between each high school attendance center and
18 the next closest high school attendance center on paved roads;

19 (b)(i) Less than one and one-half formula students per square mile
20 in the local system and (ii) more than fifteen miles between each high
21 school attendance center and the next closest high school attendance
22 center on paved roads;

23 (c)(i) Less than one and one-half formula students per square mile
24 in the local system and (ii) more than two hundred seventy-five square
25 miles in the local system; or

26 (d)(i) Less than two formula students per square mile in the local
27 system and (ii) the local system includes an area equal to ninety-five
28 percent or more of the square miles in the largest county in which a high
29 school attendance center is located in the local system;

30 (38) Special education means specially designed kindergarten through
31 grade twelve instruction pursuant to section 79-1125, and includes

1 special education transportation;

2 (39) Special grant funds means the budgeted receipts for grants,
3 including, but not limited to, categorical funds, reimbursements for
4 wards of the court, short-term borrowings including, but not limited to,
5 registered warrants and tax anticipation notes, interfund loans,
6 insurance settlements, and reimbursements to county government for
7 previous overpayment. The state board shall approve a listing of grants
8 that qualify as special grant funds;

9 (40) State aid means the amount of assistance paid to a district
10 pursuant to the Tax Equity and Educational Opportunities Support Act;

11 (41) State board means the State Board of Education;

12 (42) State support means all funds provided to districts by the
13 State of Nebraska for the general fund support of elementary and
14 secondary education;

15 (43) Statewide average basic funding per formula student means the
16 statewide total basic funding for all districts divided by the statewide
17 total formula students for all districts;

18 (44) Statewide average general fund operating expenditures per
19 formula student means the statewide total general fund operating
20 expenditures for all districts divided by the statewide total formula
21 students for all districts;

22 (45) Teacher has the definition found in section 79-101;

23 (46) Temporary aid adjustment factor means (a) for school fiscal
24 years before school fiscal year 2007-08, one and one-fourth percent of
25 the sum of the local system's transportation allowance, the local
26 system's special receipts allowance, and the product of the local
27 system's adjusted formula students multiplied by the average formula cost
28 per student in the local system's cost grouping and (b) for school fiscal
29 year 2007-08, one and one-fourth percent of the sum of the local system's
30 transportation allowance, special receipts allowance, and distance
31 education and telecommunications allowance and the product of the local

1 system's adjusted formula students multiplied by the average formula cost
2 per student in the local system's cost grouping;

3 (47) Tuition receipts from converted contracts means tuition
4 receipts received by a district from another district in the most
5 recently available complete data year pursuant to a converted contract
6 prior to the expiration of the contract;

7 (48) Tuitioned students means students in kindergarten through grade
8 twelve of the district whose tuition is paid by the district to some
9 other district or education agency;

10 (49) Unadjusted poverty students means, for school fiscal year
11 2016-17 and each school fiscal year thereafter, the greater of the number
12 of low-income students or the free lunch and free milk calculated
13 students in a district; and

14 (50) Very sparse local system means a local system that has:

15 (a)(i) Less than one-half student per square mile in each county in
16 which each high school attendance center is located based on the school
17 district census, (ii) less than one formula student per square mile in
18 the local system, and (iii) more than fifteen miles between the high
19 school attendance center and the next closest high school attendance
20 center on paved roads; or

21 (b)(i) More than four hundred fifty square miles in the local
22 system, (ii) less than one-half student per square mile in the local
23 system, and (iii) more than fifteen miles between each high school
24 attendance center and the next closest high school attendance center on
25 paved roads.

26 Sec. 17. Section 79-1054, Revised Statutes Cumulative Supplement,
27 2020, is amended to read:

28 79-1054 (1) The State Board of Education shall administer ~~establish~~
29 a competitive innovation grant program with funding ~~from the Nebraska~~
30 ~~Education Improvement Fund~~ pursuant to section 9-812 through June 30,
31 2022. Grantees shall be a school district, an educational service unit,

1 or a combination of entities that includes at least one school district
2 or educational service unit. For grantees that consist of a combination
3 of entities, a participating school district or educational service unit
4 shall be designated to act as the fiscal agent and administer the program
5 funded by the grant. The state board shall only award grants pursuant to
6 applications that the state board deems to be sufficiently innovative and
7 to have a high chance of success.

8 (2) An application for a grant pursuant to subsection (1) of this
9 section shall describe:

10 (a) Specific measurable objectives for improving education outcomes
11 for early childhood students, elementary students, middle school
12 students, or high school students or for improving the transitions
13 between any successive stages of education or between education and the
14 workforce;

15 (b) The method for annually evaluating progress toward a measurable
16 objective, with a summative evaluation of progress submitted to the state
17 board and electronically to the Education Committee of the Legislature on
18 or before July 1 of each year through 2022 ~~7-2019~~;

19 (c) The potential for the project to be both scalable and
20 replicable; and

21 (d) Any cost savings that could be achieved by reductions in other
22 programs if the funded program is successful.

23 (3) Based on evaluations received ~~on or before July 1, 2019,~~ for
24 each grant, the State Board of Education shall recommend the grant
25 project as:

26 (a) Representing a best practice;

27 (b) A model for a state-supported program; or

28 (c) A local issue for further study.

29 (4) On or before ~~December 1, 2017, and on or before~~ December 1 of
30 each year through 2022 ~~thereafter~~, the state board shall electronically
31 submit a report to the Clerk of the Legislature on all such grants,

1 including, but not limited to, the results of the evaluations for each
2 grant. The state board may adopt and promulgate rules and regulations to
3 carry out this section, including, but not limited to, application
4 procedures, selection procedures, and annual evaluation reporting
5 procedures.

6 (5) The Department of Education Innovative Grant Fund is created.
7 The fund shall be administered by the State Department of Education and
8 shall consist of transfers pursuant to section 9-812, repayments of grant
9 funds, and interest payments received in the course of administering this
10 section. The fund shall be used to carry out this section. Any money in
11 the fund available for investment shall be invested by the state
12 investment officer pursuant to the Nebraska Capital Expansion Act and the
13 Nebraska State Funds Investment Act.

14 Sec. 18. Section 79-1064, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 79-1064 The State Department of Education Cash Fund is created.
17 Except as to other revenue the disposition of which is otherwise provided
18 for, all sums of money received by the State Department of Education from
19 the sale of goods and materiel, fees from any training program or
20 services rendered, and any revenue such department may receive from any
21 other source shall be remitted to the State Treasurer for credit to the
22 State Department of Education Cash Fund. The State Treasurer shall
23 disburse such amounts in the fund as are available and considered
24 incident to the administration and operation of the State Department of
25 Education. Money transferred to the fund pursuant to section 9-812 shall
26 be used as directed in such section. Money in the State Department of
27 Education Cash Fund, except any money transferred into the fund pursuant
28 to section 9-812, may be transferred to the General Fund at the direction
29 of the Legislature. All disbursements for the State Department of
30 Education Cash Fund shall be made upon vouchers issued by the State
31 Department of Education and warrants drawn by the Director of

1 Administrative Services. Any money in the State Department of Education
2 Cash Fund available for investment shall be invested by the state
3 investment officer pursuant to the Nebraska Capital Expansion Act and the
4 Nebraska State Funds Investment Act.

5 Sec. 19. Section 79-1104.02, Revised Statutes Cumulative Supplement,
6 2020, is amended to read:

7 79-1104.02 (1) The Early Childhood Education Endowment Cash Fund,
8 consisting of the interest, earnings, and proceeds from the Early
9 Childhood Education Endowment Fund and the earnings from the private
10 endowment created by the endowment provider, funds transferred from the
11 Education Innovation Fund pursuant to section 9-812 prior to June 30,
12 2016, and any additional private donations made directly thereto, shall
13 be used exclusively to provide funds for the Early Childhood Education
14 Grant Program for at-risk children from birth to age three as set forth
15 in this section.

16 (2) Grants provided by this section shall be to school districts and
17 cooperatives of school districts for early childhood education programs
18 for at-risk children from birth to age three, as determined by the board
19 of trustees pursuant to criteria set forth by the board of trustees.
20 School districts and cooperatives of school districts may establish
21 agreements with other public and private entities to provide services or
22 operate programs.

23 (3) Each program selected for a grant pursuant to this section may
24 be provided a grant for up to one-half of the total budget of such
25 program per year. Programs selected for grant awards may receive
26 continuation grants subject to the availability of funding and the
27 submission of a continuation plan which meets the requirements of the
28 board of trustees.

29 (4) Programs shall be funded across the state and in urban and rural
30 areas to the fullest extent possible.

31 (5) Each program selected for a grant pursuant to this section shall

1 meet the requirements described in subsection (2) of section 79-1103,
2 except that the periodic evaluations of the program are to be specified
3 by the board of trustees and the programs need not include continuity
4 with programs in kindergarten and elementary grades and need not include
5 instructional hours that are similar to or less than the instructional
6 hours for kindergarten. The programs may continue to serve at-risk
7 children who turn three years of age during the program year until the
8 end of the program year, as specified by the board of trustees.

9 (6) The board of trustees may issue grants to early childhood
10 education programs entering into agreements pursuant to subsection (2) of
11 this section with child care providers if the child care provider enrolls
12 in the quality rating and improvement system described in the Step Up to
13 Quality Child Care Act prior to the beginning of the initial grant
14 period. Child care providers shall participate in training approved by
15 the Early Childhood Training Center which is needed for participation or
16 advancement in the quality rating and improvement system.

17 (7) The board of trustees shall require child care providers in
18 programs receiving grants under this section to obtain a step three
19 rating or higher on the quality scale described in section 71-1956 within
20 three years of the starting date of the initial grant period to continue
21 funding the program. The board of trustees shall require the child care
22 provider to maintain a step three rating or higher on such quality scale
23 after three years from the starting date of the initial grant period to
24 continue funding the program.

25 (8) If a child care provider fails to achieve or maintain a step
26 three rating or higher on the quality scale described in such section
27 after three years from the starting date of the initial grant period, the
28 child care provider shall obtain and maintain the step three rating on
29 such quality scale before any new or continuing grants may be issued for
30 programs in which such child care provider participates.

31 (9) Any school district entering into agreements pursuant to

1 subsection (2) of this section with child care providers must employ or
2 contract with, either directly or indirectly, a program coordinator
3 holding a certificate as defined in section 79-807.

4 (10) Up to ten percent of the total amount deposited in the Early
5 Childhood Education Endowment Cash Fund each fiscal year may be reserved
6 by the board of trustees for evaluation and technical assistance for the
7 Early Childhood Education Grant Program with respect to programs for at-
8 risk children from birth to age three.

9 Sec. 20. Section 79-1201.01, Reissue Revised Statutes of Nebraska,
10 is amended to read:

11 79-1201.01 For purposes of the Educational Service Units Act and
12 section sections 79-1336 and 79-1337:

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

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

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

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

31 (5) Network Nebraska means the network created pursuant to section

1 86-5,100;

2 (6) Qualified distance education course means a distance education
3 course which meets any applicable rules and regulations of the State
4 Department of Education, is offered for one semester of high school
5 credit or the equivalent, and for which all of the participating
6 educational entities are required to have access to Network Nebraska;

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

14 (8) Technology includes technical training and technology
15 infrastructure;

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

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

27 Sec. 21. Section 79-1337, Revised Statutes Cumulative Supplement,
28 2020, is amended to read:

29 79-1337 (1) For fiscal years 2007-08 through 2025-26 ~~2020-21~~, the
30 State Department of Education shall provide distance education incentives
31 to school districts and educational service units for qualified distance

1 education courses coordinated through the Educational Service Unit
2 Coordinating Council as provided in this section. ~~Funding Through fiscal~~
3 ~~year 2015-16, funding for such distance education incentives shall come~~
4 ~~from the Education Innovation Fund. For fiscal years 2016-17 through~~
5 ~~2020-21, funding~~ for such distance education incentives shall come from
6 the Nebraska Education Improvement Fund.

7 (2) School districts and educational service units shall apply for
8 incentives annually through calendar year 2025 ~~2020~~ to the department on
9 or before August 1 on a form specified by the department. The application
10 shall:

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

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

1 (3) On or before September 1 of each year through calendar year 2025
2 ~~2020~~, the department shall certify the incentives for each school
3 district and educational service unit which shall be paid on or before
4 October 1 of such year. The incentives for each district shall be
5 calculated as follows:

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

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

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

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

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

28 (b) ~~The difference of the amount available for distribution in the~~
29 Nebraska Education Improvement Innovation ~~Fund~~ on the August 1 when the
30 applications were due ~~minus any amount to be paid to school districts~~
31 ~~pursuant to section 79-1336~~ shall be divided by the number of distance

1 education units to determine the incentive per distance education unit,
2 except that the incentive per distance education unit shall not equal an
3 amount greater than one thousand dollars; and

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

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

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

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

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

28 (6) On or before October 1 of each year through calendar year 2025
29 ~~2020~~, a school district or educational service unit may appeal the denial
30 of incentives for any course by the department to the State Board of
31 Education. The board shall allow a representative of the school district

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

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

11 Sec. 22. Section 79-2503, Revised Statutes Cumulative Supplement,
12 2020, is amended to read:

13 79-2503 For purposes of the Expanded Learning Opportunity Grant
14 Program Act:

15 (1) Community learning center has the definition found in 20 U.S.C.
16 7171(b)(1), as such section existed on January 1, 2021 ~~2015~~;

17 (2) Department means the State Department of Education;

18 (3) Expanded learning opportunity program means a school-community
19 partnership that provides participating elementary-age and secondary-age
20 students and their families with programming and other support activities
21 and services after school and on weekends, holidays, and other hours when
22 school is not in session through a mix of programs and services that (a)
23 complement but do not duplicate elementary and secondary school day
24 learning and (b) create opportunities to strengthen school-community
25 partnerships that provide students and their families with the support
26 they need to be successful in school; and

27 (4) High-need school district means a school district in which forty
28 percent or more of the enrolled students qualify for free and reduced
29 price meals under the National School Lunch Program, 7 C.F.R. part 210,
30 as such regulations existed on January 1, 2021 ~~2015~~.

31 Sec. 23. Section 79-2505, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 79-2505 Of the funds available to ~~The first priority of the~~
3 Expanded Learning Opportunity Grant Program, one-third of such funds
4 shall be used for ~~is to continue~~ existing 21st Century Community Learning
5 Centers funded by the federal 21st Century Community Learning Center
6 program pursuant to 20 U.S.C. 7171 et seq., as such sections existed on
7 January 1, 2021 ~~2015~~, in high-need school districts that have a record of
8 success. The remaining two-thirds of the available funds ~~second priority~~
9 shall be used to support ~~for~~ new expanded learning opportunity program
10 development in areas of the state with a high percentage of at-risk
11 children that are not currently served by school-based or school-linked
12 expanded learning opportunity programs funded by the federal 21st Century
13 Community Learning Center program pursuant to 20 U.S.C. 7171 et seq., as
14 such sections existed on January 1, 2021 ~~2015~~.

15 Sec. 24. Section 79-2506, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 79-2506 (1) The department shall establish an application process
18 and timeline pursuant to which partner organizations may submit proposals
19 for a grant under the Expanded Learning Opportunity Grant Program. Each
20 proposal shall include:

21 (a) A grant planning period;

22 (b) An agreement to participate in periodic evaluations of the
23 expanded learning opportunity program, to be specified by the department;

24 (c) Evidence that the proposed expanded learning opportunity program
25 will be coordinated or contracted with existing programs;

26 (d) A plan to coordinate and use a combination of local, state,
27 philanthropic, and federal funding sources, including, but not limited
28 to, funding available through the federal No Child Left Behind Act of
29 2001, 20 U.S.C. 6301 et seq., as such act and sections existed on January
30 1, 2021 ~~2015~~, from the Expanded Learning Opportunity Grant Fund funds
31 ~~allocated pursuant to section 9-812~~, and funds from any other source

1 designated or appropriated for purposes of the program. Funding provided
2 by the Expanded Learning Opportunity Grant Program shall be matched on a
3 one-to-one basis by community or partner contributions;

4 (e) A plan to use sliding-fee scales and the funding sources
5 included in subdivision (d) of this subsection;

6 (f) An advisory body which includes families and community members;

7 (g) Appropriately qualified staff;

8 (h) An appropriate child-to-staff ratio;

9 (i) Compliance with minimum health and safety standards;

10 (j) A strong family development and support component, recognizing
11 the central role of parents in their children's development; and

12 (k) Developmentally and culturally appropriate practices and
13 assessments.

14 (2) The proposal shall demonstrate how the expanded learning
15 opportunity program will provide participating students with academic
16 enrichment and expanded learning opportunities that are high quality,
17 based on proven methods, if appropriate, and designed to complement
18 students' regular academic programs. Such activities shall include two or
19 more of the following:

20 (a) Core education subjects of reading, writing, mathematics, and
21 science;

22 (b) Academic enrichment learning programs, including provision of
23 additional assistance to students to allow the students to improve their
24 academic achievement;

25 (c) Science, technology, engineering, and mathematics (STEM)
26 education;

27 (d) Sign language, foreign language, and social studies instruction;

28 (e) Remedial education activities;

29 (f) Tutoring services, including, but not limited to, tutoring
30 services provided by senior citizen volunteers;

31 (g) Arts and music education;

- 1 (h) Entrepreneurial education programs;
- 2 (i) Telecommunications and technology education programs;
- 3 (j) Programs for English language learners that emphasize language
4 skills and academic achievement;
- 5 (k) Mentoring programs;
- 6 (l) Recreational activities;
- 7 (m) Expanded library service hours;
- 8 (n) Programs that provide assistance to students who have been
9 truant, suspended, or expelled to allow such students to improve their
10 academic achievement;
- 11 (o) Drug abuse prevention and violence prevention programs;
- 12 (p) Character education programs;
- 13 (q) Health and nutritional services;
- 14 (r) Behavioral health counseling services; and
- 15 (s) Programs that promote parental involvement and family literacy.
- 16 (3) A proposal shall: (a) Demonstrate specifically how its
17 activities are expected to improve student academic achievement; (b)
18 demonstrate that its activities will be provided by organizations in
19 partnership with the school that have experience or the promise of
20 success in providing educational and related activities that will
21 complement and enhance the academic performance, achievement, and
22 positive development of the students; and (c) demonstrate that the
23 expanded learning opportunity program aligns with the school district
24 learning objectives and behavioral codes. Nothing in this subsection
25 shall be construed to require an expanded learning opportunity program to
26 provide academic services in specific subject areas.
- 27 (4) The department shall make an effort to fund expanded learning
28 opportunity programs in both rural and urban areas of the state. The
29 department shall award grants to proposals that offer a broad array of
30 services, programs, and activities.

31 Sec. 25. Section 84-304, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

9 (3)(a) To examine or cause to be examined, at such time as he or she
10 shall determine, books, accounts, vouchers, records, and expenditures of
11 all state officers, state bureaus, state boards, state commissioners, the
12 state library, societies and associations supported by the state, state
13 institutions, state colleges, and the University of Nebraska, except when
14 required to be performed by other officers or persons. Such examinations
15 shall be done in accordance with generally accepted government auditing
16 standards for financial audits and attestation engagements set forth in
17 Government Auditing Standards (2011 Revision for audit periods ending
18 before June 30, 2020, or 2018 Revision for audit periods ending on or
19 after June 30, 2020), published by the Comptroller General of the United
20 States, Government Accountability Office, and except as provided in
21 subdivision (11) ~~(10)~~ of this section, subdivision (16) of section
22 50-1205, and section 84-322, shall not include performance audits,
23 whether conducted pursuant to attestation engagements or performance
24 audit standards as set forth in Government Auditing Standards (2018
25 Revision), published by the Comptroller General of the United States,
26 Government Accountability Office.

27 (b) Any entity, excluding the state colleges and the University of
28 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of
29 this section and that is the subject of a comment and recommendation in a
30 management letter or report issued by the Auditor of Public Accounts
31 shall, on or before six months after the issuance of such letter or

1 report, provide to the Auditor of Public Accounts a detailed written
2 description of any corrective action taken or to be taken in response to
3 the comment and recommendation. The Auditor of Public Accounts may
4 investigate and evaluate the corrective action. The Auditor of Public
5 Accounts shall then electronically submit a report of any findings of
6 such investigation and evaluation to the Governor, the appropriate
7 standing committee of the Legislature, and the Appropriations Committee
8 of the Legislature. The Auditor of Public Accounts shall also ensure that
9 the report is delivered to the Appropriations Committee for entry into
10 the record during the committee's budget hearing process;

11 (4)(a) To examine or cause to be examined, at the expense of the
12 political subdivision, when the Auditor of Public Accounts determines
13 such examination necessary or when requested by the political
14 subdivision, the books, accounts, vouchers, records, and expenditures of
15 any agricultural association formed under Chapter 2, article 20, any
16 county agricultural society, any joint airport authority formed under the
17 Joint Airport Authorities Act, any city or county airport authority, any
18 bridge commission created pursuant to section 39-868, any cemetery
19 district, any community redevelopment authority or limited community
20 redevelopment authority established under the Community Development Law,
21 any development district, any drainage district, any health district, any
22 local public health department as defined in section 71-1626, any
23 historical society, any hospital authority or district, any county
24 hospital, any housing agency as defined in section 71-1575, any
25 irrigation district, any county or municipal library, any community
26 mental health center, any railroad transportation safety district, any
27 rural water district, any township, Wyuka Cemetery, the Educational
28 Service Unit Coordinating Council, any entity created pursuant to the
29 Interlocal Cooperation Act, any educational service unit, any village,
30 any service contractor or subrecipient of state or federal funds, any
31 political subdivision with the authority to levy a property tax or a

1 toll, or any entity created pursuant to the Joint Public Agency Act.

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

8 (b) The Auditor of Public Accounts may waive the audit requirement
9 of subdivision (4)(a) of this section upon the submission by the
10 political subdivision of a written request in a form prescribed by the
11 auditor. The auditor shall notify the political subdivision in writing of
12 the approval or denial of the request for a waiver.

13 (c) Through December 31, 2017, the Auditor of Public Accounts may
14 conduct audits under this subdivision for purposes of sections 2-3228,
15 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,
16 23-1118, 23-3526, 71-1631.02, and 79-987.

17 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
18 conduct audits under this subdivision for purposes of sections 13-2402,
19 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,
20 71-1631.02, and 79-987 and shall prescribe the form for the annual
21 reports required in each of such sections. Such annual reports shall be
22 published annually on the web site of the Auditor of Public Accounts;

23 (5) To report promptly to the Governor and the appropriate standing
24 committee of the Legislature the fiscal condition shown by such
25 examinations conducted by the auditor, including any irregularities or
26 misconduct of officers or employees, any misappropriation or misuse of
27 public funds or property, and any improper system or method of
28 bookkeeping or condition of accounts. The report submitted to the
29 committee shall be submitted electronically. In addition, if, in the
30 normal course of conducting an audit in accordance with subdivision (3)
31 of this section, the auditor discovers any potential problems related to

1 the effectiveness, efficiency, or performance of state programs, he or
2 she shall immediately report them electronically to the Legislative
3 Performance Audit Committee which may investigate the issue further,
4 report it electronically to the appropriate standing committee of the
5 Legislature, or both;

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

9 (b) Whenever the expenditures of a fire protection district are one
10 hundred fifty thousand dollars or less per fiscal year, the fire
11 protection district shall be audited no more than once every five years
12 except as directed by the board of directors of the fire protection
13 district or unless the auditor receives a verifiable report from a third
14 party indicating any irregularities or misconduct of officers or
15 employees of the fire protection district, any misappropriation or misuse
16 of public funds or property, or any improper system or method of
17 bookkeeping or condition of accounts of the fire protection district. In
18 the absence of such a report, the auditor may waive the five-year audit
19 requirement upon the submission of a written request by the fire
20 protection district in a form prescribed by the auditor. The auditor
21 shall notify the fire protection district in writing of the approval or
22 denial of a request for waiver of the five-year audit requirement. Upon
23 approval of the request for waiver of the five-year audit requirement, a
24 new five-year audit period shall begin.

25 (c) Whenever the expenditures of a fire protection district exceed
26 one hundred fifty thousand dollars in a fiscal year, the auditor may
27 waive the audit requirement upon the submission of a written request by
28 the fire protection district in a form prescribed by the auditor. The
29 auditor shall notify the fire protection district in writing of the
30 approval or denial of a request for waiver. Upon approval of the request
31 for waiver, a new five-year audit period shall begin for the fire

1 protection district if its expenditures are one hundred fifty thousand
2 dollars or less per fiscal year in subsequent years;

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

16 (8) To conduct audits and related activities for state agencies,
17 political subdivisions of this state, or grantees of federal funds
18 disbursed by a receiving agency on a contractual or other basis for
19 reimbursement to assure proper accounting by all such agencies, political
20 subdivisions, and grantees for funds appropriated by the Legislature and
21 federal funds disbursed by any receiving agency. The auditor may contract
22 with any political subdivision to perform the audit of such political
23 subdivision required by or provided for in section 23-1608 or 79-1229 or
24 this section and charge the political subdivision for conducting the
25 audit. The fees charged by the auditor for conducting audits on a
26 contractual basis shall be in an amount sufficient to pay the cost of the
27 audit. The fees remitted to the auditor for such audits and services
28 shall be deposited in the Auditor of Public Accounts Cash Fund;

29 (9)(a) To examine or cause to be examined the books, accounts,
30 vouchers, and records related to any money transferred pursuant to
31 subsection (5) or (6) of section 9-812, any fund receiving any such

1 transfer, or any subsequent transfer or expenditure of such money when
2 the Auditor of Public Accounts determines such examination necessary or
3 when requested by (i) any department or agency receiving any such
4 transfer or acting as the administrator for a fund receiving any such
5 transfer, (ii) any recipient or subsequent recipient of money disbursed
6 from any such fund, or (iii) any service contractor responsible for
7 managing, on behalf of any entity, any portion of any such fund or any
8 money disbursed from any such fund.

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

13 (c) For purposes of this subdivision, recipient, subsequent
14 recipient, or service contractor means a nonprofit entity that expends
15 funds transferred pursuant to subsection (5) or (6) of section 9-812 to
16 carry out a state program or function, but does not include an individual
17 who is a direct beneficiary of such a program or function.

18 (d) The Auditor of Public Accounts shall prescribe the form for the
19 annual reports required in subsection (9) of section 9-812. Such annual
20 reports shall be published on the web site of the Auditor of Public
21 Accounts;

22 (10) ~~(9)~~ To develop and maintain an annual budget and actual
23 financial information reporting system for political subdivisions that is
24 accessible online by the public;

25 (11) ~~(10)~~ When authorized, to conduct joint audits with the
26 Legislative Performance Audit Committee as described in section 50-1205;

27 (12) ~~(11)~~ Unless otherwise specifically provided, to assess the
28 interest rate on delinquent payments of any fees for audits and services
29 owing to the Auditor of Public Accounts at a rate of fourteen percent per
30 annum from the date of billing unless paid within thirty days after the
31 date of billing. For an entity created pursuant to the Interlocal

1 Cooperation Act or the Joint Public Agency Act, any participating public
2 agencies shall be jointly and severally liable for the fees and interest
3 owed if such entity is defunct or unable to pay; and

4 (13) ~~(12)~~ In consultation with statewide associations representing
5 (a) counties and (b) cities and villages, to approve annual continuing
6 education programs for county treasurers, city treasurers, and village
7 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
8 23-1601. The cost of attending such programs shall be at the expense of
9 the county, city, or village. The auditor shall maintain records of
10 program attendance and notify each county board, city council, or village
11 board of trustees if its treasurer has not completed such program
12 attendance. The auditor shall inform the Attorney General and the county
13 attorney of the county in which a treasurer is located if such treasurer
14 has not completed a required annual continuing education program.

15 Sec. 26. Section 85-1412, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 85-1412 The commission shall have the following additional powers
18 and duties:

19 (1) Conduct surveys and studies as may be necessary to undertake the
20 coordination function of the commission pursuant to section 85-1403 and
21 request information from governing boards and appropriate administrators
22 of public institutions and other governmental agencies for research
23 projects. All public institutions and governmental agencies receiving
24 state funds shall comply with reasonable requests for information under
25 this subdivision. Public institutions may comply with such requests
26 pursuant to section 85-1417;

27 (2) Recommend to the Legislature and the Governor legislation it
28 deems necessary or appropriate to improve postsecondary education in
29 Nebraska and any other legislation it deems appropriate to change the
30 role and mission provisions in sections 85-917 to 85-966.01. The
31 recommendations submitted to the Legislature shall be submitted

1 electronically;

2 (3) Establish any advisory committees as may be necessary to
3 undertake the coordination function of the commission pursuant to section
4 85-1403 or to solicit input from affected parties such as students,
5 faculty, governing boards, administrators of the public institutions,
6 administrators of the private nonprofit institutions of postsecondary
7 education and proprietary institutions in the state, and community and
8 business leaders regarding the coordination function of the commission;

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

13 (5) Seek a close liaison with the State Board of Education and the
14 State Department of Education in recognition of the need for close
15 coordination of activities between elementary and secondary education and
16 postsecondary education;

17 (6) Administer the Integrated Postsecondary Education Data System or
18 other information system or systems to provide the commission with
19 timely, comprehensive, and meaningful information pertinent to the
20 exercise of its duties. The information system shall be designed to
21 provide comparable data on each public institution. The commission shall
22 also administer the uniform information system prescribed in sections
23 85-1421 to 85-1427 known as the Nebraska Educational Data System. Public
24 institutions shall supply the appropriate data for the information system
25 or systems required by the commission;

26 (7) Administer (a) the Access College Early Scholarship Program Act
27 and the Access College Early Scholarship Cash Fund, (b) the Career-
28 Readiness and Dual-Credit Education Grant Program Act and the Career-
29 Readiness and Dual-Credit Education Cash Fund, (c) the Community College
30 Aid Act, (d) the community college gap assistance program and the
31 Community College Gap Assistance Program Fund, (e) the Door to College

1 Scholarship Act and the Door to College Scholarship Fund, (f) the
2 Excellence in Teaching Act and the Excellence in Teaching Cash Fund, (g)
3 ~~(e)~~ the Nebraska Community College Student Performance and Occupational
4 Education Grant Fund under the direction of the Nebraska Community
5 College Student Performance and Occupational Education Grant Committee,
6 (h) (d) the Nebraska Opportunity Grant Act and the Nebraska Opportunity
7 Grant Fund, and (i) (e) the Postsecondary Institution Act, and (f) the
8 ~~community college gap assistance program and the Community College Gap~~
9 ~~Assistance Program Fund;~~

10 (8) Accept and administer loans, grants, and programs from the
11 federal or state government and from other sources, public and private,
12 for carrying out any of its functions, including the administration of
13 privately endowed scholarship programs. Such loans and grants shall not
14 be expended for any other purposes than those for which the loans and
15 grants were provided. The commission shall determine eligibility for such
16 loans, grants, and programs, and such loans and grants shall not be
17 expended unless approved by the Governor;

18 (9) On or before December 1 of each even-numbered year, submit to
19 the Legislature and the Governor a report of its objectives and
20 activities and any new private colleges in Nebraska and the
21 implementation of any recommendations of the commission for the preceding
22 two calendar years. The report submitted to the Legislature shall be
23 submitted electronically;

24 (10) Provide staff support for interstate compacts on postsecondary
25 education; and

26 (11) Request inclusion of the commission in any existing grant
27 review process and information system.

28 Sec. 27. Section 85-1920, Revised Statutes Cumulative Supplement,
29 2020, is amended to read:

30 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the
31 fund shall include amounts transferred pursuant to section 9-812 from the

1 State Lottery Operation Trust Fund ~~pursuant to section 9-812 until June~~
2 ~~30, 2016, or, until June 30, 2021,~~ the Nebraska Education Improvement
3 Fund ~~pursuant to section 9-812 until June 30, 2021.~~ All amounts accruing
4 to the Nebraska Opportunity Grant Fund shall be used to carry out the
5 Nebraska Opportunity Grant Act. Any money in the fund available for
6 investment shall be invested by the state investment officer pursuant to
7 the Nebraska Capital Expansion Act and the Nebraska State Funds
8 Investment Act.

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

12 Sec. 28. Section 85-2009, Revised Statutes Cumulative Supplement,
13 2020, is amended to read:

14 85-2009 (1) The Community College Gap Assistance Program Fund is
15 created. The fund shall be under the direction of the committee and shall
16 be administered by the Coordinating Commission for Postsecondary
17 Education. The fund shall consist of money received pursuant to section
18 9-812, any other money received by the state in the form of grants or
19 gifts from nonfederal sources, such other amounts as may be transferred
20 or otherwise accrue to the fund, and any investment income earned on the
21 fund. The fund shall be used to provide aid or grants to the community
22 colleges pursuant to the Community College Gap Assistance Program Act.
23 Any money in the fund available for investment shall be invested by the
24 state investment officer pursuant to the Nebraska Capital Expansion Act
25 and the Nebraska State Funds Investment Act.

26 ~~(2) The total of community college gap assistance awarded from the~~
27 ~~Community College Gap Assistance Program Fund during any fiscal year~~
28 ~~shall not exceed one million five hundred thousand dollars.~~

29 (2) ~~(3)~~ Money in the fund may also be used by the committee to ~~÷~~ ~~(a)~~
30 ~~To~~ establish application and funding procedures. ; ~~and~~

31 (3) Each community college may use up to ten percent of any money

1 ~~received from the fund to defray (b) To assist community colleges in~~
2 ~~defraying the costs of direct staff support services, including, but not~~
3 ~~limited to, marketing, outreach, applications, interviews, and~~
4 ~~assessments as follows: (i) Up to twenty percent of any amount allocated~~
5 ~~for such purposes to the two smallest community colleges; (ii) up to ten~~
6 ~~percent of any such amount to the two largest community colleges; and~~
7 ~~(iii) up to fifteen percent of any such amount to the remaining two~~
8 ~~community colleges. For purposes of this subsection, community college~~
9 ~~size shall be determined based on the most recent three-year rolling~~
10 ~~average full-time equivalent enrollment.~~

11 Sec. 29. Sections 29 to 32 of this act shall be known and may be
12 cited as the Career-Readiness and Dual-Credit Education Grant Program
13 Act.

14 Sec. 30. The Career-Readiness and Dual-Credit Education Grant
15 Program is established. The program shall be administered by the
16 Coordinating Commission for Postsecondary Education. The commission, in
17 consultation with the State Department of Education, the Department of
18 Labor, and any advisory committee established by the commission for such
19 purpose, shall:

20 (1) Create and establish teacher education pathways enabling the
21 instruction of dual-credit courses and career and technical education
22 courses;

23 (2) Correlate and prioritize teacher education pathways with
24 Nebraska workforce demand;

25 (3) Establish a grant program beginning on or after July 1, 2021, to
26 distribute money from the Career-Readiness and Dual-Credit Education Cash
27 Fund to teachers enrolled in education pathways leading to qualification
28 to teach dual-credit courses and career and technical education courses;

29 (4) Establish a directory of available teacher education pathways in
30 Nebraska identified by sequence and location; and

31 (5) On or before December 31, 2022, and on or before each December

1 31 thereafter, electronically submit an annual report on grants awarded
2 pursuant to the Career-Readiness and Dual-Credit Education Grant Program
3 Act to the Clerk of the Legislature. The report shall include, but not be
4 limited to, the number and amount of grants awarded, the postsecondary
5 educational institutions attended by grant recipients, and information
6 regarding the completion of instructor requirements to teach dual-credit
7 courses and career and technical education courses.

8 Sec. 31. The Coordinating Commission for Postsecondary Education
9 may adopt and promulgate rules and regulations to carry out the Career-
10 Readiness and Dual-Credit Education Grant Program Act.

11 Sec. 32. The Career-Readiness and Dual-Credit Education Cash Fund
12 is created. The fund shall be administered by the Coordinating Commission
13 for Postsecondary Education and shall consist of money received pursuant
14 to section 9-812 and any money appropriated by the Legislature. The
15 commission shall use the fund to carry out the Career-Readiness and Dual-
16 Credit Education Grant Program Act. Any money in the fund available for
17 investment shall be invested by the state investment officer pursuant to
18 the Nebraska Capital Expansion Act and the Nebraska State Funds
19 Investment Act.

20 Sec. 33. Section 85-2101, Reissue Revised Statutes of Nebraska, is
21 amended to read:

22 85-2101 Sections 85-2101 to 85-2108 and section 34 of this act shall
23 be known and may be cited as the Access College Early Scholarship Program
24 Act.

25 Sec. 34. The Access College Early Scholarship Cash Fund is created.
26 The fund shall be administered by the Coordinating Commission for
27 Postsecondary Education and shall consist of money received pursuant to
28 section 9-812 and any money appropriated by the Legislature. The
29 commission shall use the fund to carry out the Access College Early
30 Scholarship Program Act. Any money in the fund available for investment
31 shall be invested by the state investment officer pursuant to the

1 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
2 Act.

3 Sec. 35. Section 79-8,132, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 ~~79-8,132~~ Sections 35 to 48 of this act ~~79-8,132 to 79-8,140~~ shall be
6 known and may be cited as the Excellence in Teaching Act and shall
7 include the Attracting Excellence to Teaching Program and the Enhancing
8 Excellence in Teaching Program.

9 Sec. 36. (1) On and after July 1, 2021, all powers, duties, and
10 functions that the State Department of Education had pursuant to the
11 Excellence in Teaching Act prior to such date are transferred to the
12 Coordinating Commission for Postsecondary Education.

13 (2) Any financial obligations of the State Department of Education
14 relating to the Excellence in Teaching Act that remain unpaid as of July
15 1, 2021, and that are subsequently certified as valid encumbrances to the
16 accounting division of the Department of Administrative Services pursuant
17 to sections 81-138.01 to 81-138.04, shall be paid by the commission from
18 any unexpended balance in the Excellence in Teaching Cash Fund.

19 (3) On and after July 1, 2021, whenever the State Department of
20 Education is referred to or designated by any contract or other document
21 in connection with any duties and functions under the Excellence in
22 Teaching Act, such reference or designation shall apply to the
23 commission. All contracts entered into by the State Department of
24 Education prior to July 1, 2021, in connection with any duties and
25 functions under the Excellence in Teaching Act are hereby recognized,
26 with the commission succeeding to all rights and obligations under such
27 contracts. Any cash funds, custodial funds, gifts, trusts, and grants and
28 any appropriations of funds from prior fiscal years available to satisfy
29 obligations incurred under such contracts shall be transferred and
30 appropriated to the commission for the payment of such obligations. All
31 documents and records transferred, or copies of the same, may be

1 authenticated or certified by the commission for all legal purposes.

2 (4) No suit, action, or other proceeding, judicial or
3 administrative, lawfully commenced prior to July 1, 2021, or which could
4 have been commenced prior to such date, by or against the State
5 Department of Education, the Commissioner of Education, or any employee
6 of the State Department of Education, in relation to the discharge of
7 duties under the Excellence in Teaching Act, shall abate by reason of the
8 transfer of duties and functions under the Excellence in Teaching Act
9 from the State Department of Education to the commission.

10 (5) On July 1, 2021, all documents and records of the State
11 Department of Education pertaining to duties and functions under the
12 Excellence in Teaching Act shall be transferred to the commission and
13 shall become the property of the commission.

14 Sec. 37. Section 79-8,133, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 ~~79-8,133~~ The Attracting Excellence to Teaching Program is created.
17 For purposes of the Attracting Excellence to Teaching Program:

18 (1) Commission means the Coordinating Commission for Postsecondary
19 ~~Department means the State Department of Education;~~

20 (2) Eligible institution means a not-for-profit college or
21 university which (a) is located in Nebraska, (b) is accredited by an a
22 ~~regional~~ accrediting agency recognized by the United States Department of
23 Education as determined to be acceptable by the State Board of Education,
24 (c) has a teacher education program, and (d) if a privately funded
25 college or university, has not opted out of the program pursuant to rules
26 and regulations;

27 (3) Eligible student means an individual who (a) is a full-time
28 student, (b) is enrolled in an eligible institution in an undergraduate
29 or a graduate teacher education program working toward his or her initial
30 certificate to teach in Nebraska, (c) if enrolled at a state-funded
31 eligible institution, is a resident student as described in section

1 85-502 or, if enrolled in a privately funded eligible institution, would
2 be deemed a resident student if enrolled in a state-funded eligible
3 institution, ~~and (d) for applicants applying for the first time on or~~
4 ~~after April 23, 2009, is a student majoring in a shortage area, and (e)~~
5 ~~for applicants applying to receive a loan during fiscal year 2011-12 or~~
6 ~~2012-13, is a student who previously received a loan pursuant to the~~
7 ~~Attracting Excellence to Teaching Program in the fiscal year immediately~~
8 ~~preceding the fiscal year in which the new loan would be received;~~

9 (4) Full-time student means, in the aggregate, the equivalent of a
10 student who in a twelve-month period is enrolled in twenty-four semester
11 credit hours for undergraduate students or eighteen semester credit hours
12 for graduate students of classroom, laboratory, clinical, practicum, or
13 independent study course work;

14 (5) Majoring in a shortage area means pursuing a degree which will
15 allow an individual to be properly endorsed to teach in a shortage area;

16 (6) Shortage area means a secular field of teaching for which there
17 is a shortage, as determined by the State Department of Education
18 ~~department~~, of properly endorsed teachers at the time the borrower first
19 receives funds pursuant to the program; and

20 (7) Teacher education program means a program of study approved by
21 the State Board of Education pursuant to subdivision (5)(g) of section
22 79-318.

23 Sec. 38. Section 79-8,134, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 ~~79-8,134~~ The purposes of the Attracting Excellence to Teaching
26 Program are to:

27 (1) Attract outstanding students to major in shortage areas at the
28 teacher education programs of Nebraska's postsecondary educational
29 institutions;

30 (2) Retain resident students and graduates as teachers in the
31 accredited school districts, educational service units, and private

1 schools or approved private schools of Nebraska; and

2 (3) Establish a loan contract that requires a borrower to obtain
3 employment as a teacher in this state after graduation.

4 Sec. 39. Section 79-8,135, Reissue Revised Statutes of Nebraska, is
5 amended to read:

6 ~~79-8,135~~ (1) The commission ~~department~~ shall administer the
7 Attracting Excellence to Teaching Program either directly or by
8 contracting with public or private entities.

9 (2) To be eligible for the program, an eligible student shall:

10 (a) Graduate in the top quarter of his or her high school class or
11 have a minimum cumulative grade-point average of 3.0 on a four-point
12 scale in an eligible institution;

13 (b) Agree to complete a teacher education program at an eligible
14 institution and, ~~for applicants applying for the first time on or after~~
15 ~~April 23, 2009,~~ to complete the major on which the applicant's
16 eligibility is based; and

17 (c) Commit to teach in an accredited or approved public or private
18 school in Nebraska upon (i) successful completion of the teacher
19 education program for which the applicant is applying to the Attracting
20 Excellence to Teaching Program and (ii) becoming certified pursuant to
21 sections 79-806 to 79-815.

22 (3) Except as otherwise provided in this subsection, eligible
23 ~~Eligible~~ students may apply on an annual basis for loans in an amount of
24 not more than three thousand dollars per year. A loan recipient may also
25 apply on a one-time basis for a loan to cover the cost of taking each
26 test required to meet the basic skills competency requirement in section
27 79-809. Loans awarded to individual students shall not exceed a
28 cumulative period exceeding five consecutive years. Loans shall only be
29 awarded through an eligible institution. Loans shall be funded pursuant
30 to section 45 of this act ~~79-8,137.05~~.

31 Sec. 40. Section 79-8,137, Revised Statutes Cumulative Supplement,

1 2020, is amended to read:

2 ~~79-8,137~~ (1)(a) Prior to receiving any money from a loan pursuant to
3 the Attracting Excellence to Teaching Program, an eligible student shall
4 enter into a contract with the commission ~~department~~. Such contract shall
5 be exempt from the requirements of sections 73-501 to 73-510.

6 (b) For eligible students who applied for the first time prior to
7 April 23, 2009, the contract shall require that if (i) the borrower is
8 not employed as a teacher in Nebraska for a time period equal to the
9 number of years required for loan forgiveness pursuant to subsection (2)
10 of this section and is not enrolled as a full-time student in a graduate
11 program within six months after obtaining an undergraduate degree for
12 which a loan from the program was obtained or (ii) the borrower does not
13 complete the requirements for graduation within five consecutive years
14 after receiving the initial loan under the program, then the loan must be
15 repaid, with interest at the rate fixed pursuant to section 45-103
16 accruing as of the date the borrower signed the contract, and an
17 appropriate penalty as determined by the commission ~~department~~ may be
18 assessed. If a borrower fails to remain enrolled at an eligible
19 institution or otherwise fails to meet the requirements of an eligible
20 student, repayment of the loan shall commence within six months after
21 such change in eligibility. The commission ~~State Board of Education~~ may
22 by rules and regulations provide for exceptions to the conditions of
23 repayment pursuant to this subdivision based upon mitigating
24 circumstances.

25 (c) For eligible students who apply for the first time on or after
26 April 23, 2009, the contract shall require that if (i) the borrower is
27 not employed as a full-time teacher teaching in an approved or accredited
28 school in Nebraska and teaching at least a portion of the time in the
29 shortage area for which the loan was received for a time period equal to
30 the number of years required for loan forgiveness pursuant to subsection
31 (3) of this section or is not enrolled as a full-time student in a

1 graduate program within six months after obtaining an undergraduate
2 degree for which a loan from the program was obtained or (ii) the
3 borrower does not complete the requirements for graduation within five
4 consecutive years after receiving the initial loan under the program,
5 then the loan shall be repaid with interest at the rate fixed pursuant to
6 section 45-103 accruing as of the date the borrower signed the contract
7 and actual collection costs as determined by the commission ~~department~~.
8 If a borrower fails to remain enrolled at an eligible institution or
9 otherwise fails to continue to be an eligible student, repayment of the
10 loan shall commence within six months after such change in eligibility.
11 The commission ~~State Board of Education~~ may by rule and regulation
12 provide for exceptions to the conditions of repayment pursuant to this
13 subdivision based upon mitigating circumstances.

14 (2) If the borrower applied for the first time prior to April 23,
15 2009, and (a) successfully completes the teacher education program and
16 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes
17 employed as a teacher in this state within six months of becoming
18 certified, and (c) otherwise meets the requirements of the contract,
19 payments shall be suspended for the number of years that the borrower is
20 required to remain employed as a teacher in this state under the
21 contract. For each year that the borrower teaches in Nebraska pursuant to
22 the contract, payments shall be forgiven in an amount equal to the amount
23 borrowed for one year, except that if the borrower teaches in a school
24 district that is in a local system classified as very sparse as defined
25 in section 79-1003 or teaches in a school district in which at least
26 forty percent of the students are poverty students as defined in section
27 79-1003, payments shall be forgiven each year in an amount equal to the
28 amount borrowed for two years.

29 (3)(a) If the borrower applies for the first time on or after April
30 23, 2009, and (i) successfully completes the teacher education program
31 and major for which the borrower is receiving a forgivable loan pursuant

1 to the program and becomes certified pursuant to sections 79-806 to
2 79-815 with an endorsement in the shortage area for which the loan was
3 received, (ii) becomes employed as a full-time teacher teaching at least
4 a portion of the time in the shortage area for which the loan was
5 received in an approved or accredited school in this state within six
6 months of becoming certified, and (iii) otherwise meets the requirements
7 of the contract, payments shall be suspended for the number of years that
8 the borrower is required to remain employed as a teacher in this state
9 under the contract.

10 (b) Beginning after the first two years of teaching full-time in
11 Nebraska following graduation for the degree for which the loan was
12 received, for each year that the borrower teaches full-time in Nebraska
13 pursuant to the contract, the loan shall be forgiven in an amount equal
14 to three thousand dollars, except that if the borrower teaches full-time
15 in a school district that is in a local system classified as very sparse
16 as defined in section 79-1003, teaches in a school building that provides
17 free meals to all students pursuant to the community eligibility
18 provision, teaches in a school building in which at least forty percent
19 of the formula students are poverty students as defined in section
20 79-1003, or teaches in an accredited or approved private school in
21 Nebraska in which at least forty percent of the enrolled students
22 qualified for free lunches as determined by the most recent data
23 available from the State Department of Education department, payments
24 shall be forgiven each year in an amount equal to six thousand dollars.

25 (4) Beginning on July 1, 2021, if the borrower provides service as a
26 pre-service teacher intern for a full academic semester within an
27 accredited or approved public, private, parochial, or denominational
28 school in Nebraska and subsequently passes the related semester
29 practicum, then the loan shall be forgiven in an amount equal to one
30 thousand dollars for each borrower.

31 Sec. 41. Section 79-8,137.01, Revised Statutes Cumulative

1 Supplement, 2020, is amended to read:

2 ~~79-8,137.01~~ The Enhancing Excellence in Teaching Program is created.

3 For purposes of the Enhancing Excellence in Teaching Program:

4 (1) ~~Commission Department~~ means the Coordinating Commission for
5 Postsecondary State Department of Education;

6 (2) Eligible graduate program means a program of study offered by an
7 eligible institution which results in obtaining a graduate degree or a
8 graduate course of study leading to an endorsement in a shortage area
9 specified by the State ~~Department Board~~ of Education;

10 (3) Eligible institution means a not-for-profit college or
11 university which (a) is located in Nebraska, (b) is accredited by an a
12 ~~regional~~ accrediting agency recognized by the United States Department of
13 Education as determined to be acceptable by the State Board of Education,
14 (c) has a teacher education program, and (d) if a privately funded
15 college or university, has not opted out of the Enhancing Excellence in
16 Teaching Program pursuant to rules and regulations;

17 (4) Eligible student means an individual who (a) is a certificated
18 teacher employed to teach in an approved or accredited school in
19 Nebraska, (b) is enrolled in an eligible graduate program, (c) if
20 enrolled at a state-funded eligible institution, is a resident student as
21 described in section 85-502 or, if enrolled in a privately funded
22 eligible institution, would be deemed a resident student if enrolled in a
23 state-funded eligible institution, (d) is majoring in a shortage area,
24 curriculum and instruction, a subject area in which the individual
25 already holds a secular teaching endorsement, or a subject area that will
26 result in an additional secular teaching endorsement which the
27 superintendent of the school district or head administrator of the
28 private, denominational, or parochial school employing the individual
29 believes will be beneficial to the students of such school district or
30 school as evidenced by a statement signed by the superintendent or head
31 administrator, and (e) is applying for a loan pursuant to the Enhancing

1 Excellence in Teaching Program to be received at a time other than during
2 fiscal year 2011-12 or 2012-13;

3 (5) Majoring in a shortage area or subject area means pursuing a
4 degree or course of study which will allow an individual to be properly
5 endorsed to teach in such shortage area or subject area; and

6 (6) Shortage area means a secular field of teaching or endorsement
7 area for which there is a shortage, as determined by the State Department
8 of Education ~~department~~, of properly endorsed teachers at the time the
9 borrower first receives funds pursuant to the Enhancing Excellence in
10 Teaching Program.

11 Sec. 42. Section 79-8,137.02, Revised Statutes Cumulative
12 Supplement, 2020, is amended to read:

13 ~~79-8,137.02~~ The purposes of the Enhancing Excellence in Teaching
14 Program are to:

15 (1) Retain teachers in the accredited school districts, educational
16 service units, and private schools or approved private schools of
17 Nebraska;

18 (2) Improve the skills of existing teachers in Nebraska through the
19 graduate education or endorsement programs of Nebraska's postsecondary
20 educational institutions; and

21 (3) Establish a loan contract that requires a borrower to continue
22 employment as a teacher in this state after graduation from an eligible
23 graduate or endorsement program.

24 Sec. 43. Section 79-8,137.03, Revised Statutes Cumulative
25 Supplement, 2020, is amended to read:

26 ~~79-8,137.03~~ (1) The commission ~~department~~ shall administer the
27 Enhancing Excellence in Teaching Program either directly or by
28 contracting with public or private entities.

29 (2) To be eligible for the program, an eligible student shall:

30 (a) Agree to complete an eligible graduate program at an eligible
31 institution and to complete the program on which the applicant's

1 eligibility is based as determined by the State Department of Education
2 ~~department~~; and

3 (b) Commit to teach in an accredited or approved public or private
4 school in Nebraska upon successful completion of the eligible graduate
5 program for which the applicant is applying to the Enhancing Excellence
6 in Teaching Program and to maintaining certification pursuant to sections
7 79-806 to 79-815.

8 (3) Eligible students may apply on an annual basis for loans in an
9 amount of not more than one hundred seventy-five dollars per credit hour.
10 Loans awarded to individual students shall not exceed a cumulative period
11 exceeding five consecutive years. Loans shall only be awarded through the
12 commission ~~department~~. Loans shall be funded pursuant to section 45 of
13 this act ~~79-8,137.05~~.

14 Sec. 44. Section 79-8,137.04, Revised Statutes Cumulative
15 Supplement, 2020, is amended to read:

16 ~~79-8,137.04~~ (1) Prior to receiving any money from a loan pursuant to
17 the Enhancing Excellence in Teaching Program, an eligible student shall
18 enter into a contract with the commission ~~department~~. Such contract shall
19 be exempt from the requirements of sections 73-501 to 73-510. The
20 contract shall require that if (a) the borrower is not employed as a
21 full-time teacher teaching in an approved or accredited school in
22 Nebraska for a time period equal to the number of years required for loan
23 forgiveness pursuant to subsection (2) of this section or (b) the
24 borrower does not complete the requirements for graduation within five
25 consecutive years after receiving the initial loan under the program,
26 then the loan shall be repaid, with interest at the rate fixed pursuant
27 to section 45-103 accruing as of the date the borrower signed the
28 contract and actual collection costs as determined by the commission
29 ~~department~~. If a borrower fails to remain enrolled at an eligible
30 institution or otherwise fails to meet the requirements of an eligible
31 student, repayment of the loan shall commence within six months after

1 such change in eligibility. The commission ~~State Board of Education~~ may
2 by rules and regulations provide for exceptions to the conditions of
3 repayment pursuant to this subsection based upon mitigating
4 circumstances.

5 (2)(a) If the borrower (i) successfully completes the eligible
6 graduate program for which the borrower is receiving a forgivable loan
7 pursuant to the Enhancing Excellence in Teaching Program and maintains
8 certification pursuant to sections 79-806 to 79-815, (ii) maintains
9 employment as a teacher in an approved or accredited school in this
10 state, and (iii) otherwise meets the requirements of the contract,
11 payments shall be suspended for the number of years that the borrower is
12 required to remain employed as a teacher in this state under the
13 contract.

14 (b) For recipients who received funds for the first time prior to
15 July 1, 2016, beginning after the first two years of teaching full-time
16 in Nebraska following graduation for the degree for which the loan was
17 received, for each year that the borrower teaches full-time in Nebraska
18 pursuant to the contract, the loan shall be forgiven in an amount equal
19 to three thousand dollars, except that if the borrower teaches full-time
20 in a school district that is in a local system classified as very sparse
21 as defined in section 79-1003, teaches in a school building that provides
22 free meals to all students pursuant to the community eligibility
23 provision, teaches in a school building in which at least forty percent
24 of the students are poverty students as defined in section 79-1003, or
25 teaches in an accredited or approved private school in Nebraska in which
26 at least forty percent of the enrolled students qualified for free
27 lunches as determined by the most recent data available from the State
28 Department of Education ~~department~~, payments shall be forgiven each year
29 in an amount equal to six thousand dollars.

30 (c) For recipients who received funds for the first time on or after
31 July 1, 2016, beginning after the first two years of teaching full-time

1 in Nebraska following completion of the eligible graduate program for
2 which the loan was received, for each year that the borrower teaches
3 full-time in Nebraska pursuant to the contract, the loan shall be
4 forgiven in an amount equal to one thousand five hundred dollars, except
5 that if the borrower teaches full-time in a school district that is in a
6 local system classified as very sparse as defined in section 79-1003,
7 teaches in a school building in which at least forty percent of the
8 students are poverty students as defined in section 79-1003, teaches in a
9 school building that provides free meals to all students pursuant to the
10 community eligibility provision, or teaches in an accredited private
11 school or educational service unit or an approved private school in
12 Nebraska in which at least forty percent of the enrolled students
13 qualified for free lunches as determined by the most recent data
14 available from the State Department of Education department, payments
15 shall be forgiven each year in an amount equal to one thousand five
16 hundred dollars for the first year of loan forgiveness and three thousand
17 dollars for each year of loan forgiveness thereafter.

18 Sec. 45. Section 79-8,137.05, Revised Statutes Cumulative
19 Supplement, 2020, is amended to read:

20 ~~79-8,137.05~~ (1) The Excellence in Teaching Cash Fund is created. The
21 fund shall consist of appropriations by the Legislature, transfers
22 pursuant to section 9-812, and loan repayments, penalties, and interest
23 payments received in the course of administering the Attracting
24 Excellence to Teaching Program and the Enhancing Excellence in Teaching
25 Program.

26 (2)(a) On an annual basis, the commission shall allocate seventy-
27 five percent of the available funds to the Attracting Excellence to
28 Teaching Program and twenty-five percent of the available funds to the
29 Enhancing Excellence in Teaching Program.

30 (b) The funds allocated to the Attracting Excellence to Teaching
31 Program shall be distributed to eligible institutions according to a

1 distribution formula as determined by rule and regulation. The eligible
2 institutions shall act as agents of the commission in the distribution of
3 the funds to eligible students.

4 (c) The funds allocated to the Enhancing Excellence in Teaching
5 Program shall be distributed to eligible students by the commission.

6 ~~(2) For all fiscal years, the department shall allocate on an annual~~
7 ~~basis up to four hundred thousand dollars in the aggregate of the funds~~
8 ~~to be distributed for the Attracting Excellence to Teaching Program to~~
9 ~~all eligible institutions according to the distribution formula as~~
10 ~~determined by rule and regulation. The eligible institutions shall act as~~
11 ~~agents of the department in the distribution of the funds for the~~
12 ~~Attracting Excellence to Teaching Program to eligible students. The~~
13 ~~department shall allocate on an annual basis up to eight hundred thousand~~
14 ~~dollars of the remaining available funds to be distributed to eligible~~
15 ~~students for the Enhancing Excellence in Teaching Program. Funding~~
16 ~~amounts granted in excess of one million two hundred thousand dollars~~
17 ~~shall be evenly divided for distribution between the two programs.~~

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

20 ~~(3) (4) Any money in the Excellence in Teaching Cash Fund available~~
21 ~~for investment shall be invested by the state investment officer pursuant~~
22 ~~to the Nebraska Capital Expansion Act and the Nebraska State Funds~~
23 ~~Investment Act.~~

24 Sec. 46. Section 79-8,138, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 ~~79-8,138~~ The commission ~~department~~ has the administrative
27 responsibility to track borrowers and to develop repayment tracking and
28 collection mechanisms for the Attracting Excellence to Teaching Program
29 and the Enhancing Excellence in Teaching Program. The commission
30 ~~department~~ may contract for such services. When a loan has been forgiven
31 pursuant to section 40 or 44 of this act ~~79-8,137 or 79-8,137.04~~, the

1 amount forgiven may be taxable income to the borrower and the commission
2 ~~department~~ shall provide notification of the amount forgiven to the
3 borrower, the Department of Revenue, and the United States Internal
4 Revenue Service if required by the Internal Revenue Code.

5 Sec. 47. Section 79-8,139, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 ~~79-8,139~~ (1) Each eligible institution shall file an annual report
8 with the commission ~~department~~ for the Attracting Excellence to Teaching
9 Program and the Enhancing Excellence in Teaching Program for any fiscal
10 year in which the eligible institution receives funding to distribute to
11 students pursuant to either or both of such programs containing such
12 information as required by rule and regulation. On or before December 31
13 of each even-numbered year, the commission ~~department~~ shall submit a
14 report to the Governor, the Clerk of the Legislature, and the Education
15 Committee of the Legislature on the status of the programs, the status of
16 the borrowers, and the impact of the programs on the number of teachers
17 in shortage areas in Nebraska and on the number of teachers receiving
18 graduate degrees in teaching endorsement areas in Nebraska. The report
19 submitted to the Clerk of the Legislature and the committee shall be
20 submitted electronically. Each report shall include information on an
21 institution-by-institution basis, the status of borrowers, and a
22 financial statement with a description of the activity of the Excellence
23 in Teaching Cash Fund.

24 (2) Any report pursuant to this section which includes information
25 about borrowers shall exclude confidential information or any other
26 information which specifically identifies a borrower.

27 Sec. 48. Section 79-8,140, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 ~~79-8,140~~ The State Board of Education may adopt and promulgate rules
30 and regulations to determine teacher shortage areas. The commission may
31 adopt and promulgate rules and regulations ~~and~~ to carry out the

1 Excellence in Teaching Act.

2 Sec. 49. Sections 49 to 59 of this act shall be known and may be
3 cited as the Door to College Scholarship Act.

4 Sec. 50. For purposes of the Door to College Scholarship Act:

5 (1) Award means a grant of money under the act by the commission in
6 the form of a Door to College Scholarship to an eligible student for
7 educational expenses;

8 (2) Award year means the period beginning on July 1 through the
9 following June 30;

10 (3) Commission means the Coordinating Commission for Postsecondary
11 Education;

12 (4) Educational expenses means student costs for tuition, mandatory
13 fees, other education related fees, room and board, books, and other
14 costs related to a student's education;

15 (5) Eligible postsecondary educational institution means a public or
16 private postsecondary educational institution:

17 (a) Located in Nebraska;

18 (b) Primarily engaged in the instruction of students;

19 (c) Satisfying the provisions of Nebraska law relating to the
20 approval and licensure of schools, colleges, and universities and
21 maintaining accreditation by an accrediting organization recognized by
22 the United States Department of Education;

23 (d) Offering courses of instruction in regularly scheduled classes
24 to regularly enrolled undergraduate students who reside in Nebraska and
25 have received a high school diploma or the equivalent; and

26 (e) Which has adopted, and has available for inspection, award
27 refund and repayment policies.

28 (6) Eligible student means an undergraduate student who:

29 (a) Graduated from high school from an accredited education program
30 at a youth rehabilitation and treatment center operated and utilized in
31 compliance with state law or graduated from an approved or accredited

1 public, private, denominational, or parochial school within one year
2 after being discharged from a youth rehabilitation and treatment center
3 operated and utilized in compliance with state law;

4 (b) Is enrolled in an eligible postsecondary educational
5 institution;

6 (c) Has applied for federal financial aid through the Free
7 Application for Federal Student Aid for the applicable award year;

8 (d) Is a resident student who is domiciled in Nebraska as provided
9 by section 85-502; and

10 (e) Complies with all other provisions of the Door to College
11 Scholarship Act and any rules and regulations adopted and promulgated
12 pursuant to the act;

13 (7) Full-time status means enrollment in at least twenty-four
14 semester credit hours, thirty-six quarter credit hours, or nine hundred
15 clock hours per award year;

16 (8) Part-time status means enrollment in at least twelve semester
17 credit hours, eighteen quarter credit hours, or four hundred fifty clock
18 hours per award year; and

19 (9) Undergraduate student means an individual who has not earned a
20 first baccalaureate or professional degree and is enrolled in a
21 postsecondary educational program which leads to, or is creditable
22 toward, a first baccalaureate degree, associate degree, certificate,
23 diploma, or the equivalent.

24 Sec. 51. The commission shall, as provided in the Door to College
25 Scholarship Act, provide for awards to be made directly to eligible
26 students. An award shall not exceed a maximum of five thousand dollars
27 annually to an eligible student with a full-time status and shall be
28 prorated for eligible students with a part-time status. The commission
29 may adjust the value of awards annually to make awards to all eligible
30 applicants who apply by the application deadline set by the commission.

31 Sec. 52. (1) Eligible postsecondary educational institutions,

1 acting as agents of the commission, shall:

2 (a) Receive and process applications for awards under the Door to
3 College Scholarship Act;

4 (b) Determine eligibility of students based on criteria set forth in
5 the act; and

6 (c) No later than the application deadline set by the commission,
7 make recommendations to the commission for awards to eligible students,
8 including the name and social security number of each eligible student.

9 (2) An award under the Door to College Scholarship Act shall not be
10 used by a postsecondary educational institution to reduce institutional
11 scholarships, grants, or tuition or fee waivers that a student would
12 otherwise be eligible to receive if such student did not receive an award
13 under the act.

14 Sec. 53. (1) Within thirty days after receiving recommendations
15 pursuant to section 52 of this act, the commission shall review the
16 recommended awards for compliance with the Door to College Scholarship
17 Act and any rules and regulations adopted and promulgated pursuant to the
18 act and notify each eligible postsecondary educational institution of the
19 approval or disapproval of recommended awards.

20 (2) The commission shall distribute to each eligible postsecondary
21 educational institution the total award amount approved for eligible
22 students at such institution. The eligible postsecondary educational
23 institution shall act as an agent of the commission to disburse the
24 awards directly to eligible students during the award year.

25 Sec. 54. An award may be granted to an eligible student for
26 attendance at an eligible postsecondary educational institution if:

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

28 (a) In the case of an eligible student beginning the first year in
29 attendance at an eligible postsecondary educational institution, such
30 eligible student has satisfied requirements for admission and has
31 enrolled or indicated an intent to enroll in an eligible postsecondary

1 educational institution; or

2 (b) In the case of an eligible student enrolled in an eligible
3 postsecondary educational institution following the successful completion
4 of the student's first year in attendance, such eligible student
5 continues to meet the requirements of the Door to College Scholarship Act
6 and has maintained the minimum standards of performance as required by
7 the eligible postsecondary educational institution in which the eligible
8 student is enrolled;

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

11 (3) The eligible student has complied with the act and any rules and
12 regulations adopted and promulgated pursuant to the act.

13 Sec. 55. (1) A recipient of an award shall:

14 (a) Attend all required courses regularly;

15 (b) Meet with an assigned advisor at regular intervals to discuss
16 academic progress and to develop a job-search plan; and

17 (c) Maintain good academic standing at the eligible postsecondary
18 educational institution without any disciplinary action by such
19 institution.

20 (2) An award may be terminated if such person fails to meet the
21 requirements of this section.

22 Sec. 56. If an award recipient discontinues attendance before the
23 end of the award year or the award is terminated pursuant to section 55
24 of this act, the award recipient shall remit any award balance allowable
25 to the eligible postsecondary educational institution in accordance with
26 such institution's withdrawal policy. The institution shall remit such
27 award balance to the commission in accordance with such institution's
28 refund policy.

29 Sec. 57. (1) The commission shall:

30 (a) Supervise the issuance of public information concerning the Door
31 to College Scholarship Act; and

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

5 (2) The commission may adopt and promulgate rules and regulations
6 necessary to carry out the act.

7 Sec. 58. The Door to College Scholarship Act does not grant any
8 authority to the commission to:

9 (1) Control or influence the policies of any eligible postsecondary
10 educational institution because such institution accepts students who
11 receive awards; or

12 (2) Require any eligible postsecondary educational institution to
13 enroll any student receiving an award or, once admitted, to permit
14 continued enrollment in such institution by any student receiving an
15 award.

16 Sec. 59. The Door to College Scholarship Fund is created. The
17 commission shall administer the fund, which shall consist of amounts
18 transferred from the State Lottery Operation Trust Fund pursuant to
19 section 9-812 prior to July 1, 2026, as well as any money appropriated or
20 transferred by the Legislature and gifts, grants, or bequests from any
21 source, including federal, state, public, and private sources. All
22 amounts accruing to the Door to College Scholarship Fund shall be used to
23 carry out the Door to College Scholarship Act. Any money in the fund
24 available for investment shall be invested by the state investment
25 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
26 State Funds Investment Act.

27 Sec. 60. The Revisor of Statutes shall assign sections 35 to 59 of
28 this act within Chapter 85.

29 Sec. 61. This act becomes operative on July 1, 2021.

30 Sec. 62. Original sections 79-8,132, 79-8,133, 79-8,135, 79-8,138,
31 79-8,139, 79-8,140, 79-1064, 79-1201.01, and 85-2101, Reissue Revised

1 Statutes of Nebraska, and sections 9-812, 9-836.01, 79-759, 79-8,134,
2 79-8,137, 79-8,137.01, 79-8,137.02, 79-8,137.03, 79-8,137.04,
3 79-8,137.05, 79-1003, 79-1054, 79-1104.02, 79-1337, 79-2503, 79-2505,
4 79-2506, 84-304, 85-1412, 85-1920, and 85-2009, Revised Statutes
5 Cumulative Supplement, 2020, are repealed.

6 Sec. 63. The following sections are outright repealed: Sections
7 79-8,124, 79-8,125, 79-8,126, 79-8,127, 79-8,128, 79-8,129, 79-8,130,
8 79-8,131, and 79-1336, Reissue Revised Statutes of Nebraska, and sections
9 50-425, 50-426, 50-427, 50-428, and 79-10,145, Revised Statutes
10 Cumulative Supplement, 2020.

11 Sec. 64. Since an emergency exists, this act takes effect when
12 passed and approved according to law.