

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 495**  
Final Reading

Introduced by Sullivan, 41.

Read first time January 23, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to education; to amend sections 9-812 and  
2 79-1104.02, Reissue Revised Statutes of Nebraska, and  
3 section 79-1103, Revised Statutes Cumulative Supplement,  
4 2012; to change allocations of the Education Innovation  
5 Fund; to state intent; to change provisions relating to  
6 the Early Childhood Education Grant Program; to eliminate  
7 obsolete provisions; to harmonize provisions; to repeal  
8 the original sections; to outright repeal section  
9 79-1102.01, Revised Statutes Cumulative Supplement, 2012;  
10 and to declare an emergency.  
11 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 9-812, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           9-812 (1) All money received from the operation of  
4 lottery games conducted pursuant to the State Lottery Act in Nebraska  
5 shall be credited to the State Lottery Operation Trust Fund, which  
6 fund is hereby created. All payments of the costs of establishing and  
7 maintaining the lottery games shall be made from the State Lottery  
8 Operation Cash Fund. In accordance with legislative appropriations,  
9 money for payments for expenses of the division shall be transferred  
10 from the State Lottery Operation Trust Fund to the State Lottery  
11 Operation Cash Fund, which fund is hereby created. All money  
12 necessary for the payment of lottery prizes shall be transferred from  
13 the State Lottery Operation Trust Fund to the State Lottery Prize  
14 Trust Fund, which fund is hereby created. The amount used for the  
15 payment of lottery prizes shall not be less than forty percent of the  
16 dollar amount of the lottery tickets which have been sold.

17           (2) Beginning October 1, 2003, a portion of the dollar  
18 amount of the lottery tickets which have been sold on an annualized  
19 basis shall be transferred from the State Lottery Operation Trust  
20 Fund to the Education Innovation Fund, the Nebraska Opportunity Grant  
21 Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair  
22 Board, and the Compulsive Gamblers Assistance Fund. The dollar amount  
23 transferred pursuant to this subsection shall equal the greater of  
24 (a) the dollar amount transferred to the funds in fiscal year 2002-03  
25 or (b) any amount which constitutes at least twenty-two percent and

1 no more than twenty-five percent of the dollar amount of the lottery  
2 tickets which have been sold on an annualized basis. To the extent  
3 that funds are available, the Tax Commissioner and director may  
4 authorize a transfer exceeding twenty-five percent of the dollar  
5 amount of the lottery tickets sold on an annualized basis.

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

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

13 (b) Nineteen and three-fourths percent of the money  
14 remaining after the payment of prizes and operating expenses and the  
15 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
16 transferred to the Education Innovation Fund;

17 (c) Twenty-four and three-fourths percent of the money  
18 remaining after the payment of prizes and operating expenses and the  
19 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
20 transferred to the Nebraska Opportunity Grant Fund;

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

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

13           (f) One percent of the money remaining after the payment  
14 of prizes and operating expenses and the initial transfer to the  
15 Compulsive Gamblers Assistance Fund shall be transferred to the  
16 Compulsive Gamblers Assistance Fund to be used as provided in section  
17 71-817.

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

21           ~~(b) For fiscal year 2010-11, the Education Innovation~~  
22 ~~Fund shall be allocated as follows: The first one million dollars~~  
23 ~~shall be transferred to the Excellence in Teaching Cash Fund to fund~~  
24 ~~the Excellence in Teaching Act, and the amount remaining in the~~  
25 ~~Education Innovation Fund shall be allocated, after administrative~~

1 expenses, for distance education equipment and incentives pursuant to  
2 sections ~~79-1336~~ and ~~79-1337~~.

3           ~~(c) For fiscal year 2011-12, the Education Innovation~~  
4 ~~Fund shall be allocated as follows: (i) The first two hundred twenty-~~  
5 ~~five thousand dollars shall be transferred to the Excellence in~~  
6 ~~Teaching Cash Fund to fund the Attracting Excellence to Teaching~~  
7 ~~Program; (ii) the next three million three hundred sixty five~~  
8 ~~thousand nine hundred sixty two dollars shall be distributed to~~  
9 ~~school districts as grants pursuant to the Early Childhood Education~~  
10 ~~Grant Program; (iii) the next two million one hundred seventy five~~  
11 ~~thousand six hundred seventy three dollars shall be distributed to~~  
12 ~~local systems as grants for approved accelerated or differentiated~~  
13 ~~curriculum programs for students identified as learners with high~~  
14 ~~ability pursuant to section 79-1108.02; (iv) the next four hundred~~  
15 ~~ninety one thousand five hundred forty one dollars shall be used by~~  
16 ~~the State Department of Education for the development of an~~  
17 ~~integrated early childhood, elementary, secondary, and postsecondary~~  
18 ~~student information system; (v) the next four hundred fifty thousand~~  
19 ~~dollars shall fund the Center for Student Leadership and Extended~~  
20 ~~Learning Act; (vi) the next one hundred fourteen thousand six hundred~~  
21 ~~twenty nine dollars shall fund the multicultural education program~~  
22 ~~created under section 79-720; (vii) the next one hundred twenty three~~  
23 ~~thousand four hundred sixty eight dollars shall be used by the~~  
24 ~~department to employ persons to investigate and prosecute alleged~~  
25 ~~violations as provided in section 79-868; (viii) up to the next one~~

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

5           ~~(d)~~ (b) For fiscal year 2012-13, the Education Innovation  
6 Fund shall be allocated as follows: (i) The first forty-five thousand  
7 dollars shall be transferred to the Excellence in Teaching Cash Fund  
8 to fund the Attracting Excellence to Teaching Program; (ii) the next  
9 three million three hundred sixty-five thousand nine hundred sixty-  
10 two dollars shall be distributed to school districts as grants  
11 pursuant to the Early Childhood Education Grant Program; (iii) the  
12 next two million one hundred seventy-five thousand six hundred  
13 seventy-three dollars shall be distributed to local systems as grants  
14 for approved accelerated or differentiated curriculum programs for  
15 students identified as learners with high ability pursuant to section  
16 79-1108.02; (iv) the next one hundred eight thousand one hundred  
17 thirty-six dollars shall be used by the ~~department~~ State Department  
18 of Education for the development of an integrated early childhood,  
19 elementary, secondary, and postsecondary student information system;  
20 (v) the next four hundred fifty thousand dollars shall fund the  
21 Center for Student Leadership and Extended Learning Act; (vi) the  
22 next one hundred fourteen thousand six hundred twenty-nine dollars  
23 shall be used by the department to fund the multicultural education  
24 program created under section 79-720; (vii) the next one hundred  
25 twenty-three thousand four hundred sixty-eight dollars shall be used

1 by the department to employ persons to investigate and prosecute  
2 alleged violations as provided in section 79-868; (viii) up to the  
3 next one hundred sixty thousand dollars shall be used by the  
4 department to implement section 79-759; (ix) the next twenty-seven  
5 thousand two hundred dollars shall be used to fund the Interstate  
6 Compact on Educational Opportunity for Military Children; (x) the  
7 next two hundred thousand dollars shall be used to provide grants to  
8 establish bridge programs pursuant to sections 79-1189 to 79-1195;  
9 and (xi) the amount remaining shall be allocated, after  
10 administrative expenses, for distance education equipment and  
11 incentives pursuant to sections 79-1336 and 79-1337.

12 ~~(e)-(c)~~ For fiscal year 2013-14, the Education Innovation  
13 Fund shall be allocated as follows: (i) The first one million dollars  
14 shall be transferred to the Excellence in Teaching Cash Fund to fund  
15 the Excellence in Teaching Act; (ii) the next allocation shall be  
16 distributed to local systems as grants for approved accelerated or  
17 differentiated curriculum programs for students identified as  
18 learners with high ability pursuant to section 79-1108.02 in an  
19 aggregated amount up to the amount distributed in the prior fiscal  
20 year for such purposes increased by the basic allowable growth rate  
21 pursuant to section 79-1025; ~~(iii) the next allocation shall be used~~  
22 ~~by the State Department of Education for the integrated early~~  
23 ~~childhood, elementary, secondary, and postsecondary student~~  
24 ~~information system in an aggregated amount up to the amount used in~~  
25 ~~the prior fiscal year for such purposes increased by the basic~~

1 ~~allowable growth rate pursuant to section 79-1025; (iv) the next~~  
2 ~~allocation shall fund the Center for Student Leadership and Extended~~  
3 ~~Learning Act in an aggregated amount up to the amount used in the~~  
4 ~~prior fiscal year for such purposes increased by the basic allowable~~  
5 ~~growth rate pursuant to section 79-1025; (v) the next allocation~~  
6 ~~shall be used by the department to fund the multicultural education~~  
7 ~~program created under section 79-720 in an aggregated amount up to~~  
8 ~~the amount used in the prior fiscal year for such purposes increased~~  
9 ~~by the basic allowable growth rate pursuant to section 79-1025; (vi)~~  
10 ~~the next allocation shall be used by the department to employ persons~~  
11 ~~to investigate and prosecute alleged violations as provided in~~  
12 ~~section 79-868 in an aggregated amount up to the amount used in the~~  
13 ~~prior fiscal year for such purposes increased by the basic allowable~~  
14 ~~growth rate pursuant to section 79-1025; (vii) (iii) up to the next~~  
15 ~~one hundred sixty thousand dollars shall be used by the department~~  
16 ~~State Department of Education to implement section 79-759; (viii)~~  
17 ~~(iv) the next one million seven hundred fifty thousand dollars shall~~  
18 ~~be allocated to early childhood education grants awarded by the~~  
19 ~~department pursuant to section 79-1103; (v) the next one million~~  
20 ~~dollars shall be transferred to the Early Childhood Education~~  
21 ~~Endowment Cash Fund for use pursuant to section 79-1104.02; (vi) the~~  
22 ~~next two hundred thousand dollars shall be used to provide grants to~~  
23 ~~establish bridge programs pursuant to sections 79-1189 to 79-1195;~~  
24 ~~(vii) the next ten thousand dollars shall be used to fund the~~  
25 ~~Interstate Compact on Educational Opportunity for Military Children;~~

1 and ~~(ix)~~ (viii) the amount remaining shall be allocated, after  
2 administrative expenses, for distance education equipment and  
3 incentives pursuant to sections 79-1336 and 79-1337.

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

1 ~~by the basic allowable growth rate pursuant to section 79-1025; (vi)~~  
2 ~~the next allocation shall be used by the department to employ persons~~  
3 ~~to investigate and prosecute alleged violations as provided in~~  
4 ~~section 79-868 in an aggregated amount up to the amount used in the~~  
5 ~~prior fiscal year for such purposes increased by the basic allowable~~  
6 ~~growth rate pursuant to section 79-1025; (vii) (iii) the next one~~  
7 ~~million eight hundred fifty thousand dollars shall be allocated to~~  
8 ~~early childhood education grants awarded by the State Department of~~  
9 ~~Education pursuant to section 79-1103; (iv) the next one million~~  
10 ~~dollars shall be transferred to the Early Childhood Education~~  
11 ~~Endowment Cash Fund for use pursuant to section 79-1104.02; (v) the~~  
12 ~~next two hundred thousand dollars shall be used to provide grants to~~  
13 ~~establish bridge programs pursuant to sections 79-1189 to 79-1195;~~  
14 ~~(vi) the next ten thousand dollars shall be used to fund the~~  
15 ~~Interstate Compact on Educational Opportunity for Military Children;~~  
16 ~~and ~~(viii)~~(vii) the amount remaining shall be allocated, after~~  
17 ~~administrative expenses, for distance education equipment and~~  
18 ~~incentives pursuant to sections 79-1336 and 79-1337.~~

19 ~~(g)~~(e) For fiscal year 2015-16, the Education Innovation  
20 Fund shall be allocated as follows: (i) The first one million dollars  
21 shall be transferred to the Excellence in Teaching Cash Fund to fund  
22 the Excellence in Teaching Act; (ii) the next allocation shall be  
23 distributed to local systems as grants for approved accelerated or  
24 differentiated curriculum programs for students identified as  
25 learners with high ability pursuant to section 79-1108.02 in an

1 aggregated amount up to the amount distributed in the prior fiscal  
2 year for such purposes increased by the basic allowable growth rate  
3 pursuant to section 79-1025; ~~(iii) the next allocation shall be used~~  
4 ~~by the State Department of Education for the integrated early~~  
5 ~~childhood, elementary, secondary, and postsecondary student~~  
6 ~~information system in an aggregated amount up to the amount used in~~  
7 ~~the prior fiscal year for such purposes increased by the basic~~  
8 ~~allowable growth rate pursuant to section 79-1025; (iv) the next~~  
9 ~~allocation shall fund the Center for Student Leadership and Extended~~  
10 ~~Learning Act in an aggregated amount up to the amount used in the~~  
11 ~~prior fiscal year for such purposes increased by the basic allowable~~  
12 ~~growth rate pursuant to section 79-1025; (v) the next allocation~~  
13 ~~shall be used by the department to fund the multicultural education~~  
14 ~~program created under section 79-720 in an aggregated amount up to~~  
15 ~~the amount used in the prior fiscal year for such purposes increased~~  
16 ~~by the basic allowable growth rate pursuant to section 79-1025; (vi)~~  
17 ~~the next allocation shall be used by the department to employ persons~~  
18 ~~to investigate and prosecute alleged violations as provided in~~  
19 ~~section 79-868 in an aggregated amount up to the amount used in the~~  
20 ~~prior fiscal year for such purposes increased by the basic allowable~~  
21 ~~growth rate pursuant to section 79-1025; and (vii) (iii) the next one~~  
22 ~~million nine hundred fifty thousand dollars shall be allocated to~~  
23 ~~early childhood education grants awarded by the State Department of~~  
24 ~~Education pursuant to section 79-1103; (iv) the next one million~~  
25 ~~dollars shall be transferred to the Early Childhood Education~~

1 Endowment Cash Fund for use pursuant to section 79-1104.02; (v) the  
2 next ten thousand dollars shall be used to fund the Interstate  
3 Compact on Educational Opportunity for Military Children; and (vi)  
4 the amount remaining shall be allocated, after administrative  
5 expenses, for distance education equipment and incentives pursuant to  
6 sections 79-1336 and 79-1337.

7 ~~(h)~~(f) For fiscal year 2016-17 and each fiscal year  
8 thereafter, the Education Innovation Fund shall be allocated, after  
9 administrative expenses, for education purposes as provided by the  
10 Legislature.

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

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

21 (7) It is the intent of the Legislature to replace  
22 funding from the Education Innovation Fund with General Fund  
23 appropriations to the State Department of Education beginning with  
24 FY2013-14 for (a) the integrated early childhood, elementary,  
25 secondary, and postsecondary student information system, (b) the

1 Center for Student Leadership and Extended Learning Act, (c) the  
2 multicultural education program created under section 79-720, and (d)  
3 the employment of persons to investigate and prosecute alleged  
4 violations as provided in section 79-868.

5           Sec. 2. Section 79-1103, Revised Statutes Cumulative  
6 Supplement, 2012, is amended to read:

7           79-1103 (1)(a) The State Department of Education shall  
8 establish and administer the Early Childhood Education Grant Program.  
9 Upon the effective date of an endowment agreement, administration of  
10 the Early Childhood Education Grant Program with respect to programs  
11 for children from birth to age three shall transfer to the board of  
12 trustees. If there is no endowment agreement in effect, the  
13 department shall request proposals in accordance with this section  
14 for all early childhood education programs from school districts,  
15 individually or in cooperation with other school districts or  
16 educational service units, working in cooperation with existing  
17 nonpublic programs which meet the requirements of subsection (2) of  
18 section 79-1104. If there is an endowment agreement in effect, the  
19 board of trustees shall administer the Early Childhood Education  
20 Grant Program with respect to programs for children from birth to age  
21 three pursuant to section 79-1104.02 and the department shall  
22 continue to administer the Early Childhood Education Grant Program  
23 with respect to other prekindergarten programs pursuant to sections  
24 79-1101 to 79-1104.05. All administrative procedures of the board of  
25 trustees, including, but not limited to, rules, grant applications,

1 and funding mechanisms, shall harmonize with those established by the  
2 department for other prekindergarten programs.

3 (b) The first priority shall be for (i) continuation  
4 grants for programs that received grants in the prior school fiscal  
5 year and for which the state aid calculation pursuant to the Tax  
6 Equity and Educational Opportunities Support Act does not include  
7 early childhood education students, in an amount equal to the amount  
8 of such grant, except that if the grant was a first-year grant the  
9 amount shall be reduced by thirty-three percent, (ii) continuation  
10 grants for programs for which the state aid calculation pursuant to  
11 the act includes early childhood education students, in an amount  
12 equal to the amount of the grant for the school fiscal year prior to  
13 the first school fiscal year for which early childhood education  
14 students were included in the state aid calculation for the school  
15 district's local system minus the calculated state aid amount, and  
16 (iii) for school fiscal year 2007-08, continuation grants for  
17 programs for which the state aid calculation pursuant to the act  
18 includes early childhood education students, but such state aid  
19 calculation does not result in the school district receiving any  
20 equalization aid, in an amount equal to the amount of the grant  
21 received in school fiscal year 2006-07. The calculated state aid  
22 amount shall be calculated by multiplying the basic funding per  
23 formula student for the school district by the formula students  
24 attributed to the early childhood education programs pursuant to the  
25 Tax Equity and Educational Opportunities Support Act.

1                   (c) The second priority shall be for new grants and  
2 expansion grants for programs that will serve at-risk children who  
3 will be eligible to attend kindergarten the following school year.  
4 New grants may be given for up to three years in an amount up to one-  
5 half of the total budget of the program per year. Expansion grants  
6 may be given for one year in an amount up to one-half of the budget  
7 for expanding the capacity of the program to serve additional  
8 children.

9                   (d) The third priority shall be for new grants, expansion  
10 grants, and continuation grants for programs serving children younger  
11 than those who will be eligible to attend kindergarten the following  
12 school year. New grants may be given for up to three years in an  
13 amount up to one-half the total budget of the program per year.  
14 Expansion grants may be given for one year in an amount up to one-  
15 half the budget for expanding the capacity of the program to serve  
16 additional children. Continuation grants under this priority may be  
17 given annually in an amount up to one-half the total budget of the  
18 program per year minus any continuation grants received under the  
19 first priority.

20                   (e) Programs serving children who will be eligible to  
21 attend kindergarten the following school year shall be accounted for  
22 separately for grant purposes from programs serving younger children,  
23 but the two types of programs may be combined within the same  
24 classroom to serve multi-age children. Programs that receive grants  
25 for school fiscal years prior to school fiscal year 2005-06 to serve

1 both children who will be eligible to attend kindergarten the  
2 following school year and younger children shall account for the two  
3 types of programs separately for grant purposes beginning with school  
4 year 2005-06 and shall be deemed to have received grants prior to  
5 school fiscal year 2005-06 for each year that grants were received  
6 for the types of programs representing the age groups of the children  
7 served.

8           (2) Each program proposal which is approved by the  
9 department shall include (a) a planning period, (b) an agreement to  
10 participate in periodic evaluations of the program to be specified by  
11 the department, (c) evidence that the program will be coordinated or  
12 contracted with existing programs, including those listed in  
13 subdivision (d) of this subsection and nonpublic programs which meet  
14 the requirements of subsection (2) of section 79-1104, (d) a plan to  
15 coordinate and use a combination of local, state, and federal funding  
16 sources, including, but not limited to, programs for children with  
17 disabilities below five years of age funded through the Special  
18 Education Act, the Early Intervention Act, funds available through  
19 the flexible funding provisions under the Special Education Act, the  
20 federal Head Start program, 42 U.S.C. 9831 et seq., the federal Even  
21 Start Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of the  
22 federal Improving America's Schools Act of 1994, 20 U.S.C. 6301 et  
23 seq., and child care assistance through the Department of Health and  
24 Human Services, (e) a plan to use sliding fee scales and the funding  
25 sources included in subdivision (d) of this subsection to maximize

1 the participation of economically and categorically diverse groups  
2 and to ensure that participating children and families have access to  
3 comprehensive services, (f) the establishment of an advisory body  
4 which includes families and community members, (g) the utilization of  
5 appropriately qualified staff, (h) an appropriate child-to-staff  
6 ratio, (i) appropriate group size, (j) compliance with minimum health  
7 and safety standards, (k) appropriate facility size and equipment,  
8 (l) a strong family development and support component recognizing the  
9 central role of parents in their children's development, (m)  
10 developmentally and culturally appropriate curriculum, practices, and  
11 assessment, (n) sensitivity to the economic and logistical needs and  
12 circumstances of families in the provision of services, (o)  
13 integration of children of diverse social and economic  
14 characteristics, (p) a sound evaluation component, including at least  
15 one objective measure of child performance and progress, (q)  
16 continuity with programs in kindergarten and elementary grades, (r)  
17 instructional hours that are similar to or less than the  
18 instructional hours for kindergarten except that a summer session may  
19 be offered, (s) well-defined language development and early literacy  
20 emphasis, including the involvement of parents in family literacy  
21 activities, (t) a plan for ongoing professional development of staff,  
22 and (u) inclusion of children with disabilities as defined in the  
23 Special Education Act, all as specified by rules and regulations of  
24 the department in accordance with sound early childhood educational  
25 practice.

1                   (3) The department shall make an effort to fund programs  
2 widely distributed across the state in both rural and urban areas.

3                   (4) ~~A report evaluating the programs shall be made~~The  
4 department, in collaboration with the board of trustees if an  
5 endowment agreement is in effect, shall provide a report evaluating  
6 the programs to the State Board of Education and the Legislature by  
7 January 1 of each odd-numbered year. The report submitted to the  
8 Legislature shall be submitted electronically. The Education  
9 Committee of the Legislature shall hold a public hearing regarding  
10 the report. Up to five percent of the total appropriation for the  
11 Early Childhood Education Grant Program for grants administered by  
12 the department may be reserved by the department for evaluation and  
13 technical assistance for the programs.

14                   (5) Early childhood education programs, whether  
15 established pursuant to this section or section 79-1104, may be  
16 approved for purposes of the Tax Equity and Educational Opportunities  
17 Support Act, expansion grants, and continuation grants on the  
18 submission of a continuation plan demonstrating that the program will  
19 meet the requirements of subsection (2) of this section and a  
20 proposed operating budget demonstrating that the program will receive  
21 resources from other sources equal to or greater than the sum of any  
22 grant received pursuant to this section for the prior school year  
23 plus any calculated state aid as calculated pursuant to subsection  
24 (1) of this section for the prior school year.

25                   (6) The State Board of Education may adopt and promulgate

1 rules and regulations to implement the Early Childhood Education  
2 Grant Program, except that if there is an endowment agreement in  
3 effect, the board of trustees shall recommend any rules and  
4 regulations relating specifically to the Early Childhood Education  
5 Grant Program with respect to programs for children from birth to age  
6 three. It is the intent of the Legislature that the rules and  
7 regulations for programs for children from birth to age three be  
8 consistent to the greatest extent possible with those established for  
9 other prekindergarten programs.

10           Sec. 3. Section 79-1104.02, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12           79-1104.02 (1) The Early Childhood Education Endowment  
13 Cash Fund, consisting of the interest, earnings, and proceeds from  
14 the Early Childhood Education Endowment Fund and the earnings from  
15 the private endowment created by the endowment provider, funds  
16 transferred from the Education Innovation Fund pursuant to section  
17 9-812, and any additional private donations made directly thereto,  
18 shall be used exclusively to provide funds for the Early Childhood  
19 Education Grant Program for at-risk children from birth to age three  
20 as set forth in this section.

21           (2) Grants provided by this section shall be to school  
22 districts and cooperatives of school districts for early childhood  
23 education programs for at-risk children from birth to age three, as  
24 determined by the board of trustees pursuant to criteria set forth by  
25 the board of trustees. School districts and cooperatives of school

1 districts may establish agreements with other public and private  
2 entities to provide services or operate programs.

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

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

11 (5) Each program selected for a grant pursuant to this  
12 section shall meet the requirements described in subsection (2) of  
13 section 79-1103, except that the periodic evaluations of the program  
14 are to be specified by the board of trustees and the programs need  
15 not include continuity with programs in kindergarten and elementary  
16 grades and need not include instructional hours that are similar to  
17 or less than the instructional hours for kindergarten.

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

23 Sec. 4. Original sections 9-812 and 79-1104.02, Reissue  
24 Revised Statutes of Nebraska, and section 79-1103, Revised Statutes  
25 Cumulative Supplement, 2012, are repealed.

1                   Sec. 5. The following section is outright repealed:  
2 Section 79-1102.01, Revised Statutes Cumulative Supplement, 2012.

3                   Sec. 6. Since an emergency exists, this act takes effect  
4 when passed and approved according to law.