

AMENDMENTS TO LB1067

(Amendments to E and R amendments, ER241)

Introduced by Krist, 10.

1           1. Strike sections 31, 32, 40, 55, 56, and 62 and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 9-812, Revised Statutes Supplement, 2015, is  
4 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

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

6 (3) Of the money available to be transferred to the Education  
7 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska  
8 Education Improvement Fund, the Nebraska Environmental Trust Fund, the  
9 Nebraska State Fair Board, and the 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) Beginning July 1, 2016, forty-four and one-half percent of the  
14 money remaining after the payment of prizes and operating expenses and  
15 the initial transfer to the Compulsive Gamblers Assistance Fund shall be  
16 transferred to the Nebraska Education Improvement Fund;

17 (c) Through June 30, 2016, nineteen and three-fourths percent of the  
18 money remaining after the payment of prizes and operating expenses and  
19 the initial transfer to the Compulsive Gamblers Assistance Fund shall be  
20 transferred to the Education Innovation Fund;

21 (d) Through June 30, 2016, twenty-four and three-fourths percent of  
22 the money remaining after the payment of prizes and operating expenses  
23 and the initial transfer to the Compulsive Gamblers Assistance Fund shall  
24 be transferred to the Nebraska Opportunity Grant Fund;

25 (e) Forty-four and one-half percent of the money remaining after the  
26 payment of prizes and operating expenses and the initial transfer to the  
27 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska  
28 Environmental Trust Fund to be used as provided in the Nebraska  
29 Environmental Trust Act;

30 (f) Ten percent of the money remaining after the payment of prizes  
31 and operating expenses and the initial transfer to the Compulsive

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

11 (g) One percent of the money remaining after the payment of prizes  
12 and operating expenses and the initial transfer to the Compulsive  
13 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers  
14 Assistance Fund to be used as provided in section 9-1006.

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

18 (b) For fiscal year 2014-15, the Education Innovation Fund shall be  
19 allocated, after administrative expenses, as follows: (i) The first one  
20 million two hundred thousand dollars shall be transferred to the  
21 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;  
22 (ii) the next allocation shall be distributed to local systems as grants  
23 for approved accelerated or differentiated curriculum programs for  
24 students identified as learners with high ability pursuant to section  
25 79-1108.02 in an aggregated amount up to the amount distributed in the  
26 prior fiscal year for such purposes increased by the basic allowable  
27 growth rate pursuant to section 79-1025; (iii) the next one million eight  
28 hundred fifty thousand dollars shall be allocated to early childhood  
29 education grants awarded by the State Department of Education pursuant to  
30 section 79-1103; (iv) the next one million dollars shall be transferred  
31 to the Early Childhood Education Endowment Cash Fund for use pursuant to

1 section 79-1104.02; (v) the next two hundred thousand dollars shall be  
2 used to provide grants to establish bridge programs pursuant to sections  
3 79-1189 to 79-1195; (vi) the next ten thousand dollars shall be used to  
4 fund the Interstate Compact on Educational Opportunity for Military  
5 Children; (vii) the next two million dollars shall be allocated for  
6 distance education equipment and incentives pursuant to sections 79-1336  
7 and 79-1337; (viii) the next one million dollars shall be transferred to  
8 the School District Reorganization Fund; (ix) up to the next one hundred  
9 forty-five thousand dollars shall be used by the State Department of  
10 Education to implement section 79-759; and (x) the next three hundred  
11 thirty-five thousand dollars shall be allocated to local systems as  
12 grants awarded by the State Department of Education to assist schools in  
13 evaluating and improving career education programs to align such programs  
14 with the state's economic and workforce needs. Except for funds  
15 transferred to the School District Reorganization Fund, the Early  
16 Childhood Education Endowment Cash Fund, or the department for early  
17 childhood education grants pursuant to section 79-1103, no funds received  
18 as allocations from the Education Innovation Fund pursuant to this  
19 subdivision may be obligated for payment to be made after June 30, 2016,  
20 and such funds received as transfers or allocations from the Education  
21 Innovation Fund that have not been used for their designated purpose as  
22 of such date shall be transferred to the Nebraska Education Improvement  
23 Fund on or before August 1, 2016.

24 (c) For fiscal year 2015-16, the Education Innovation Fund shall be  
25 allocated, after administrative expenses, as follows: (i) The first one  
26 million two hundred thousand dollars shall be transferred to the  
27 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;  
28 (ii) the next allocation shall be distributed to local systems as grants  
29 for approved accelerated or differentiated curriculum programs for  
30 students identified as learners with high ability pursuant to section  
31 79-1108.02 in an aggregated amount up to the amount distributed in the

1 prior fiscal year for such purposes increased by the basic allowable  
2 growth rate pursuant to section 79-1025; (iii) the next one million nine  
3 hundred fifty thousand dollars shall be allocated to early childhood  
4 education grants awarded by the State Department of Education pursuant to  
5 section 79-1103; (iv) the next one million dollars shall be transferred  
6 to the Early Childhood Education Endowment Cash Fund for use pursuant to  
7 section 79-1104.02; (v) the next ten thousand dollars shall be used to  
8 fund the Interstate Compact on Educational Opportunity for Military  
9 Children; (vi) the next two million five hundred thousand dollars shall  
10 be allocated for distance education equipment and incentives pursuant to  
11 sections 79-1336 and 79-1337; (vii) the next one million dollars shall be  
12 transferred to the School District Reorganization Fund; (viii) up to the  
13 next one hundred forty-five thousand dollars shall be used by the State  
14 Department of Education to implement section 79-759; and (ix) of the  
15 amount remaining, (A) three million dollars shall be retained in the  
16 Education Innovation Fund to transfer to the Nebraska Education  
17 Improvement Fund on June 30, 2016, and (B) the remaining amount shall be  
18 allocated to local systems as grants awarded by the State Department of  
19 Education to assist schools in evaluating and improving career education  
20 programs to align such programs with the state's economic and workforce  
21 needs. Except for funds transferred to the School District Reorganization  
22 Fund, the Early Childhood Education Endowment Cash Fund, or the  
23 department for early childhood education grants pursuant to section  
24 79-1103, no funds received as allocations from the Education Innovation  
25 Fund pursuant to this subdivision may be obligated for payment to be made  
26 after June 30, 2016, and such funds received as transfers or allocations  
27 from the Education Innovation Fund that have not been used for their  
28 designated purpose as of such date shall be transferred to the Nebraska  
29 Education Improvement Fund on or before August 1, 2016.

30 (d) The Education Innovation Fund terminates on June 30, 2016. Any  
31 money in the fund on such date shall be transferred to the Nebraska

1 Education Improvement Fund on such date.

2 (5) The Nebraska Education Improvement Fund is created. The fund  
3 shall consist of money transferred pursuant to subsections (3) and (4) of  
4 this section, money transferred pursuant to section 85-1920, and any  
5 other funds appropriated by the Legislature. The fund shall be allocated,  
6 after actual and necessary administrative expenses, as provided in this  
7 section for fiscal years 2016-17 through 2020-21. A portion of each  
8 allocation may be retained by the agency to which the allocation is made  
9 or the agency administering the fund to which the allocation is made for  
10 actual and necessary expenses incurred by such agency for administration,  
11 evaluation, and technical assistance related to the purposes of the  
12 allocation, except that no amount of the allocation to the Nebraska  
13 Opportunity Grant Fund may be used for such purposes. On or before  
14 December 31, 2019, the Education Committee of the Legislature shall  
15 electronically submit recommendations to the Clerk of the Legislature  
16 regarding how the fund should be allocated to best advance the  
17 educational priorities of the state for the five-year period beginning  
18 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten  
19 percent of the revenue allocated to the Education Innovation Fund and to  
20 the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be  
21 retained in the Nebraska Education Improvement Fund. For fiscal years  
22 2017-18 through 2020-21, an amount equal to ten percent of the revenue  
23 received by the Nebraska Education Improvement Fund in the prior fiscal  
24 year shall be retained in the fund. For fiscal years 2016-17 through  
25 2020-21, the remainder of the fund, after payment of any learning  
26 community transition aid pursuant to section 40 of this act, shall be  
27 allocated as follows:

28 (a) One percent of the allocated funds to the Expanded Learning  
29 Opportunity Grant Fund to carry out the Expanded Learning Opportunity  
30 Grant Program Act;

31 (b) Seventeen percent of the allocated funds to the Department of

1 Education Innovative Grant Fund for competitive innovation grants  
2 pursuant to section 79-1054;

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

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

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

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

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

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

24 Sec. 32. (1) For school fiscal year 2017-18 and each school fiscal  
25 year thereafter, the department shall determine extreme poverty aid for  
26 each school district with poverty students comprising more than forty  
27 percent of the formula students in the school district.

28 (a) Extreme poverty aid for school districts within a learning  
29 community shall equal the sum of the statewide average general fund  
30 operating expenditures per formula student multiplied by 0.012 then  
31 multiplied by the number of poverty students above forty percent.

1           (b) For school districts not within a learning community and with  
2 poverty students comprising more than forty percent of the formula  
3 students, extreme poverty aid shall equal the sum of the statewide  
4 average general fund operating expenditures per formula student  
5 multiplied by 0.0058 then multiplied by the number of poverty students  
6 above forty percent.

7           Sec. 40. (1) For school fiscal years 2017-18 through 2019-20, the  
8 department shall calculate the amount of learning community transition  
9 aid, if any, to be paid from the Nebraska Education Improvement Fund to  
10 each school district that is a member of a learning community which  
11 levied a common levy for member school districts prior to school fiscal  
12 year 2017-18. Learning community transition aid for each such district  
13 shall be calculated by:

14           (a) Dividing the total formula need used to calculate equalization  
15 aid pursuant to section 79-1008.01 for the district by the aggregate  
16 total formula need used to calculate equalization aid pursuant to section  
17 79-1008.01 for all member school districts in the learning community for  
18 which the school district is a member to determine the formula need ratio  
19 for the district;

20           (b) Subtracting the aggregate total formula resources used to  
21 calculate equalization aid pursuant to section 79-1008.01 for all member  
22 school districts in such learning community from the aggregate total  
23 formula need used to calculate equalization aid pursuant to section  
24 79-1008.01 for all member school districts in such learning community to  
25 determine an aggregate equalization amount;

26           (c) Adding the aggregate equalization amount to the aggregate local  
27 effort rate yield calculated pursuant to section 79-1015.01 for all  
28 member school districts in such learning community to determine the  
29 aggregate total;

30           (d) Multiplying the aggregate total by the formula need ratio for  
31 the district to determine the member school district share of the

1 aggregate total;

2 (e) Adding the equalization aid calculated pursuant to section  
3 79-1008.01 for the member school district to the local effort rate yield  
4 calculated pursuant to section 79-1015.01 for the member school district  
5 to determine the comparison total;

6 (f) Subtracting the comparison total from the member school district  
7 share of the aggregate total to determine the transition difference,  
8 except if such difference is not greater than zero, the transition  
9 difference shall equal zero; and

10 (g) Multiplying the transition difference by fifty percent for  
11 school fiscal year 2017-18 and twenty-five percent for school fiscal year  
12 2018-19 to determine the amount of learning community transition aid to  
13 be paid to the member school district.

14 (2) Learning community transition aid shall not be considered in the  
15 calculation of formula resources pursuant to section 79-1017.01.

16 Sec. 63. This act is a complete act and its provisions inseverable.  
17 If any provision is declared unconstitutional, the entire act is invalid.

18 2. On page 16, after line 14, insert the following new subdivision:

19 "(f) For each fiscal year, learning communities shall levy a minimum  
20 of one cent and a maximum levy of two cents on each one hundred dollars  
21 of taxable property subject to the levy for extreme poverty funding for  
22 member school districts that have forty percent or more poverty students.  
23 The proceeds from the levy pursuant to this subdivision shall be  
24 distributed based on the ratio of the poverty students in each district  
25 that have more than forty percent poverty students divided by the  
26 combined total poverty students for all districts in the learning  
27 community that have forty percent or more poverty students."; in line 15  
28 strike "f" and insert "g"; and in line 22 strike "g" and insert "h".

29 3. On page 47, lines 30 and 31, reinstate the stricken matter.

30 4. On page 48, strike beginning with the comma in line 7 through the  
31 last "allowance" in line 15.

1           5. On page 64, strike lines 23 through 31 and insert the following  
2 new subsection:

3           "(3) Except as otherwise provided in this section, for school fiscal  
4 year 2017-18 and each school fiscal year thereafter, each school  
5 district's formula need shall equal the difference of the sum of the  
6 school district's basic funding, poverty allowance, limited English  
7 proficiency allowance, focus school and program allowance, summer school  
8 allowance, special receipts allowance, transportation allowance,  
9 elementary site allowance, best practices allowance, distance education  
10 and telecommunications allowance, averaging adjustment, new learning  
11 community transportation adjustment, student growth adjustment, any  
12 positive student growth adjustment correction, new school adjustment,  
13 extreme poverty adjustment, poverty allowance correction, and any  
14 negative student growth adjustment correction.".

15           6. On page 65, strike lines 1 through 5; and in line 24 after  
16 "adjustment" insert "or an extreme poverty adjustment".

17           7. On page 71, strike beginning with "community" in line 23 through  
18 the comma in line 24.

19           8. On page 100, line 19, strike "f" and insert "g"; in line 24  
20 strike "g" and insert "h"; and strike lines 27 through 31.

21           9. On page 101, line 1, strike "(5)", show as stricken, and insert  
22 "(4)"; in line 4 strike "(6)", show as stricken, and insert "(5)"; in  
23 line 6 strike "(7)", show as stricken, and insert "(6)"; in line 10  
24 strike "(8)", show as stricken, and insert "(7)"; in line 15 strike  
25 "(9)", show as stricken, and insert "(8)"; in line 19 strike "(10)", show  
26 as stricken, and insert "(9)"; in line 24 strike "(11)", show as  
27 stricken, and insert "(10)"; in line 26 strike "(12)", show as stricken,  
28 and insert "(11)"; in line 28 strike "(13)", show as stricken, and insert  
29 "(12)"; and in line 31 strike "(14)", show as stricken, and insert  
30 "(13)".

31           10. On page 102, line 2, strike "(15)", show as stricken, and insert

1 "(14)"; in line 7 strike "(16)", show as stricken, and insert "(15)"; in  
2 line 11 strike "(17)", show as stricken, and insert "(16)"; in line 15  
3 strike "(18)", show as stricken, and insert "(17)"; strike lines 24  
4 through 26 and show the old matter as stricken; in line 27 strike "(2)",  
5 show as stricken, and insert "(1)"; and in line 31 strike "3" and insert  
6 "2".

7 11. On page 103, line 2, strike "4" and insert "3"; in line 6 strike  
8 "5" and insert "4"; and in line 11 strike "the community achievement  
9 plan,".

10 12. On page 104, line 17, strike "4" and insert "3".

11 13. On page 111, line 9, strike "f" and insert "g".

12 14. On page 113, lines 6 and 7, strike the new matter.

13 15. Renumber the remaining sections, amend the repealer, and correct  
14 internal references accordingly.