

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

Introduced by Sullivan, 41.

Read first time January 23, 2013

Committee: Education

A BILL

1 FOR AN ACT relating to early childhood education; to amend sections  
2 9-812 and 79-1104.02, Reissue Revised Statutes of  
3 Nebraska, and section 79-1103, Revised Statutes  
4 Cumulative Supplement, 2012; to change provision and  
5 state intent relating to the Education Innovation Fund;  
6 to change reporting provisions; to harmonize provisions;  
7 to repeal the original sections; to outright repeal  
8 section 79-1102.01, Revised Statutes Cumulative  
9 Supplement, 2012; and to declare an emergency.  
10 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 for the  
18 development of an integrated early childhood, elementary, secondary,  
19 and postsecondary student information system; (v) the next four  
20 hundred fifty thousand dollars shall fund the Center for Student  
21 Leadership and Extended Learning Act; (vi) the next one hundred  
22 fourteen thousand six hundred twenty-nine dollars shall be used by  
23 the department to fund the multicultural education program created  
24 under section 79-720; (vii) the next one hundred twenty-three  
25 thousand four hundred sixty-eight dollars shall be used by the

1 department to employ persons to investigate and prosecute alleged  
2 violations as provided in section 79-868; (viii) up to the next one  
3 hundred sixty thousand dollars shall be used by the department to  
4 implement section 79-759; (ix) the next twenty-seven thousand two  
5 hundred dollars shall be used to fund the Interstate Compact on  
6 Educational Opportunity for Military Children; (x) the next two  
7 hundred thousand dollars shall be used to provide grants to establish  
8 bridge programs pursuant to sections 79-1189 to 79-1195; and (xi) the  
9 amount remaining shall be allocated, after administrative expenses,  
10 for distance education equipment and incentives pursuant to sections  
11 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 to~~  
16 ~~implement section 79-759; (viii) (iv) the next one million seven~~  
17 ~~hundred fifty thousand dollars shall be allocated to early childhood~~  
18 ~~education grants awarded by the State Department of Education~~  
19 ~~pursuant to section 79-1103; (v) the next one million dollars shall~~  
20 ~~be transferred to the Early Childhood Education Endowment Cash Fund;~~  
21 ~~(vi) the next two hundred thousand dollars shall be used to provide~~  
22 ~~grants to establish bridge programs pursuant to sections 79-1189 to~~  
23 ~~79-1195; and (ix) (vii) the amount remaining shall be allocated,~~  
24 ~~after administrative expenses, for distance education equipment and~~  
25 ~~incentives pursuant to sections 79-1336 and 79-1337.~~



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

1 ~~section 79-868 in an aggregated amount up to the amount used in the~~  
2 ~~prior fiscal year for such purposes increased by the basic allowable~~  
3 ~~growth rate pursuant to section 79-1025; (vii) (iii) the next one~~  
4 ~~million eight hundred fifty thousand dollars shall be allocated to~~  
5 ~~early childhood education grants awarded by the State Department of~~  
6 ~~Education pursuant to section 79-1103; (iv) the next one million~~  
7 ~~dollars shall be transferred to the Early Childhood Education~~  
8 ~~Endowment Cash Fund; (v) the next two hundred thousand dollars shall~~  
9 ~~be used to provide grants to establish bridge programs pursuant to~~  
10 ~~sections 79-1189 to 79-1195; and ~~(viii)~~ (vi) the amount remaining~~  
11 ~~shall be allocated, after administrative expenses, for distance~~  
12 ~~education equipment and incentives pursuant to sections 79-1336 and~~  
13 ~~79-1337.~~

14 ~~(g)~~ (e) For fiscal year 2015-16, the Education Innovation  
15 Fund shall be allocated as follows: (i) The first one million dollars  
16 shall be transferred to the Excellence in Teaching Cash Fund to fund  
17 the Excellence in Teaching Act; (ii) the next allocation shall be  
18 distributed to local systems as grants for approved accelerated or  
19 differentiated curriculum programs for students identified as  
20 learners with high ability pursuant to section 79-1108.02 in an  
21 aggregated amount up to the amount distributed in the prior fiscal  
22 year for such purposes increased by the basic allowable growth rate  
23 pursuant to section 79-1025; ~~(iii) the next allocation shall be used~~  
24 ~~by the State Department of Education for the integrated early~~  
25 ~~childhood, elementary, secondary, and postsecondary student~~

1 ~~information system in an aggregated amount up to the amount used in~~  
2 ~~the prior fiscal year for such purposes increased by the basic~~  
3 ~~allowable growth rate pursuant to section 79-1025; (iv) the next~~  
4 ~~allocation shall fund the Center for Student Leadership and Extended~~  
5 ~~Learning Act in an aggregated amount up to the amount used in the~~  
6 ~~prior fiscal year for such purposes increased by the basic allowable~~  
7 ~~growth rate pursuant to section 79-1025; (v) the next allocation~~  
8 ~~shall be used by the department to fund the multicultural education~~  
9 ~~program created under section 79-720 in an aggregated amount up to~~  
10 ~~the amount used in the prior fiscal year for such purposes increased~~  
11 ~~by the basic allowable growth rate pursuant to section 79-1025; (vi)~~  
12 ~~the next allocation shall be used by the department to employ persons~~  
13 ~~to investigate and prosecute alleged violations as provided in~~  
14 ~~section 79-868 in an aggregated amount up to the amount used in the~~  
15 ~~prior fiscal year for such purposes increased by the basic allowable~~  
16 ~~growth rate pursuant to section 79-1025; and (vii) (iii) the next one~~  
17 ~~million nine hundred fifty thousand dollars shall be allocated to~~  
18 ~~early childhood education grants awarded by the State Department of~~  
19 ~~Education pursuant to section 79-1103; (iv) the next one million~~  
20 ~~dollars shall be transferred to the Early Childhood Education~~  
21 ~~Endowment Cash Fund; and (v) the amount remaining shall be allocated,~~  
22 ~~after administrative expenses, for distance education equipment and~~  
23 ~~incentives pursuant to sections 79-1336 and 79-1337.~~

24 ~~(h) (f)~~ For fiscal year 2016-17 and each fiscal year  
25 thereafter, the Education Innovation Fund shall be allocated, after

1 administrative expenses, for education purposes as provided by the  
2 Legislature.

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

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

13 (7) It is the intent of the Legislature to replace  
14 funding from the Education Innovation Fund with General Fund  
15 appropriations to the State Department of Education beginning with  
16 FY2013-14 for (a) the integrated early childhood, elementary,  
17 secondary, and postsecondary student information system; (b) the  
18 Center for Student Leadership and Extending Learning Act; (c) the  
19 multicultural education program created under section 79-720; and (d)  
20 the employment of persons to investigate and prosecute alleged  
21 violations as provided in section 79-868.

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

24 79-1103 (1)(a) The State Department of Education shall  
25 establish and administer the Early Childhood Education Grant Program.

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

20 (b) The first priority shall be for (i) continuation  
21 grants for programs that received grants in the prior school fiscal  
22 year and for which the state aid calculation pursuant to the Tax  
23 Equity and Educational Opportunities Support Act does not include  
24 early childhood education students, in an amount equal to the amount  
25 of such grant, except that if the grant was a first-year grant the

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

18 (c) The second priority shall be for new grants and  
19 expansion grants for programs that will serve at-risk children who  
20 will be eligible to attend kindergarten the following school year.  
21 New grants may be given for up to three years in an amount up to one-  
22 half of the total budget of the program per year. Expansion grants  
23 may be given for one year in an amount up to one-half of the budget  
24 for expanding the capacity of the program to serve additional  
25 children.

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

12           (e) Programs serving children who will be eligible to  
13 attend kindergarten the following school year shall be accounted for  
14 separately for grant purposes from programs serving younger children,  
15 but the two types of programs may be combined within the same  
16 classroom to serve multi-age children. Programs that receive grants  
17 for school fiscal years prior to school fiscal year 2005-06 to serve  
18 both children who will be eligible to attend kindergarten the  
19 following school year and younger children shall account for the two  
20 types of programs separately for grant purposes beginning with school  
21 year 2005-06 and shall be deemed to have received grants prior to  
22 school fiscal year 2005-06 for each year that grants were received  
23 for the types of programs representing the age groups of the children  
24 served.

25           (2) Each program proposal which is approved by the

1 department shall include (a) a planning period, (b) an agreement to  
2 participate in periodic evaluations of the program to be specified by  
3 the department, (c) evidence that the program will be coordinated or  
4 contracted with existing programs, including those listed in  
5 subdivision (d) of this subsection and nonpublic programs which meet  
6 the requirements of subsection (2) of section 79-1104, (d) a plan to  
7 coordinate and use a combination of local, state, and federal funding  
8 sources, including, but not limited to, programs for children with  
9 disabilities below five years of age funded through the Special  
10 Education Act, the Early Intervention Act, funds available through  
11 the flexible funding provisions under the Special Education Act, the  
12 federal Head Start program, 42 U.S.C. 9831 et seq., the federal Even  
13 Start Family Literacy Program, 20 U.S.C. 6361 et seq., Title I of the  
14 federal Improving America's Schools Act of 1994, 20 U.S.C. 6301 et  
15 seq., and child care assistance through the Department of Health and  
16 Human Services, (e) a plan to use sliding fee scales and the funding  
17 sources included in subdivision (d) of this subsection to maximize  
18 the participation of economically and categorically diverse groups  
19 and to ensure that participating children and families have access to  
20 comprehensive services, (f) the establishment of an advisory body  
21 which includes families and community members, (g) the utilization of  
22 appropriately qualified staff, (h) an appropriate child-to-staff  
23 ratio, (i) appropriate group size, (j) compliance with minimum health  
24 and safety standards, (k) appropriate facility size and equipment,  
25 (l) a strong family development and support component recognizing the



1 central role of parents in their children's development, (m)  
2 developmentally and culturally appropriate curriculum, practices, and  
3 assessment, (n) sensitivity to the economic and logistical needs and  
4 circumstances of families in the provision of services, (o)  
5 integration of children of diverse social and economic  
6 characteristics, (p) a sound evaluation component, including at least  
7 one objective measure of child performance and progress, (q)  
8 continuity with programs in kindergarten and elementary grades, (r)  
9 instructional hours that are similar to or less than the  
10 instructional hours for kindergarten except that a summer session may  
11 be offered, (s) well-defined language development and early literacy  
12 emphasis, including the involvement of parents in family literacy  
13 activities, (t) a plan for ongoing professional development of staff,  
14 and (u) inclusion of children with disabilities as defined in the  
15 Special Education Act, all as specified by rules and regulations of  
16 the department in accordance with sound early childhood educational  
17 practice.

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

20 (4) A report evaluating ~~the programs~~ administered by the  
21 department and, if an endowment agreement is in effect, by the board  
22 of trustees, shall be made to the State Board of Education and the  
23 Legislature by January 1 of each odd-numbered year. The report  
24 submitted to the Legislature shall be submitted electronically. The  
25 Education Committee of the Legislature shall hold a public hearing

1 regarding the report. Up to five percent of the total appropriation  
2 for the Early Childhood Education Grant Program for programs  
3 administered by the department may be reserved by the department for  
4 evaluation and technical assistance for ~~the~~ such programs.

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

16 (6) The State Board of Education may adopt and promulgate  
17 rules and regulations to implement the Early Childhood Education  
18 Grant Program, except that if there is an endowment agreement in  
19 effect, the board of trustees shall recommend any rules and  
20 regulations relating specifically to the Early Childhood Education  
21 Grant Program with respect to programs for children from birth to age  
22 three. It is the intent of the Legislature that the rules and  
23 regulations for programs for children from birth to age three be  
24 consistent to the greatest extent possible with those established for  
25 other prekindergarten programs.

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

3                   79-1104.02 (1) The Early Childhood Education Endowment  
4 Cash Fund, consisting of the interest, earnings, and proceeds from  
5 the Early Childhood Education Endowment Fund and the earnings from  
6 the private endowment created by the endowment provider, funds  
7 transferred from the Education Innovation Fund pursuant to section  
8 9-812, and any additional private donations made directly thereto,  
9 shall be used exclusively to provide funds for the Early Childhood  
10 Education Grant Program for at-risk children from birth to age three  
11 as set forth in this section.

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

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

25                   (4) Programs shall be funded across the state and in

1 urban and rural areas to the fullest extent possible.

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

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

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

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

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