

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
FIRST SESSION  
**LEGISLATIVE BILL 511**

Introduced by Scheer, 19.

Read first time January 23, 2013

Committee: Education

A BILL

- 1 FOR AN ACT relating to education; to amend section 9-812, Reissue
- 2 Revised Statutes of Nebraska; to provide for allocation
- 3 of the Education Innovation Fund as prescribed; and to
- 4 repeal the original section.
- 5 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) 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) 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) up to the next one  
15 hundred sixty thousand dollars shall be used by the department to  
16 implement section 79-759; (viii) the next two hundred thousand  
17 dollars shall be used to provide grants to establish bridge programs  
18 pursuant to sections 79-1189 to 79-1195; and (ix) the amount  
19 remaining shall be allocated, after administrative expenses, for  
20 distance education equipment and incentives pursuant to sections  
21 79-1336 and 79-1337.

22 (f) For fiscal year 2014-15, the Education Innovation  
23 Fund shall be allocated as follows: (i) The first one million dollars  
24 shall be transferred to the Excellence in Teaching Cash Fund to fund  
25 the Excellence in Teaching Act; (ii) the next allocation shall be

1 distributed to local systems as grants for approved accelerated or  
2 differentiated curriculum programs for students identified as  
3 learners with high ability pursuant to section 79-1108.02 in an  
4 aggregated amount up to the amount distributed in the prior fiscal  
5 year for such purposes increased by the basic allowable growth rate  
6 pursuant to section 79-1025; (iii) the next allocation shall be used  
7 by the State Department of Education for the integrated early  
8 childhood, elementary, secondary, and postsecondary student  
9 information system in an aggregated amount up to the amount used in  
10 the prior fiscal year for such purposes increased by the basic  
11 allowable growth rate pursuant to section 79-1025; (iv) the next  
12 allocation shall fund the Center for Student Leadership and Extended  
13 Learning Act in an aggregated amount up to the amount used in the  
14 prior fiscal year for such purposes increased by the basic allowable  
15 growth rate pursuant to section 79-1025; (v) the next allocation  
16 shall be used by the department to fund the multicultural education  
17 program created under section 79-720 in an aggregated amount up to  
18 the amount used in the prior fiscal year for such purposes increased  
19 by the basic allowable growth rate pursuant to section 79-1025; (vi)  
20 the next allocation shall be used by the department to employ persons  
21 to investigate and prosecute alleged violations as provided in  
22 section 79-868 in an aggregated amount up to the amount used in the  
23 prior fiscal year for such purposes increased by the basic allowable  
24 growth rate pursuant to section 79-1025; (vii) the next two hundred  
25 thousand dollars shall be used to provide grants to establish bridge

1 programs pursuant to sections 79-1189 to 79-1195; and (viii) the  
2 amount remaining shall be allocated, after administrative expenses,  
3 for distance education equipment and incentives pursuant to sections  
4 79-1336 and 79-1337.

5 (g) For fiscal year 2015-16, the Education Innovation  
6 Fund shall be allocated as follows: (i) The first one million dollars  
7 shall be transferred to the Excellence in Teaching Cash Fund to fund  
8 the Excellence in Teaching Act; (ii) the next allocation shall be  
9 distributed to local systems as grants for approved accelerated or  
10 differentiated curriculum programs for students identified as  
11 learners with high ability pursuant to section 79-1108.02 in an  
12 aggregated amount up to the amount distributed in the prior fiscal  
13 year for such purposes increased by the basic allowable growth rate  
14 pursuant to section 79-1025; (iii) the next allocation shall be used  
15 by the State Department of Education for the integrated early  
16 childhood, elementary, secondary, and postsecondary student  
17 information system in an aggregated amount up to the amount used in  
18 the prior fiscal year for such purposes increased by the basic  
19 allowable growth rate pursuant to section 79-1025; (iv) the next  
20 allocation shall fund the Center for Student Leadership and Extended  
21 Learning Act in an aggregated amount up to the amount used in the  
22 prior fiscal year for such purposes increased by the basic allowable  
23 growth rate pursuant to section 79-1025; (v) the next allocation  
24 shall be used by the department to fund the multicultural education  
25 program created under section 79-720 in an aggregated amount up to

1 the amount used in the prior fiscal year for such purposes increased  
2 by the basic allowable growth rate pursuant to section 79-1025; (vi)  
3 the next allocation shall be used by the department to employ persons  
4 to investigate and prosecute alleged violations as provided in  
5 section 79-868 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; and (vii) the amount  
8 remaining shall be allocated, after administrative expenses, for  
9 distance education equipment and incentives pursuant to sections  
10 79-1336 and 79-1337.

11 (h) For fiscal year 2016-17 through fiscal year 2019-20,  
12 the Education Innovation Fund shall be allocated to the Educational  
13 Technology Center established pursuant to section 79-1303. The center  
14 shall create a plan with partners, including but not limited to, the  
15 Educational Service Unit Coordinating Council, the Nebraska  
16 Educational Telecommunications Commission, Network Nebraska, and  
17 representatives from school districts. The plan shall include the  
18 development of an educational content or learning object repository  
19 system, learning management system deployment or enhancement,  
20 professional development and educational content development, and  
21 directory services to allow common access to such systems. Systems  
22 may be sponsored by such partners and shall be hosted on Network  
23 Nebraska and made available to Network Nebraska participants. The  
24 State Department of Education shall also develop a local technology  
25 grant to enhance school district technology adoption and integration,

1 reserving at least one-half of the funds in the Education Innovation  
2 Fund for such grants.

3 (i) For fiscal year 2020-21 and each fiscal year  
4 thereafter, the Education Innovation Fund shall be allocated, after  
5 administrative expenses, for education purposes as provided by the  
6 Legislature.

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

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

17 Sec. 2. Original section 9-812, Reissue Revised Statutes  
18 of Nebraska, is repealed.