

AMENDMENTS TO LB920

Introduced by Education.

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

3           Section 1. Section 9-812, Revised Statutes Cumulative Supplement,  
4 2018, is amended to read:

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

18           (2) A portion of the dollar amount of the lottery tickets which have  
19 been sold on an annualized basis shall be transferred from the State  
20 Lottery Operation Trust Fund ~~to the Education Innovation Fund, the~~  
21 ~~Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund,~~  
22 ~~the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and~~  
23 ~~the Compulsive Gamblers Assistance Fund~~ as provided in subsection (3) of  
24 this section. The dollar amount transferred pursuant to this subsection  
25 shall equal the greater of (a) the dollar amount transferred ~~to the funds~~  
26 in fiscal year 2002-03 or (b) any amount which constitutes at least  
27 twenty-two percent and no more than twenty-five percent of the dollar

1 amount of the lottery tickets which have been sold on an annualized  
2 basis. To the extent that funds are available, the Tax Commissioner and  
3 director may authorize a transfer exceeding twenty-five percent of the  
4 dollar amount of the lottery tickets sold on an annualized basis.

5 (3) Of the money available to be transferred as provided in this  
6 subsection ~~to the Education Innovation Fund, the Nebraska Opportunity~~  
7 ~~Grant Fund, the Nebraska Education Improvement Fund, the Nebraska~~  
8 ~~Environmental Trust Fund, the Nebraska State Fair Board, and the~~  
9 ~~Compulsive Gamblers Assistance Fund:~~

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

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

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

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

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

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

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

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

14 (a) Fifty-eight percent of the money shall be transferred to the  
15 Nebraska Opportunity Grant Fund;

16 (b) Nine and one-half percent of the money shall be transferred to  
17 the Behavioral Training Cash Fund;

18 (c) Eight percent of the money shall be transferred to the  
19 Excellence in Teaching Cash Fund;

20 (d) Seven percent of the money shall be used for career-readiness  
21 and dual-credit education and transferred as follows:

22 (i) The first two hundred eighty-two thousand five hundred dollars  
23 each fiscal year to the State Department of Education Cash Fund for the  
24 annual fee for an online education and career planning tool; and

25 (ii) For the remainder:

26 (A) Forty percent to the Access College Early Scholarship Cash Fund;

27 (B) Forty-five percent to the Career-Readiness and Dual-Credit  
28 Education Cash Fund; and

29 (C) Fifteen percent to the College Credit Testing Fee Cash Fund;

30 (e) Five percent of the money shall be transferred to the Department  
31 of Education Innovative Grant Fund;

1        (f) Five percent of the money shall be transferred to the Community  
2 College Gap Assistance Program Fund;

3        (g) Three percent of the money shall be transferred to the Expanded  
4 Learning Opportunity Grant Fund;

5        (h) Three percent of the money shall be transferred to the Nebraska  
6 Education Improvement Fund; and

7        (i) One and one-half percent of the money shall be transferred to  
8 the Mental Health Training Cash Fund.

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

12        (7)(a) (4) The Nebraska Education Improvement Fund is created. The  
13 fund shall consist of money transferred pursuant to subsections (4) and  
14 (5) subsection (3) of this section, money transferred pursuant to section  
15 85-1920, and any other funds appropriated by the Legislature. The fund  
16 shall be allocated, after actual and necessary administrative expenses,  
17 as provided in this subsection section for fiscal years 2016-17 through  
18 2020-21.

19        (b) A portion of each allocation pursuant to this subsection may be  
20 retained by the agency to which the allocation is made or the agency  
21 administering the fund to which the allocation is made for actual and  
22 necessary expenses incurred by such agency for administration,  
23 evaluation, and technical assistance related to the purposes of the  
24 allocation, except that no amount of the allocation to the Nebraska  
25 Opportunity Grant Fund may be used for such purposes. On or before  
26 December 31, 2019, the Education Committee of the Legislature shall  
27 electronically submit recommendations to the Clerk of the Legislature  
28 regarding how the fund should be allocated to best advance the  
29 educational priorities of the state for the five-year period beginning  
30 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten  
31 percent of the revenue allocated to the Education Innovation Fund and to

1 ~~the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be~~  
2 ~~retained in the Nebraska Education Improvement Fund.~~

3 (c) For fiscal years 2017-18 through 2020-21, an amount equal to ten  
4 percent of the revenue received by the Nebraska Education Improvement  
5 Fund in the prior fiscal year shall be retained in the fund. The balance  
6 of the fund on August 1, 2021, shall be transferred to the Behavioral  
7 Training Cash Fund.

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

12 (i) ~~(a)~~ One percent of the allocated funds to the Expanded Learning  
13 Opportunity Grant Fund to carry out the Expanded Learning Opportunity  
14 Grant Program Act;

15 (ii) ~~(b)~~ Seventeen percent of the allocated funds to the Department  
16 of Education Innovative Grant Fund to be used (i) for competitive  
17 innovation grants pursuant to section 79-1054 and (ii) to carry out the  
18 purposes of section 79-759;

19 (iii) ~~(c)~~ Nine percent of the allocated funds to the Community  
20 College Gap Assistance Program Fund to carry out the community college  
21 gap assistance program;

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

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

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

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

1       (f) For fiscal year 2026-27 and each fiscal year thereafter, the  
2 fund shall be allocated as the Legislature may direct.

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

14       (b) The Auditor of Public Accounts shall annually compile a summary  
15 of the annual reports received pursuant to subdivision (8)(a) of this  
16 section, any audits related to transfers pursuant to subsection (5) or  
17 (6) of this section conducted by the Auditor of Public Accounts, and any  
18 findings or recommendations related to such transfers into a consolidated  
19 annual report and shall submit such consolidated annual report  
20 electronically to the Legislature on or before January 1, 2023, and on or  
21 before each January 1 thereafter.

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

27       (9) On or before December 31, 2024, the Education Committee of the  
28 Legislature shall electronically submit recommendations to the Clerk of  
29 the Legislature regarding how the money used for education from the State  
30 Lottery Operation Trust Fund should be allocated to best advance the  
31 educational priorities of the state for the five-year period beginning

1 with fiscal year 2026-27.

2       (10) ~~(5)~~ Any money in the State Lottery Operation Trust Fund, the  
3 State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or  
4 the Nebraska Education Improvement Fund, ~~or the Education Innovation Fund~~  
5 available for investment shall be invested by the state investment  
6 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
7 State Funds Investment Act.

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

13       Sec. 2. Section 9-836.01, Revised Statutes Cumulative Supplement,  
14 2018, is amended to read:

15       9-836.01 The division may endorse and sell for profit tangible  
16 personal property related to the lottery. Any money received as profit by  
17 the division pursuant to this section shall be remitted to the State  
18 Treasurer for credit to the State Lottery Operation Trust Fund to be  
19 distributed ~~to the Education Innovation Fund, the Nebraska Opportunity~~  
20 ~~Grant Fund, the Nebraska Education Improvement Fund, the Nebraska~~  
21 ~~Environmental Trust Fund, and the Compulsive Gamblers Assistance Fund~~  
22 pursuant to the requirements of section 9-812.

23       Sec. 3. The Behavioral Training Cash Fund is created. The fund  
24 shall be administered by the State Department of Education and shall  
25 consist of money received pursuant to section 9-812 and any money  
26 appropriated by the Legislature. Any money in the fund available for  
27 investment shall be invested by the state investment officer pursuant to  
28 the Nebraska Capital Expansion Act and the Nebraska State Funds  
29 Investment Act.

30       Sec. 4. (1) The State Department of Education shall establish a  
31 mental health training grant program. Mental health training grants

1 awarded pursuant to this section shall be funded from the Mental Health  
2 Training Cash Fund. A grantee shall be a school district or an  
3 educational service unit.

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

6 (a) The skills, resources, and knowledge necessary to assist  
7 students in crisis to connect with appropriate local mental health  
8 services;

9 (b) Mental health resources, including, but not limited to, the  
10 location of local community mental health centers; and

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

12 (3) Each application for a mental health training grant shall also  
13 describe in the application how the training to be provided under the  
14 grant will prepare recipients of such training to:

15 (a) Safely de-escalate crisis situations;

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

19 (c) Timely refer a student to available mental health services in  
20 the early stages of the development of a mental disorder to avoid  
21 subsequent behavioral health care and to enhance the effectiveness of  
22 mental health services.

23 (4) The department may adopt and promulgate rules and regulations to  
24 carry out this section, including, but not limited to, application  
25 procedures, selection procedures, and annual reporting procedures.

26 Sec. 5. The Mental Health Training Cash Fund is created. The fund  
27 shall be administered by the State Department of Education and shall  
28 consist of money received pursuant to section 9-812 and any money  
29 appropriated by the Legislature. The department shall use money in the  
30 fund for mental health training grants pursuant to section 4 of this act.  
31 Any money in the fund available for investment shall be invested by the



1 state investment officer pursuant to the Nebraska Capital Expansion Act  
2 and the Nebraska State Funds Investment Act.

3 Sec. 6. Section 79-759, Revised Statutes Cumulative Supplement,  
4 2018, is amended to read:

5 79-759 No later than the 2017-18 school year, the State Department  
6 of Education shall administer a standard college admission test, selected  
7 by the State Board of Education, to students in the eleventh grade  
8 attending a public school in the state in lieu of the assessment for the  
9 one grade in high school as required under section 79-760.03. The  
10 department shall pay the expenses of administering such college admission  
11 test ~~and may use funds from the Nebraska Education Improvement Fund as~~  
12 ~~provided in section 9-812.~~

13 Sec. 7. Sections 7 to 10 of this act shall be known and may be  
14 cited as the College Credit Testing Fee Reduction Program Act.

15 Sec. 8. For purposes of the College Credit Testing Fee Reduction  
16 Program Act:

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

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

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

30 Sec. 9. (1) The College Credit Testing Fee Reduction Program is  
31 established and shall be administered by the State Department of

1 Education.

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

8 (3) If at any time there is not a sufficient amount of money  
9 available in the College Credit Testing Fee Cash Fund to pay all  
10 reimbursements pursuant to subsection (2) of this section, reimbursements  
11 pursuant to this section shall be proportionally reduced such that, at  
12 the time such reimbursements are paid, the amount of all such  
13 reimbursements equals the amount of money available in the fund.

14 (4) On or before December 31, 2022, and on or before each December  
15 31 thereafter, the department shall electronically submit an annual  
16 report on the College Credit Testing Fee Reduction Program to the Clerk  
17 of the Legislature. The report shall include, but not be limited to, the  
18 number and amounts of testing fee reductions paid by school districts,  
19 the reimbursement level for such testing fee reductions, the school  
20 districts attended by testing fee reduction recipients, and information  
21 regarding the number and types of courses associated with testing fee  
22 reductions.

23 (5) The department shall adopt and promulgate rules and regulations  
24 to carry out the College Credit Testing Fee Reduction Program that  
25 include, but are not limited to, poverty guidelines.

26 Sec. 10. The College Credit Testing Fee Cash Fund is created. The  
27 fund shall be administered by the State Department of Education and shall  
28 consist of money received pursuant to section 9-812 and any money  
29 appropriated by the Legislature. The department shall use the fund to  
30 carry out the College Credit Testing Fee Reduction Program Act. Any money  
31 in the fund available for investment shall be invested by the state

1 investment officer pursuant to the Nebraska Capital Expansion Act and the  
2 Nebraska State Funds Investment Act.

3 Sec. 11. Section 79-8,124, Reissue Revised Statutes of Nebraska, is  
4 amended to read:

5 79-8,124 Sections 79-8,124 to 79-8,131 shall be known and may be  
6 cited as the National Certified Master Teacher Program Act.

7 Sec. 12. Section 79-8,125, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 79-8,125 The National Certified Master Teacher Program is created.  
10 The purpose of the program is to build a group of recognized teachers of  
11 high achievement in the teaching profession. The State Department of  
12 Education shall administer the program.

13 Sec. 13. Section 79-8,126, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 79-8,126 For purposes of the National Certified Master Teacher  
16 Program Act:

17 (1) Credentialing organization means a national nonprofit  
18 organization (a) approved by the State Department of Education, (b) the  
19 purpose of which is to establish high and rigorous standards in a broad  
20 range of educational areas for what accomplished teachers should know and  
21 be able to do, and (c) which issues credentials to teachers who  
22 demonstrate that they meet those standards; and

23 (2) Teacher means a person who holds a valid certificate to teach in  
24 Nebraska issued by the Commissioner of Education, who has been employed  
25 as a teacher for at least three years in a public or private school  
26 accredited or approved by the State Department of Education, and who  
27 continues to be employed as a teacher in such a school.

28 Sec. 14. Section 79-8,128, Reissue Revised Statutes of Nebraska, is  
29 amended to read:

30 79-8,128 Teachers may achieve national certified master teacher  
31 status by earning credentials from a credentialing organization. To be

1 eligible for the National Certified Master Teacher Program, a teacher  
2 with national certified master teacher status shall apply to the State  
3 Department of Education. The department shall maintain a registry of  
4 teachers who achieve national certified teacher status.

5 Sec. 15. Section 79-8,131, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 79-8,131 The State Board of Education shall adopt and promulgate  
8 rules and regulations to carry out the National Certified Master Teacher  
9 Program Act.

10 Sec. 16. Section 79-1003, Revised Statutes Supplement, 2019, is  
11 amended to read:

12 79-1003 For purposes of the Tax Equity and Educational Opportunities  
13 Support Act:

14 (1) Adjusted general fund operating expenditures means (a) for  
15 school fiscal years 2013-14 through 2015-16, the difference of the  
16 general fund operating expenditures as calculated pursuant to subdivision  
17 (23) of this section increased by the cost growth factor calculated  
18 pursuant to section 79-1007.10, minus the transportation allowance,  
19 special receipts allowance, poverty allowance, limited English  
20 proficiency allowance, distance education and telecommunications  
21 allowance, elementary site allowance, summer school allowance,  
22 instructional time allowance, teacher education allowance, and focus  
23 school and program allowance, (b) for school fiscal years 2016-17 through  
24 2018-19, the difference of the general fund operating expenditures as  
25 calculated pursuant to subdivision (23) of this section increased by the  
26 cost growth factor calculated pursuant to section 79-1007.10, minus the  
27 transportation allowance, special receipts allowance, poverty allowance,  
28 limited English proficiency allowance, distance education and  
29 telecommunications allowance, elementary site allowance, summer school  
30 allowance, and focus school and program allowance, and (c) for school  
31 fiscal year 2019-20 and each school fiscal year thereafter, the

1 difference of the general fund operating expenditures as calculated  
2 pursuant to subdivision (23) of this section increased by the cost growth  
3 factor calculated pursuant to section 79-1007.10, minus the  
4 transportation allowance, special receipts allowance, poverty allowance,  
5 limited English proficiency allowance, distance education and  
6 telecommunications allowance, elementary site allowance, summer school  
7 allowance, community achievement plan allowance, and focus school and  
8 program allowance;

9 (2) Adjusted valuation means the assessed valuation of taxable  
10 property of each local system in the state, adjusted pursuant to the  
11 adjustment factors described in section 79-1016. Adjusted valuation means  
12 the adjusted valuation for the property tax year ending during the school  
13 fiscal year immediately preceding the school fiscal year in which the aid  
14 based upon that value is to be paid. For purposes of determining the  
15 local effort rate yield pursuant to section 79-1015.01, adjusted  
16 valuation does not include the value of any property which a court, by a  
17 final judgment from which no appeal is taken, has declared to be  
18 nontaxable or exempt from taxation;

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

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

26 (5) Base fiscal year means the first school fiscal year following  
27 the school fiscal year in which the reorganization or unification  
28 occurred;

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

30 (7) Categorical funds means funds limited to a specific purpose by  
31 federal or state law, including, but not limited to, Title I funds, Title

1 VI funds, federal vocational education funds, federal school lunch funds,  
2 Indian education funds, Head Start funds, and funds from the Behavioral  
3 Training Cash Fund, the Career-Readiness and Dual-Credit Education Cash  
4 Fund, the College Credit Testing Fee Cash Fund, the Department of  
5 Education Innovative Grant Fund, the Expanded Learning Opportunity Grant  
6 Fund, the Mental Health Training Cash Fund, and the Nebraska Education  
7 Improvement Education Innovation Fund;

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

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

19 (10) Converted contract option student means a student who will be  
20 an option student pursuant to the enrollment option program established  
21 in section 79-234 for the school fiscal year for which aid is being  
22 calculated and who would have been covered by a converted contract if the  
23 contract were still in effect and such school fiscal year is the first  
24 school fiscal year for which such contract is not in effect;

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

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

28 (13) Ensuing school fiscal year means the school fiscal year  
29 following the current school fiscal year;

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

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

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

7 (17) Formula students means:

8 (a) For state aid certified pursuant to section 79-1022, the sum of  
9 the product of fall membership from the school fiscal year immediately  
10 preceding the school fiscal year in which the aid is to be paid  
11 multiplied by the average ratio of average daily membership to fall  
12 membership for the second school fiscal year immediately preceding the  
13 school fiscal year in which the aid is to be paid and the prior two  
14 school fiscal years plus sixty percent of the qualified early childhood  
15 education fall membership plus tuitioned students from the school fiscal  
16 year immediately preceding the school fiscal year in which aid is to be  
17 paid minus the product of the number of students enrolled in kindergarten  
18 that is not full-day kindergarten from the fall membership multiplied by  
19 0.5; and

20 (b) For the final calculation of state aid pursuant to section  
21 79-1065, the sum of average daily membership plus sixty percent of the  
22 qualified early childhood education average daily membership plus  
23 tuitioned students minus the product of the number of students enrolled  
24 in kindergarten that is not full-day kindergarten from the average daily  
25 membership multiplied by 0.5 from the school fiscal year immediately  
26 preceding the school fiscal year in which aid was paid;

27 (18) Free lunch and free milk calculated students means, using the  
28 most recent data available on November 1 of the school fiscal year  
29 immediately preceding the school fiscal year in which aid is to be paid,  
30 (a) for schools that did not provide free meals to all students pursuant  
31 to the community eligibility provision, students who individually

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

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

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

29 (21) General fund budget of expenditures means the total budget of  
30 disbursements and transfers for general fund purposes as certified in the  
31 budget statement adopted pursuant to the Nebraska Budget Act, except that



1 for purposes of the limitation imposed in section 79-1023, the general  
2 fund budget of expenditures does not include any special grant funds,  
3 exclusive of local matching funds, received by a district;

4 (22) General fund expenditures means all expenditures from the  
5 general fund;

6 (23) General fund operating expenditures means for state aid  
7 calculated for school fiscal years 2012-13 and each school fiscal year  
8 thereafter, as reported on the annual financial report for the second  
9 school fiscal year immediately preceding the school fiscal year in which  
10 aid is to be paid, the total general fund expenditures minus (a) the  
11 amount of all receipts to the general fund, to the extent that such  
12 receipts are not included in local system formula resources, from early  
13 childhood education tuition, summer school tuition, educational entities  
14 as defined in section 79-1201.01 for providing distance education courses  
15 through the Educational Service Unit Coordinating Council to such  
16 educational entities, private foundations, individuals, associations,  
17 charitable organizations, the textbook loan program authorized by section  
18 79-734, federal impact aid, and levy override elections pursuant to  
19 section 77-3444, (b) the amount of expenditures for categorical funds,  
20 tuition paid, transportation fees paid to other districts, adult  
21 education, community services, redemption of the principal portion of  
22 general fund debt service, retirement incentive plans authorized by  
23 section 79-855, and staff development assistance authorized by section  
24 79-856, (c) the amount of any transfers from the general fund to any bond  
25 fund and transfers from other funds into the general fund, (d) any legal  
26 expenses in excess of fifteen-hundredths of one percent of the formula  
27 need for the school fiscal year in which the expenses occurred, (e)(i)  
28 for state aid calculated for school fiscal years prior to school fiscal  
29 year 2018-19, expenditures to pay for sums agreed to be paid by a school  
30 district to certificated employees in exchange for a voluntary  
31 termination occurring prior to July 1, 2009, occurring on or after the

1 last day of the 2010-11 school year and prior to the first day of the  
2 2013-14 school year, or, to the extent that a district has demonstrated  
3 to the State Board of Education pursuant to section 79-1028.01 that the  
4 agreement will result in a net savings in salary and benefit costs to the  
5 school district over a five-year period, occurring on or after the first  
6 day of the 2013-14 school year or (ii) for state aid calculated for  
7 school fiscal year 2018-19 and each school fiscal year thereafter,  
8 expenditures to pay for incentives agreed to be paid by a school district  
9 to certificated employees in exchange for a voluntary termination of  
10 employment for which the State Board of Education approved an exclusion  
11 pursuant to subdivision (1)(h), (i), (j), or (k) of section 79-1028.01,  
12 (f)(i) expenditures to pay for employer contributions pursuant to  
13 subsection (2) of section 79-958 to the School Employees Retirement  
14 System of the State of Nebraska to the extent that such expenditures  
15 exceed the employer contributions under such subsection that would have  
16 been made at a contribution rate of seven and thirty-five hundredths  
17 percent or (ii) expenditures to pay for school district contributions  
18 pursuant to subdivision (1)(c)(i) or (1)(d)(i) of section 79-9,113 to the  
19 retirement system established pursuant to the Class V School Employees  
20 Retirement Act to the extent that such expenditures exceed the school  
21 district contributions under such subdivision that would have been made  
22 at a contribution rate of seven and thirty-seven hundredths percent, and  
23 (g) any amounts paid by the district for lobbyist fees and expenses  
24 reported to the Clerk of the Legislature pursuant to section 49-1483.

25 For purposes of this subdivision (23) of this section, receipts from  
26 levy override elections shall equal ninety-nine percent of the difference  
27 of the total general fund levy minus a levy of one dollar and five cents  
28 per one hundred dollars of taxable valuation multiplied by the assessed  
29 valuation for school districts that have voted pursuant to section  
30 77-3444 to override the maximum levy provided pursuant to section  
31 77-3442;

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

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

7 (26) Limited English proficiency students means the number of  
8 students with limited English proficiency in a district from the most  
9 recent data available on November 1 of the school fiscal year preceding  
10 the school fiscal year in which aid is to be paid plus the difference of  
11 such students with limited English proficiency minus the average number  
12 of limited English proficiency students for such district, prior to such  
13 addition, for the three immediately preceding school fiscal years if such  
14 difference is greater than zero;

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

16 (28) Low-income child means (a) for school fiscal years prior to  
17 2016-17, a child under nineteen years of age living in a household having  
18 an annual adjusted gross income for the second calendar year preceding  
19 the beginning of the school fiscal year for which aid is being calculated  
20 equal to or less than the maximum household income that would allow a  
21 student from a family of four people to be a free lunch and free milk  
22 student during the school fiscal year immediately preceding the school  
23 fiscal year for which aid is being calculated and (b) for school fiscal  
24 year 2016-17 and each school fiscal year thereafter, a child under  
25 nineteen years of age living in a household having an annual adjusted  
26 gross income for the second calendar year preceding the beginning of the  
27 school fiscal year for which aid is being calculated equal to or less  
28 than the maximum household income pursuant to sections 9(b)(1) and 17(c)  
29 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.  
30 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)  
31 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)

1 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections  
2 existed on January 1, 2015, for a household of that size that would have  
3 allowed the child to meet the income qualifications for free meals during  
4 the school fiscal year immediately preceding the school fiscal year for  
5 which aid is being calculated;

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

10 (30) Most recently available complete data year means the most  
11 recent single school fiscal year for which the annual financial report,  
12 fall school district membership report, annual statistical summary,  
13 Nebraska income tax liability by school district for the calendar year in  
14 which the majority of the school fiscal year falls, and adjusted  
15 valuation data are available;

16 (31) Poverty students means (a) for school fiscal years prior to  
17 2016-17, the number of low-income students or the number of students who  
18 are free lunch and free milk students in a district plus the difference  
19 of the number of low-income students or the number of students who are  
20 free lunch and free milk students in a district, whichever is greater,  
21 minus the average number of poverty students for such district, prior to  
22 such addition, for the three immediately preceding school fiscal years if  
23 such difference is greater than zero and (b) for school fiscal year  
24 2016-17 and each school fiscal year thereafter, the unadjusted poverty  
25 students plus the difference of such unadjusted poverty students minus  
26 the average number of poverty students for such district, prior to such  
27 addition, for the three immediately preceding school fiscal years if such  
28 difference is greater than zero;

29 (32) Qualified early childhood education average daily membership  
30 means the product of the average daily membership for school fiscal year  
31 2006-07 and each school fiscal year thereafter of students who will be

1 eligible to attend kindergarten the following school year and are  
2 enrolled in an early childhood education program approved by the  
3 department pursuant to section 79-1103 for such school district for such  
4 school year multiplied by the ratio of the actual instructional hours of  
5 the program divided by one thousand thirty-two if: (a) The program is  
6 receiving a grant pursuant to such section for the third year; (b) the  
7 program has already received grants pursuant to such section for three  
8 years; or (c) the program has been approved pursuant to subsection (5) of  
9 section 79-1103 for such school year and the two preceding school years,  
10 including any such students in portions of any of such programs receiving  
11 an expansion grant;

12 (33) Qualified early childhood education fall membership means the  
13 product of membership on October 1 of each school year of students who  
14 will be eligible to attend kindergarten the following school year and are  
15 enrolled in an early childhood education program approved by the  
16 department pursuant to section 79-1103 for such school district for such  
17 school year multiplied by the ratio of the planned instructional hours of  
18 the program divided by one thousand thirty-two if: (a) The program is  
19 receiving a grant pursuant to such section for the third year; (b) the  
20 program has already received grants pursuant to such section for three  
21 years; or (c) the program has been approved pursuant to subsection (5) of  
22 section 79-1103 for such school year and the two preceding school years,  
23 including any such students in portions of any of such programs receiving  
24 an expansion grant;

25 (34) Regular route transportation means the transportation of  
26 students on regularly scheduled daily routes to and from the attendance  
27 center;

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

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

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

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

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

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

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

19 (38) Special education means specially designed kindergarten through  
20 grade twelve instruction pursuant to section 79-1125, and includes  
21 special education transportation;

22 (39) Special grant funds means the budgeted receipts for grants,  
23 including, but not limited to, categorical funds, reimbursements for  
24 wards of the court, short-term borrowings including, but not limited to,  
25 registered warrants and tax anticipation notes, interfund loans,  
26 insurance settlements, and reimbursements to county government for  
27 previous overpayment. The state board shall approve a listing of grants  
28 that qualify as special grant funds;

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

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

1 (42) State support means all funds provided to districts by the  
2 State of Nebraska for the general fund support of elementary and  
3 secondary education;

4 (43) Statewide average basic funding per formula student means the  
5 statewide total basic funding for all districts divided by the statewide  
6 total formula students for all districts;

7 (44) Statewide average general fund operating expenditures per  
8 formula student means the statewide total general fund operating  
9 expenditures for all districts divided by the statewide total formula  
10 students for all districts;

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

12 (46) Temporary aid adjustment factor means (a) for school fiscal  
13 years before school fiscal year 2007-08, one and one-fourth percent of  
14 the sum of the local system's transportation allowance, the local  
15 system's special receipts allowance, and the product of the local  
16 system's adjusted formula students multiplied by the average formula cost  
17 per student in the local system's cost grouping and (b) for school fiscal  
18 year 2007-08, one and one-fourth percent of the sum of the local system's  
19 transportation allowance, special receipts allowance, and distance  
20 education and telecommunications allowance and the product of the local  
21 system's adjusted formula students multiplied by the average formula cost  
22 per student in the local system's cost grouping;

23 (47) Tuition receipts from converted contracts means tuition  
24 receipts received by a district from another district in the most  
25 recently available complete data year pursuant to a converted contract  
26 prior to the expiration of the contract;

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

30 (49) Unadjusted poverty students means, for school fiscal year  
31 2016-17 and each school fiscal year thereafter, the greater of the number

1 of low-income students or the free lunch and free milk calculated  
2 students in a district; and

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

4 (a)(i) Less than one-half student per square mile in each county in  
5 which each high school attendance center is located based on the school  
6 district census, (ii) less than one formula student per square mile in  
7 the local system, and (iii) more than fifteen miles between the high  
8 school attendance center and the next closest high school attendance  
9 center on paved roads; or

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

15 Sec. 17. Section 79-1054, Revised Statutes Cumulative Supplement,  
16 2018, is amended to read:

17 79-1054 (1) The State Board of Education shall ~~administer~~ establish  
18 a competitive innovation grant program with funding ~~from the Nebraska~~  
19 ~~Education Improvement Fund~~ pursuant to section 9-812 through June 30,  
20 2021. Grantees shall be a school district, an educational service unit,  
21 or a combination of entities that includes at least one school district  
22 or educational service unit. For grantees that consist of a combination  
23 of entities, a participating school district or educational service unit  
24 shall be designated to act as the fiscal agent and administer the program  
25 funded by the grant. The state board shall only award grants pursuant to  
26 applications that the state board deems to be sufficiently innovative and  
27 to have a high chance of success.

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

30 (a) Specific measurable objectives for improving education outcomes  
31 for early childhood students, elementary students, middle school



1 students, or high school students or for improving the transitions  
2 between any successive stages of education or between education and the  
3 workforce;

4 (b) The method for annually evaluating progress toward a measurable  
5 objective, with a summative evaluation of progress submitted to the state  
6 board and electronically to the Education Committee of the Legislature on  
7 or before July 1 of each odd-numbered year through 2021 ~~, 2019~~;

8 (c) The potential for the project to be both scalable and  
9 replicable; and

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

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

15 (a) Representing a best practice;

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

17 (c) A local issue for further study.

18 (4) On or before ~~December 1, 2017~~, and ~~on or before~~ December 1 of  
19 each year through 2021 ~~thereafter~~, the state board shall electronically  
20 submit a report to the Clerk of the Legislature on all such grants,  
21 including, but not limited to, the results of the evaluations for each  
22 grant. The state board may adopt and promulgate rules and regulations to  
23 carry out this section, including, but not limited to, application  
24 procedures, selection procedures, and annual evaluation reporting  
25 procedures.

26 (5) Beginning July 1, 2021, the Department of Education Innovative  
27 Grant Fund shall be used for actual and necessary expenses incurred by  
28 the State Department of Education for leadership in (a) research for  
29 school finance, (b) data infrastructure capacity to support education,  
30 and (c) the Quality Education Accountability Act.

31 (6) ~~(5)~~ The Department of Education Innovative Grant Fund is

1 created. The fund shall be administered by the State Department of  
2 Education and shall consist of transfers pursuant to section 9-812,  
3 repayments of grant funds, and interest payments received in the course  
4 of administering this section. The fund shall be used to carry out this  
5 section. Any money in the fund available for investment shall be invested  
6 by the state investment officer pursuant to the Nebraska Capital  
7 Expansion Act and the Nebraska State Funds Investment Act.

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

10 79-1064 The State Department of Education Cash Fund is created.  
11 Except as to other revenue the disposition of which is otherwise provided  
12 for, all sums of money received by the State Department of Education from  
13 the sale of goods and materiel, fees from any training program or  
14 services rendered, and any revenue such department may receive from any  
15 other source shall be remitted to the State Treasurer for credit to the  
16 State Department of Education Cash Fund. The State Treasurer shall  
17 disburse such amounts in the fund as are available and considered  
18 incident to the administration and operation of the State Department of  
19 Education. Money transferred to the fund pursuant to section 9-812 shall  
20 be used as directed in such section. Money in the State Department of  
21 Education Cash Fund may be transferred to the General Fund at the  
22 direction of the Legislature. All disbursements for the State Department  
23 of Education Cash Fund shall be made upon vouchers issued by the State  
24 Department of Education and warrants drawn by the Director of  
25 Administrative Services. Any money in the State Department of Education  
26 Cash Fund available for investment shall be invested by the state  
27 investment officer pursuant to the Nebraska Capital Expansion Act and the  
28 Nebraska State Funds Investment Act.

29 Sec. 19. Section 79-1104.02, Revised Statutes Cumulative Supplement,  
30 2018, is amended to read:

31 79-1104.02 (1) The Early Childhood Education Endowment Cash Fund,

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

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

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

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

23 (5) Each program selected for a grant pursuant to this section shall  
24 meet the requirements described in subsection (2) of section 79-1103,  
25 except that the periodic evaluations of the program are to be specified  
26 by the board of trustees and the programs need not include continuity  
27 with programs in kindergarten and elementary grades and need not include  
28 instructional hours that are similar to or less than the instructional  
29 hours for kindergarten. The programs may continue to serve at-risk  
30 children who turn three years of age during the program year until the  
31 end of the program year, as specified by the board of trustees.

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

9           (7) The board of trustees shall require child care providers in  
10 programs receiving grants under this section to obtain a step three  
11 rating or higher on the quality scale described in section 71-1956 within  
12 three years of the starting date of the initial grant period to continue  
13 funding the program. The board of trustees shall require the child care  
14 provider to maintain a step three rating or higher on such quality scale  
15 after three years from the starting date of the initial grant period to  
16 continue funding the program.

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

23           (9) Any school district entering into agreements pursuant to  
24 subsection (2) of this section with child care providers must employ or  
25 contract with, either directly or indirectly, a program coordinator  
26 holding a certificate as defined in section 79-807.

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

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

3           79-1201.01 For purposes of the Educational Service Units Act and  
4 section ~~sections 79-1336 and 79-1337~~:

5           (1) Distance education course means a course with at least one  
6 student in any of grades kindergarten through twelve who is in a  
7 different location than the teacher and taught by a teacher employed by  
8 an educational entity utilizing either two-way interactive video or the  
9 Internet without two-way interactive video. Distance education course  
10 includes a dual-enrollment course with at least one student who is in a  
11 different location than the teacher and taught by a teacher employed by  
12 an educational entity utilizing either two-way interactive video or the  
13 Internet without two-way interactive video;

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

16           (3) Educational entity means a school district, a private,  
17 denominational, or parochial school, an educational service unit, a  
18 community college, a state college, the University of Nebraska, or a  
19 nonprofit private postsecondary educational institution;

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

23           (5) Network Nebraska means the network created pursuant to section  
24 86-5,100;

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

30           (7) Technical training means training to equip educators with  
31 knowledge about the skills and tools necessary to infuse technological

1 resources and software applications into the curriculum to be used in  
2 classrooms with and by students and includes, but is not limited to,  
3 computer workstation troubleshooting, distance education, educational  
4 software, Internet resources, local area network management, multimedia  
5 presentation tools, and strategic planning;

6 (8) Technology includes technical training and technology  
7 infrastructure;

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

14 (10) Two-way interactive video distance education course means a  
15 distance education course in which a teacher delivers instruction to  
16 students in a different location than the teacher using two-way  
17 interactive video on at least two different days per week during the  
18 course.

19 Sec. 21. Section 79-1337, Revised Statutes Cumulative Supplement,  
20 2018, is amended to read:

21 79-1337 (1) For fiscal years 2007-08 through ~~2025-26~~ 2020-21, the  
22 State Department of Education shall provide distance education incentives  
23 to school districts and educational service units for qualified distance  
24 education courses coordinated through the Educational Service Unit  
25 Coordinating Council as provided in this section. ~~Funding Through fiscal~~  
26 ~~year 2015-16, funding for such distance education incentives shall come~~  
27 ~~from the Education Innovation Fund. For fiscal years 2016-17 through~~  
28 ~~2020-21, funding for such distance education incentives shall come from~~  
29 the Nebraska Education Improvement Fund.

30 (2) School districts and educational service units shall apply for  
31 incentives annually through calendar year ~~2025~~ 2020 to the department on

1 or before August 1 on a form specified by the department. The application  
2 shall:

3 (a) For school districts, specify (i) the qualified distance  
4 education courses which were received by students in the membership of  
5 the district in the then-current school fiscal year and which were not  
6 taught by a teacher employed by the school district and (ii) for each  
7 such course (A) the number of students in the membership of the district  
8 who received the course, (B) the educational entity employing the  
9 teacher, and (C) whether the course was a two-way interactive video  
10 distance education course; and

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

24 (3) On or before September 1 of each year through calendar year 2025  
25 ~~2020~~, the department shall certify the incentives for each school  
26 district and educational service unit which shall be paid on or before  
27 October 1 of such year. The incentives for each district shall be  
28 calculated as follows:

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

31 (i) One distance education unit for each qualified distance

1 education course received as reported pursuant to subdivision (2)(a) of  
2 this section if the course was a two-way interactive video distance  
3 education course;

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

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

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

20 (b) ~~The difference of the amount available for distribution in the~~  
21 Nebraska Education Improvement Innovation Fund on the August 1 when the  
22 applications were due ~~minus any amount to be paid to school districts~~  
23 ~~pursuant to section 79-1336~~ shall be divided by the number of distance  
24 education units to determine the incentive per distance education unit,  
25 except that the incentive per distance education unit shall not equal an  
26 amount greater than one thousand dollars; and

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

30 (4) If there are additional funds available for distribution after  
31 ~~equipment reimbursements pursuant to section 79-1336~~ and incentives



1 calculated pursuant to subsections (1) through (3) of this section,  
2 school districts and educational service units may qualify for additional  
3 incentives for elementary distance education courses. Such incentives  
4 shall be calculated for sending and receiving school districts and  
5 educational service units as follows:

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

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

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

20 (6) On or before October 1 of each year through calendar year 2025  
21 ~~2020~~, a school district or educational service unit may appeal the denial  
22 of incentives for any course by the department to the State Board of  
23 Education. The board shall allow a representative of the school district  
24 or educational service unit an opportunity to present information  
25 concerning the appeal to the board at the November board meeting. If the  
26 board finds that the course meets the requirements of this section, the  
27 department shall pay the district from the Nebraska Education Improvement  
28 ~~Innovation~~ Fund as soon as practical in an amount for which the district  
29 or educational service unit should have qualified based on the incentive  
30 per distance education unit used in the original certification of  
31 incentives pursuant to this section.

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

3 Sec. 22. Section 79-2503, Revised Statutes Cumulative Supplement,  
4 2018, is amended to read:

5 79-2503 For purposes of the Expanded Learning Opportunity Grant  
6 Program Act:

7 (1) Community learning center has the definition found in 20 U.S.C.  
8 7171(b)(1), as such section existed on January 1, 2020 ~~2015~~;

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

10 (3) Expanded learning opportunity program means a school-community  
11 partnership that provides participating elementary-age and secondary-age  
12 students and their families with programming and other support activities  
13 and services after school and on weekends, holidays, and other hours when  
14 school is not in session through a mix of programs and services that (a)  
15 complement but do not duplicate elementary and secondary school day  
16 learning and (b) create opportunities to strengthen school-community  
17 partnerships that provide students and their families with the support  
18 they need to be successful in school; and

19 (4) High-need school district means a school district in which forty  
20 percent or more of the enrolled students qualify for free and reduced  
21 price meals under the National School Lunch Program, 7 C.F.R. part 210,  
22 as such regulations existed on January 1, 2020 ~~2015~~.

23 Sec. 23. Section 79-2505, Revised Statutes Cumulative Supplement,  
24 2018, is amended to read:

25 79-2505 Of the funds available to ~~The first priority of the~~  
26 Expanded Learning Opportunity Grant Program, one-third of such funds  
27 shall be used for ~~is to continue~~ existing 21st Century Community Learning  
28 Centers funded by the federal 21st Century Community Learning Center  
29 program pursuant to 20 U.S.C. 7171 et seq., as such sections existed on  
30 January 1, 2020 ~~2015~~, in high-need school districts that have a record of  
31 success. The remaining two-thirds of the available funds ~~second priority~~

1 shall be used to support ~~for~~ new expanded learning opportunity program  
2 development in areas of the state with a high percentage of at-risk  
3 children that are not currently served by school-based or school-linked  
4 expanded learning opportunity programs funded by the federal 21st Century  
5 Community Learning Center program pursuant to 20 U.S.C. 7171 et seq., as  
6 such sections existed on January 1, 2020 ~~2015~~.

7 Sec. 24. Section 79-2506, Revised Statutes Cumulative Supplement,  
8 2018, is amended to read:

9 79-2506 (1) The department shall establish an application process  
10 and timeline pursuant to which partner organizations may submit proposals  
11 for a grant under the Expanded Learning Opportunity Grant Program. Each  
12 proposal shall include:

13 (a) A grant planning period;

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

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

18 (d) A plan to coordinate and use a combination of local, state,  
19 philanthropic, and federal funding sources, including, but not limited  
20 to, funding available through the federal No Child Left Behind Act of  
21 2001, 20 U.S.C. 6301 et seq., as such act and sections existed on January  
22 1, 2020 ~~2015~~, from the Expanded Learning Opportunity Grant Fund funds  
23 ~~allocated pursuant to section 9-812~~, and funds from any other source  
24 designated or appropriated for purposes of the program. Funding provided  
25 by the Expanded Learning Opportunity Grant Program shall be matched on a  
26 one-to-one basis by community or partner contributions;

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

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

30 (g) Appropriately qualified staff;

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

- 1 (i) Compliance with minimum health and safety standards;
- 2 (j) A strong family development and support component, recognizing
- 3 the central role of parents in their children's development; and
- 4 (k) Developmentally and culturally appropriate practices and
- 5 assessments.

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

12 (a) Core education subjects of reading, writing, mathematics, and  
13 science;

14 (b) Academic enrichment learning programs, including provision of  
15 additional assistance to students to allow the students to improve their  
16 academic achievement;

17 (c) Science, technology, engineering, and mathematics (STEM)  
18 education;

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

20 (e) Remedial education activities;

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

23 (g) Arts and music education;

24 (h) Entrepreneurial education programs;

25 (i) Telecommunications and technology education programs;

26 (j) Programs for English language learners that emphasize language  
27 skills and academic achievement;

28 (k) Mentoring programs;

29 (l) Recreational activities;

30 (m) Expanded library service hours;

31 (n) Programs that provide assistance to students who have been

1 truant, suspended, or expelled to allow such students to improve their  
2 academic achievement;

3 (o) Drug abuse prevention and violence prevention programs;

4 (p) Character education programs;

5 (q) Health and nutritional services;

6 (r) Behavioral health counseling services; and

7 (s) Programs that promote parental involvement and family literacy.

8 (3) A proposal shall: (a) Demonstrate specifically how its  
9 activities are expected to improve student academic achievement; (b)  
10 demonstrate that its activities will be provided by organizations in  
11 partnership with the school that have experience or the promise of  
12 success in providing educational and related activities that will  
13 complement and enhance the academic performance, achievement, and  
14 positive development of the students; and (c) demonstrate that the  
15 expanded learning opportunity program aligns with the school district  
16 learning objectives and behavioral codes. Nothing in this subsection  
17 shall be construed to require an expanded learning opportunity program to  
18 provide academic services in specific subject areas.

19 (4) The department shall make an effort to fund expanded learning  
20 opportunity programs in both rural and urban areas of the state. The  
21 department shall award grants to proposals that offer a broad array of  
22 services, programs, and activities.

23 Sec. 25. Section 84-304, Revised Statutes Supplement, 2019, is  
24 amended to read:

25 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

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

17           (b) Any entity, excluding the state colleges and the University of  
18 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of  
19 this section and that is the subject of a comment and recommendation in a  
20 management letter or report issued by the Auditor of Public Accounts  
21 shall, on or before six months after the issuance of such letter or  
22 report, provide to the Auditor of Public Accounts a detailed written  
23 description of any corrective action taken or to be taken in response to  
24 the comment and recommendation. The Auditor of Public Accounts may  
25 investigate and evaluate the corrective action. The Auditor of Public  
26 Accounts shall then electronically submit a report of any findings of  
27 such investigation and evaluation to the Governor, the appropriate  
28 standing committee of the Legislature, and the Appropriations Committee  
29 of the Legislature. The Auditor of Public Accounts shall also ensure that  
30 the report is delivered to the Appropriations Committee for entry into  
31 the record during the committee's budget hearing process;

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

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

29           (b) The Auditor of Public Accounts may waive the audit requirement  
30 of subdivision (4)(a) of this section upon the submission by the  
31 political subdivision of a written request in a form prescribed by the

1 auditor. The auditor shall notify the political subdivision in writing of  
2 the approval or denial of the request for a waiver.

3 (c) Through December 31, 2017, the Auditor of Public Accounts may  
4 conduct audits under this subdivision for purposes of sections 2-3228,  
5 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037,  
6 19-3501, 23-1118, 23-3526, 71-1631.02, and 79-987.

7 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may  
8 conduct audits under this subdivision for purposes of sections 13-2402,  
9 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,  
10 71-1631.02, and 79-987 and shall prescribe the form for the annual  
11 reports required in each of such sections. Such annual reports shall be  
12 published annually on the web site of the Auditor of Public Accounts;

13 (5) To report promptly to the Governor and the appropriate standing  
14 committee of the Legislature the fiscal condition shown by such  
15 examinations conducted by the auditor, including any irregularities or  
16 misconduct of officers or employees, any misappropriation or misuse of  
17 public funds or property, and any improper system or method of  
18 bookkeeping or condition of accounts. The report submitted to the  
19 committee shall be submitted electronically. In addition, if, in the  
20 normal course of conducting an audit in accordance with subdivision (3)  
21 of this section, the auditor discovers any potential problems related to  
22 the effectiveness, efficiency, or performance of state programs, he or  
23 she shall immediately report them electronically to the Legislative  
24 Performance Audit Committee which may investigate the issue further,  
25 report it electronically to the appropriate standing committee of the  
26 Legislature, or both;

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

30 (b) Whenever the expenditures of a fire protection district are one  
31 hundred fifty thousand dollars or less per fiscal year, the fire



1 protection district shall be audited no more than once every five years  
2 except as directed by the board of directors of the fire protection  
3 district or unless the auditor receives a verifiable report from a third  
4 party indicating any irregularities or misconduct of officers or  
5 employees of the fire protection district, any misappropriation or misuse  
6 of public funds or property, or any improper system or method of  
7 bookkeeping or condition of accounts of the fire protection district. In  
8 the absence of such a report, the auditor may waive the five-year audit  
9 requirement upon the submission of a written request by the fire  
10 protection district in a form prescribed by the auditor. The auditor  
11 shall notify the fire protection district in writing of the approval or  
12 denial of a request for waiver of the five-year audit requirement. Upon  
13 approval of the request for waiver of the five-year audit requirement, a  
14 new five-year audit period shall begin.

15 (c) Whenever the expenditures of a fire protection district exceed  
16 one hundred fifty thousand dollars in a fiscal year, the auditor may  
17 waive the audit requirement upon the submission of a written request by  
18 the fire protection district in a form prescribed by the auditor. The  
19 auditor shall notify the fire protection district in writing of the  
20 approval or denial of a request for waiver. Upon approval of the request  
21 for waiver, a new five-year audit period shall begin for the fire  
22 protection district if its expenditures are one hundred fifty thousand  
23 dollars or less per fiscal year in subsequent years;

24 (7) To appoint two or more assistant deputies (a) whose entire time  
25 shall be devoted to the service of the state as directed by the auditor,  
26 (b) who shall be certified public accountants with at least five years'  
27 experience, (c) who shall be selected without regard to party affiliation  
28 or to place of residence at the time of appointment, (d) who shall  
29 promptly report to the auditor the fiscal condition shown by each  
30 examination, including any irregularities or misconduct of officers or  
31 employees, any misappropriation or misuse of public funds or property,

1 and any improper system or method of bookkeeping or condition of  
2 accounts, and it shall be the duty of the auditor to file promptly with  
3 the Governor a duplicate of such report, and (e) who shall qualify by  
4 taking an oath which shall be filed in the office of the Secretary of  
5 State;

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

19 (9)(a) To examine or cause to be examined the books, accounts,  
20 vouchers, and records related to any money transferred pursuant to  
21 subsection (5) or (6) of section 9-812, any fund receiving any such  
22 transfer, or any subsequent transfer or expenditure of such money when  
23 the Auditor of Public Accounts determines such examination necessary or  
24 when requested by (i) any department or agency receiving any such  
25 transfer or acting as the administrator for a fund receiving any such  
26 transfer, (ii) any recipient or subsequent recipient of money disbursed  
27 from any such fund, or (iii) any service contractor responsible for  
28 managing, on behalf of any entity, any portion of any such fund or any  
29 money disbursed from any such fund.

30 (b) Any examination pursuant to subdivision (9)(a) of this section  
31 shall be made at the expense of the department or agency, recipient or

1 subsequent recipient, or service contractor whose books, accounts,  
2 vouchers, or records are being examined.

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

8 (d) The Auditor of Public Accounts shall prescribe the form for the  
9 annual reports required in subsection (8) of section 9-812. Such annual  
10 reports shall be published on the web site of the Auditor of Public  
11 Accounts;

12 (10) (9) To develop and maintain an annual budget and actual  
13 financial information reporting system for political subdivisions that is  
14 accessible online by the public;

15 (11) (10) When authorized, to conduct joint audits with the  
16 Legislative Performance Audit Committee as described in section 50-1205;  
17 and

18 (12) (11) Unless otherwise specifically provided, to assess the  
19 interest rate on delinquent payments of any fees for audits and services  
20 owing to the Auditor of Public Accounts at a rate of fourteen percent per  
21 annum from the date of billing unless paid within thirty days after the  
22 date of billing. For an entity created pursuant to the Interlocal  
23 Cooperation Act or the Joint Public Agency Act, any participating public  
24 agencies shall be jointly and severally liable for the fees and interest  
25 owed if such entity is defunct or unable to pay.

26 Sec. 26. Section 85-1412, Revised Statutes Cumulative Supplement,  
27 2018, is amended to read:

28 85-1412 The commission shall have the following additional powers  
29 and duties:

30 (1) Conduct surveys and studies as may be necessary to undertake the  
31 coordination function of the commission pursuant to section 85-1403 and

1 request information from governing boards and appropriate administrators  
2 of public institutions and other governmental agencies for research  
3 projects. All public institutions and governmental agencies receiving  
4 state funds shall comply with reasonable requests for information under  
5 this subdivision. Public institutions may comply with such requests  
6 pursuant to section 85-1417;

7 (2) Recommend to the Legislature and the Governor legislation it  
8 deems necessary or appropriate to improve postsecondary education in  
9 Nebraska and any other legislation it deems appropriate to change the  
10 role and mission provisions in sections 85-917 to 85-966.01. The  
11 recommendations submitted to the Legislature shall be submitted  
12 electronically;

13 (3) Establish any advisory committees as may be necessary to  
14 undertake the coordination function of the commission pursuant to section  
15 85-1403 or to solicit input from affected parties such as students,  
16 faculty, governing boards, administrators of the public institutions,  
17 administrators of the private nonprofit institutions of postsecondary  
18 education and proprietary institutions in the state, and community and  
19 business leaders regarding the coordination function of the commission;

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

24 (5) Seek a close liaison with the State Board of Education and the  
25 State Department of Education in recognition of the need for close  
26 coordination of activities between elementary and secondary education and  
27 postsecondary education;

28 (6) Administer the Integrated Postsecondary Education Data System or  
29 other information system or systems to provide the commission with  
30 timely, comprehensive, and meaningful information pertinent to the  
31 exercise of its duties. The information system shall be designed to

1 provide comparable data on each public institution. The commission shall  
2 also administer the uniform information system prescribed in sections  
3 85-1421 to 85-1427 known as the Nebraska Educational Data System. Public  
4 institutions shall supply the appropriate data for the information system  
5 or systems required by the commission;

6 (7) Administer (a) the Access College Early Scholarship Program Act  
7 and the Access College Early Scholarship Cash Fund, (b) the Community  
8 College Aid Act, (c) the Nebraska Community College Student Performance  
9 and Occupational Education Grant Fund under the direction of the Nebraska  
10 Community College Student Performance and Occupational Education Grant  
11 Committee, (d) the Nebraska Opportunity Grant Act and the Nebraska  
12 Opportunity Grant Fund, (e) the Postsecondary Institution Act, ~~and~~ (f)  
13 the community college gap assistance program and the Community College  
14 Gap Assistance Program Fund, (g) the Excellence in Teaching Act and the  
15 Excellence in Teaching Cash Fund, and (h) the Career-Readiness and Dual-  
16 Credit Education Grant Program Act and the Career-Readiness and Dual-  
17 Credit Education Cash Fund;

18 (8) Accept and administer loans, grants, and programs from the  
19 federal or state government and from other sources, public and private,  
20 for carrying out any of its functions, including the administration of  
21 privately endowed scholarship programs. Such loans and grants shall not  
22 be expended for any other purposes than those for which the loans and  
23 grants were provided. The commission shall determine eligibility for such  
24 loans, grants, and programs, and such loans and grants shall not be  
25 expended unless approved by the Governor;

26 (9) On or before December 1 of each even-numbered year, submit to  
27 the Legislature and the Governor a report of its objectives and  
28 activities and any new private colleges in Nebraska and the  
29 implementation of any recommendations of the commission for the preceding  
30 two calendar years. The report submitted to the Legislature shall be  
31 submitted electronically;

1 (10) Provide staff support for interstate compacts on postsecondary  
2 education; and

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

5 Sec. 27. Section 85-1920, Revised Statutes Cumulative Supplement,  
6 2018, is amended to read:

7 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the  
8 fund shall include amounts transferred pursuant to section 9-812 from the  
9 State Lottery Operation Trust Fund pursuant to section 9-812 until June  
10 30, 2016, or, until June 30, 2021, the Nebraska Education Improvement  
11 Fund pursuant to section 9-812 until June 30, 2021. All amounts accruing  
12 to the Nebraska Opportunity Grant Fund shall be used to carry out the  
13 Nebraska Opportunity Grant Act. Any money in the fund available for  
14 investment shall be invested by the state investment officer pursuant to  
15 the Nebraska Capital Expansion Act and the Nebraska State Funds  
16 Investment Act.

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

20 Sec. 28. Section 85-2009, Revised Statutes Cumulative Supplement,  
21 2018, is amended to read:

22 85-2009 (1) The Community College Gap Assistance Program Fund is  
23 created. The fund shall be under the direction of the committee and shall  
24 be administered by the Coordinating Commission for Postsecondary  
25 Education. The fund shall consist of money received pursuant to section  
26 9-812, any other money received by the state in the form of grants or  
27 gifts from nonfederal sources, such other amounts as may be transferred  
28 or otherwise accrue to the fund, and any investment income earned on the  
29 fund. The fund shall be used to provide aid or grants to the community  
30 colleges pursuant to the Community College Gap Assistance Program Act.  
31 Any money in the fund available for investment shall be invested by the

1 state investment officer pursuant to the Nebraska Capital Expansion Act  
2 and the Nebraska State Funds Investment Act.

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

6 ~~(2) (3) Money in the fund may also be used by the committee to~~ ~~:(a)~~  
7 ~~To establish application and funding procedures. ; and~~

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

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

22 Sec. 30. The Career-Readiness and Dual-Credit Education Grant  
23 Program is established. The program shall be administered by the  
24 Coordinating Commission for Postsecondary Education. The commission, in  
25 consultation with the State Department of Education, the Department of  
26 Labor, and any advisory committee established by the commission for such  
27 purpose, shall:

28 (1) Create and establish teacher education pathways enabling the  
29 instruction of dual-credit courses and career and technical education  
30 courses;

31 (2) Correlate and prioritize teacher education pathways with

1 Nebraska workforce demand;

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

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

8 (5) On December 31, 2022, and each December 31 thereafter,  
9 electronically submit an annual report on grants awarded pursuant to the  
10 Career-Readiness and Dual-Credit Education Grant Program Act to the Clerk  
11 of the Legislature. The report shall include, but not be limited to, the  
12 number and amount of grants awarded, the postsecondary educational  
13 institutions attended by grant recipients, and information regarding the  
14 completion of instructor requirements to teach dual-credit courses and  
15 career and technical education courses.

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

19 Sec. 32. The Career-Readiness and Dual-Credit Education Cash Fund  
20 is created. The fund shall be administered by the Coordinating Commission  
21 for Postsecondary Education and shall consist of money received pursuant  
22 to section 9-812 and any money appropriated by the Legislature. The  
23 commission shall use the fund to carry out the Career-Readiness and Dual-  
24 Credit Education Grant Program Act. Any money in the fund available for  
25 investment shall be invested by the state investment officer pursuant to  
26 the Nebraska Capital Expansion Act and the Nebraska State Funds  
27 Investment Act.

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

30 85-2101 Sections 85-2101 to 85-2108 and section 34 of this act shall  
31 be known and may be cited as the Access College Early Scholarship Program



1 Act.

2 Sec. 34. The Access College Early Scholarship Cash Fund is created.  
3 The fund shall be administered by the Coordinating Commission for  
4 Postsecondary Education and shall consist of money received pursuant to  
5 section 9-812 and any money appropriated by the Legislature. The  
6 commission shall use the fund to carry out the Access College Early  
7 Scholarship Program Act. Any money in the fund available for investment  
8 shall be invested by the state investment officer pursuant to the  
9 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
10 Act.

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

13 ~~79-8,132~~ Sections 35 to 48 of this act ~~79-8,132 to 79-8,140~~ shall be  
14 known and may be cited as the Excellence in Teaching Act and shall  
15 include the Attracting Excellence to Teaching Program and the Enhancing  
16 Excellence in Teaching Program.

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

21 (2) Any financial obligations of the State Department of Education  
22 relating to the Excellence in Teaching Act that remain unpaid as of July  
23 1, 2021, and that are subsequently certified as valid encumbrances to the  
24 accounting division of the Department of Administrative Services pursuant  
25 to sections 81-138.01 to 81-138.04, shall be paid by the commission from  
26 any unexpended balance in the Excellence in Teaching Cash Fund.

27 (3) On and after July 1, 2021, whenever the State Department of  
28 Education is referred to or designated by any contract or other document  
29 in connection with any duties and functions under the Excellence in  
30 Teaching Act, such reference or designation shall apply to the  
31 commission. All contracts entered into by the State Department of

1 Education prior to July 1, 2021, in connection with any duties and  
2 functions under the Excellence in Teaching Act are hereby recognized,  
3 with the commission succeeding to all rights and obligations under such  
4 contracts. Any cash funds, custodial funds, gifts, trusts, and grants and  
5 any appropriations of funds from prior fiscal years available to satisfy  
6 obligations incurred under such contracts shall be transferred and  
7 appropriated to the commission for the payment of such obligations. All  
8 documents and records transferred, or copies of the same, may be  
9 authenticated or certified by the commission for all legal purposes.

10 (4) No suit, action, or other proceeding, judicial or  
11 administrative, lawfully commenced prior to July 1, 2021, or which could  
12 have been commenced prior to such date, by or against the State  
13 Department of Education, the Commissioner of Education, or any employee  
14 of the State Department of Education, in relation to the discharge of  
15 duties under the Excellence in Teaching Act, shall abate by reason of the  
16 transfer of duties and functions under the Excellence in Teaching Act  
17 from the State Department of Education to the commission.

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

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

24 ~~79-8,133~~ The Attracting Excellence to Teaching Program is created.  
25 For purposes of the Attracting Excellence to Teaching Program:

26 (1) Commission means the Coordinating Commission for Postsecondary  
27 Department means the State Department of Education;

28 (2) Eligible institution means a not-for-profit college or  
29 university which (a) is located in Nebraska, (b) is accredited by an a  
30 ~~regional~~ accrediting agency recognized by the United States Department of  
31 Education as determined to be acceptable by the State Board of Education,

1 (c) has a teacher education program, and (d) if a privately funded  
2 college or university, has not opted out of the program pursuant to rules  
3 and regulations;

4 (3) Eligible student means an individual who (a) is a full-time  
5 student, (b) is enrolled in an eligible institution in an undergraduate  
6 or a graduate teacher education program working toward his or her initial  
7 certificate to teach in Nebraska, (c) if enrolled at a state-funded  
8 eligible institution, is a resident student as described in section  
9 85-502 or, if enrolled in a privately funded eligible institution, would  
10 be deemed a resident student if enrolled in a state-funded eligible  
11 institution, ~~and (d) for applicants applying for the first time on or~~  
12 ~~after April 23, 2009,~~ is a student majoring in a shortage area, ~~and (e)~~  
13 ~~for applicants applying to receive a loan during fiscal year 2011-12 or~~  
14 ~~2012-13, is a student who previously received a loan pursuant to the~~  
15 ~~Attracting Excellence to Teaching Program in the fiscal year immediately~~  
16 ~~preceding the fiscal year in which the new loan would be received;~~

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

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

24 (6) Shortage area means a secular field of teaching for which there  
25 is a shortage, as determined by the department, of properly endorsed  
26 teachers at the time the borrower first receives funds pursuant to the  
27 program; and

28 (7) Teacher education program means a program of study approved by  
29 the State Board of Education pursuant to subdivision (5)(g) of section  
30 79-318.

31 Sec. 38. Section 79-8,134, Revised Statutes Cumulative Supplement,

1 2018, is amended to read:

2 ~~79-8,134~~ The purposes of the Attracting Excellence to Teaching  
3 Program are to:

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

7 (2) Retain resident students and graduates as teachers in the  
8 accredited school districts, educational service units, and private  
9 schools or approved private schools of Nebraska; and

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

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

14 ~~79-8,135~~ (1) The commission ~~department~~ shall administer the  
15 Attracting Excellence to Teaching Program either directly or by  
16 contracting with public or private entities.

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

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

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

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

30 (3) Except as otherwise provided in this subsection, eligible  
31 ~~Eligible~~ students may apply on an annual basis for loans in an amount of

1 not more than three thousand dollars per year. A loan recipient may also  
2 apply on a one-time basis for a loan to cover the cost of taking each  
3 test required to meet the basic skills competency requirement in section  
4 79-809. Loans awarded to individual students shall not exceed a  
5 cumulative period exceeding five consecutive years. Loans shall only be  
6 awarded through an eligible institution. Loans shall be funded pursuant  
7 to section 45 of this act ~~79-8,137.05~~.

8 Sec. 40. Section 79-8,137, Revised Statutes Cumulative Supplement,  
9 2018, is amended to read:

10 ~~79-8,137~~ (1)(a) Prior to receiving any money from a loan pursuant to  
11 the Attracting Excellence to Teaching Program, an eligible student shall  
12 enter into a contract with the commission ~~department~~. Such contract shall  
13 be exempt from the requirements of sections 73-501 to 73-510.

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

1 circumstances.

2 (c) For eligible students who apply for the first time on or after  
3 April 23, 2009, the contract shall require that if (i) the borrower is  
4 not employed as a full-time teacher teaching in an approved or accredited  
5 school in Nebraska and teaching at least a portion of the time in the  
6 shortage area for which the loan was received for a time period equal to  
7 the number of years required for loan forgiveness pursuant to subsection  
8 (3) of this section or is not enrolled as a full-time student in a  
9 graduate program within six months after obtaining an undergraduate  
10 degree for which a loan from the program was obtained or (ii) the  
11 borrower does not complete the requirements for graduation within five  
12 consecutive years after receiving the initial loan under the program,  
13 then the loan shall be repaid with interest at the rate fixed pursuant to  
14 section 45-103 accruing as of the date the borrower signed the contract  
15 and actual collection costs as determined by the commission ~~department~~.  
16 If a borrower fails to remain enrolled at an eligible institution or  
17 otherwise fails to continue to be an eligible student, repayment of the  
18 loan shall commence within six months after such change in eligibility.  
19 The commission ~~State Board of Education~~ may by rule and regulation  
20 provide for exceptions to the conditions of repayment pursuant to this  
21 subdivision based upon mitigating circumstances.

22 (2) If the borrower applied for the first time prior to April 23,  
23 2009, and (a) successfully completes the teacher education program and  
24 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes  
25 employed as a teacher in this state within six months of becoming  
26 certified, and (c) otherwise meets the requirements of the contract,  
27 payments shall be suspended for the number of years that the borrower is  
28 required to remain employed as a teacher in this state under the  
29 contract. For each year that the borrower teaches in Nebraska pursuant to  
30 the contract, payments shall be forgiven in an amount equal to the amount  
31 borrowed for one year, except that if the borrower teaches in a school

1 district that is in a local system classified as very sparse as defined  
2 in section 79-1003 or teaches in a school district in which at least  
3 forty percent of the students are poverty students as defined in section  
4 79-1003, payments shall be forgiven each year in an amount equal to the  
5 amount borrowed for two years.

6 (3)(a) If the borrower applies for the first time on or after April  
7 23, 2009, and (i) successfully completes the teacher education program  
8 and major for which the borrower is receiving a forgivable loan pursuant  
9 to the program and becomes certified pursuant to sections 79-806 to  
10 79-815 with an endorsement in the shortage area for which the loan was  
11 received, (ii) becomes employed as a full-time teacher teaching at least  
12 a portion of the time in the shortage area for which the loan was  
13 received in an approved or accredited school in this state within six  
14 months of becoming certified, and (iii) otherwise meets the requirements  
15 of the contract, payments shall be suspended for the number of years that  
16 the borrower is required to remain employed as a teacher in this state  
17 under the contract.

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

1 shall be forgiven each year in an amount equal to six thousand dollars.

2 Sec. 41. Section 79-8,137.01, Revised Statutes Cumulative  
3 Supplement, 2018, is amended to read:

4 ~~79-8,137.01~~ The Enhancing Excellence in Teaching Program is created.  
5 For purposes of the Enhancing Excellence in Teaching Program:

6 (1) Commission ~~Department~~ means the Coordinating Commission for  
7 Postsecondary State Department of Education;

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

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

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



1 school as evidenced by a statement signed by the superintendent or head  
2 administrator, and (e) is applying for a loan pursuant to the Enhancing  
3 Excellence in Teaching Program to be received at a time other than during  
4 fiscal year 2011-12 or 2012-13;

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

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

13 Sec. 42. Section 79-8,137.02, Revised Statutes Cumulative  
14 Supplement, 2018, is amended to read:

15 ~~79-8,137.02~~ The purposes of the Enhancing Excellence in Teaching  
16 Program are to:

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

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

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

26 Sec. 43. Section 79-8,137.03, Revised Statutes Cumulative  
27 Supplement, 2018, is amended to read:

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

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

1 (a) Agree to (i) complete an eligible graduate program at an  
2 eligible institution and to complete the program on which the applicant's  
3 eligibility is based as determined by the commission or (ii) earn  
4 credentials from a credentialing organization that will qualify such  
5 teacher for national certified teacher status pursuant to section  
6 79-8,128 ~~department~~; and

7 (b) Commit to teach in an accredited or approved public or private  
8 school in Nebraska upon successful completion of the eligible graduate  
9 program for which the applicant is applying to the Enhancing Excellence  
10 in Teaching Program and to maintaining certification pursuant to sections  
11 79-806 to 79-815.

12 (3) Eligible students may apply on an annual basis for loans in an  
13 amount of (a) not more than one hundred seventy-five dollars per credit  
14 hour or (b) up to three hundred fifty dollars for each component  
15 associated with earning credentials from a credentialing organization  
16 that will qualify such teacher for national certified teacher status.  
17 Loans awarded to individual students shall not exceed a cumulative period  
18 exceeding five consecutive years. Loans shall only be awarded through the  
19 commission ~~department~~. Loans shall be funded pursuant to section 45 of  
20 this act ~~79-8,137.05~~.

21 Sec. 44. Section 79-8,137.04, Revised Statutes Cumulative  
22 Supplement, 2018, is amended to read:

23 ~~79-8,137.04~~ (1) Prior to receiving any money from a loan pursuant to  
24 the Enhancing Excellence in Teaching Program, an eligible student shall  
25 enter into a contract with the commission ~~department~~. Such contract shall  
26 be exempt from the requirements of sections 73-501 to 73-510. The  
27 contract shall require that if (a) the borrower is not employed as a  
28 full-time teacher teaching in an approved or accredited school in  
29 Nebraska for a time period equal to the number of years required for loan  
30 forgiveness pursuant to subsection (2) of this section or (b) the  
31 borrower does not complete the requirements for graduation within five

1 consecutive years after receiving the initial loan under the program,  
2 then the loan shall be repaid, with interest at the rate fixed pursuant  
3 to section 45-103 accruing as of the date the borrower signed the  
4 contract and actual collection costs as determined by the commission  
5 ~~department~~. If a borrower fails to remain enrolled at an eligible  
6 institution or otherwise fails to meet the requirements of an eligible  
7 student, repayment of the loan shall commence within six months after  
8 such change in eligibility. The commission ~~State Board of Education~~ may  
9 by rules and regulations provide for exceptions to the conditions of  
10 repayment pursuant to this subsection based upon mitigating  
11 circumstances.

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

21 (b) For recipients who received funds for the first time prior to  
22 July 1, 2016, beginning after the first two years of teaching full-time  
23 in Nebraska following graduation for the degree for which the loan was  
24 received, for each year that the borrower teaches full-time in Nebraska  
25 pursuant to the contract, the loan shall be forgiven in an amount equal  
26 to three thousand dollars, except that if the borrower teaches full-time  
27 in a school district that is in a local system classified as very sparse  
28 as defined in section 79-1003, teaches in a school building that provides  
29 free meals to all students pursuant to the community eligibility  
30 provision, teaches in a school building in which at least forty percent  
31 of the students are poverty students as defined in section 79-1003, or

1 teaches in an accredited or approved private school in Nebraska in which  
2 at least forty percent of the enrolled students qualified for free  
3 lunches as determined by the most recent data available from the State  
4 Department of Education department, payments shall be forgiven each year  
5 in an amount equal to six thousand dollars.

6 (c) For recipients who received funds for the first time on or after  
7 July 1, 2016, beginning after the first two years of teaching full-time  
8 in Nebraska following completion of the eligible graduate program for  
9 which the loan was received, for each year that the borrower teaches  
10 full-time in Nebraska pursuant to the contract, the loan shall be  
11 forgiven in an amount equal to one thousand five hundred dollars, except  
12 that if the borrower teaches full-time in a school district that is in a  
13 local system classified as very sparse as defined in section 79-1003,  
14 teaches in a school building in which at least forty percent of the  
15 students are poverty students as defined in section 79-1003, teaches in a  
16 school building that provides free meals to all students pursuant to the  
17 community eligibility provision, or teaches in an accredited private  
18 school or educational service unit or an approved private school in  
19 Nebraska in which at least forty percent of the enrolled students  
20 qualified for free lunches as determined by the most recent data  
21 available from the State Department of Education department, payments  
22 shall be forgiven each year in an amount equal to one thousand five  
23 hundred dollars for the first year of loan forgiveness and three thousand  
24 dollars for each year of loan forgiveness thereafter.

25 Sec. 45. Section 79-8,137.05, Revised Statutes Cumulative  
26 Supplement, 2018, is amended to read:

27 ~~79-8,137.05~~ (1) The Excellence in Teaching Cash Fund is created. The  
28 fund shall consist of appropriations by the Legislature, transfers  
29 pursuant to section 9-812, and loan repayments, penalties, and interest  
30 payments received in the course of administering the Attracting  
31 Excellence to Teaching Program and the Enhancing Excellence in Teaching

1 Program.

2 (2)(a) On an annual basis, the commission shall allocate sixty  
3 percent of the available funds to the Attracting Excellence to Teaching  
4 Program and forty percent of the available funds to the Enhancing  
5 Excellence in Teaching Program.

6 (b) The funds allocated to the Attracting Excellence to Teaching  
7 Program shall be distributed to eligible institutions according to a  
8 distribution formula as determined by rule and regulation. The eligible  
9 institutions shall act as agents of the commission in the distribution of  
10 the funds to eligible students.

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

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

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

27 ~~(3) (4) Any money in the Excellence in Teaching Cash Fund available~~  
28 ~~for investment shall be invested by the state investment officer pursuant~~  
29 ~~to the Nebraska Capital Expansion Act and the Nebraska State Funds~~  
30 ~~Investment Act.~~

31 Sec. 46. Section 79-8,138, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 ~~79-8,138~~ The commission ~~department~~ has the administrative  
3 responsibility to track borrowers and to develop repayment tracking and  
4 collection mechanisms for the Attracting Excellence to Teaching Program  
5 and the Enhancing Excellence in Teaching Program. The commission  
6 ~~department~~ may contract for such services. When a loan has been forgiven  
7 pursuant to section 40 or 44 of this act ~~79-8,137 or 79-8,137.04~~, the  
8 amount forgiven may be taxable income to the borrower and the commission  
9 ~~department~~ shall provide notification of the amount forgiven to the  
10 borrower, the Department of Revenue, and the United States Internal  
11 Revenue Service if required by the Internal Revenue Code.

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

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

31 (2) Any report pursuant to this section which includes information

1 about borrowers shall exclude confidential information or any other  
2 information which specifically identifies a borrower.

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

5 ~~79-8,140~~ The State Board of Education may adopt and promulgate rules  
6 and regulations to determine teacher shortage areas. The commission may  
7 adopt and promulgate rules and regulations and to carry out the  
8 Excellence in Teaching Act.

9 Sec. 49. The Revisor of Statutes shall assign sections 35 to 48 of  
10 this act within Chapter 85.

11 Sec. 50. Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15,  
12 18, 23, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41,  
13 42, 43, 44, 45, 46, 47, 48, 51, and 53 of this act become operative on  
14 July 1, 2021. The other sections of this act become operative on their  
15 effective date.

16 Sec. 51. Original sections 79-8,124, 79-8,125, 79-8,126, 79-8,128,  
17 79-8,131, 79-8,132, 79-8,133, 79-8,135, 79-8,138, 79-8,139, 79-8,140,  
18 79-1064, and 85-2101, Reissue Revised Statutes of Nebraska, sections  
19 9-836.01, 79-759, 79-8,134, 79-8,137, 79-8,137.01, 79-8,137.02,  
20 79-8,137.03, 79-8,137.04, 79-8,137.05, 79-2505, 85-1412, and 85-2009,  
21 Revised Statutes Cumulative Supplement, 2018, and section 84-304, Revised  
22 Statutes Supplement, 2019, are repealed.

23 Sec. 52. Original section 79-1201.01, Reissue Revised Statutes of  
24 Nebraska, sections 9-812, 79-1054, 79-1104.02, 79-1337, 79-2503, 79-2506,  
25 and 85-1920, Revised Statutes Cumulative Supplement, 2018, and section  
26 79-1003, Revised Statutes Supplement, 2019, are repealed.

27 Sec. 53. The following sections are outright repealed: Sections  
28 79-8,127, 79-8,129, 79-8,130, and 79-1336, Reissue Revised Statutes of  
29 Nebraska, and sections 50-425, 50-426, 50-427, 50-428, and 79-10,145,  
30 Revised Statutes Cumulative Supplement, 2018.