

AMENDMENTS TO LB1402

Introduced by Appropriations.

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

3 Section 1. (1) For purposes of this section:

4 (a) Education scholarship means a financial grant-in-aid to be used
5 to pay the cost to educate an eligible student attending a qualified
6 school;

7 (b) Eligible student means a resident of Nebraska who:

8 (i) Is receiving an education scholarship for the first time and is
9 (A) entering kindergarten, sixth grade, or ninth grade in a qualified
10 school or (B) transferring from a public school at which the student was
11 enrolled for at least one semester immediately preceding the first
12 semester for which the student receives an education scholarship to a
13 qualified school and is entering any of grades kindergarten through
14 twelve;

15 (ii) Has previously received an education scholarship and is
16 continuing education at a qualified school until such student graduates
17 from high school or reaches twenty-one years of age, whichever comes
18 first; or

19 (iii) Is the sibling of a student who is receiving an education
20 scholarship and resides in the same household as such student;

21 (c) Qualified school means any nongovernmental, privately operated
22 elementary or secondary school located in this state that (i) is operated
23 not for profit, (ii) complies with the antidiscrimination provisions of
24 42 U.S.C. 1981, as such section existed on January 1, 2024, (iii)
25 complies with all health and life safety laws or codes that apply to
26 privately operated schools, and (iv) fulfills the applicable
27 accreditation or approval requirements established by the State Board of

1 Education pursuant to section 79-318; and

2 (d) Scholarship-granting organization means a charitable
3 organization in this state that (i) is exempt from federal income
4 taxation pursuant to section 501(c)(3) of the Internal Revenue Code of
5 1986, as amended, (ii) provides education scholarships to eligible
6 students to assist them in attending qualified schools, and (iii) is not
7 directly affiliated with a single qualified school.

8 (2) A scholarship-granting organization may apply to the State
9 Treasurer for a grant under this section. Grants shall be used to provide
10 education scholarships to eligible students to pay the costs associated
11 with attending a qualified school. In order to receive a grant under this
12 section, the applicant shall provide the State Treasurer with sufficient
13 information to show:

14 (a) That the applicant is exempt from federal income taxation under
15 section 501(c)(3) of the Internal Revenue Code of 1986, as amended;

16 (b) That the applicant will offer one or more education scholarship
17 programs for eligible students;

18 (c) That the applicant will provide education scholarships for
19 eligible students without limiting education scholarship availability to
20 only one qualified school;

21 (d) That the applicant will:

22 (i) Give first priority to:

23 (A) Eligible students who received an education scholarship from a
24 scholarship-granting organization during the previous school year; and

25 (B) The sibling of a student who is receiving an education
26 scholarship, so long as the sibling resides in the same household as such
27 student;

28 (ii) Give second priority to:

29 (A) Eligible students whose household income levels do not exceed
30 one hundred percent of the federal poverty level;

31 (B) Eligible students whose application for the enrollment option

1 program established in section 79-234 has been denied;

2 (C) Eligible students who have an individualized education program;

3 (D) Eligible students who are experiencing bullying, harassment,
4 hazing, assault, battery, kidnapping, robbery, sexual offenses, threat or
5 intimidation, or fighting at school;

6 (E) Eligible students who are in foster care; and

7 (F) Eligible students who are in a family with a parent or guardian
8 actively serving in a branch of the armed forces of the United States or
9 in the National Guard, or whose parent or guardian was killed serving in
10 the line of duty;

11 (iii) Give third priority to eligible students whose household
12 income levels exceed one hundred percent of the federal poverty level but
13 do not exceed one hundred eighty-five percent of the federal poverty
14 level;

15 (iv) Give fourth priority to eligible students whose household
16 income levels exceed one hundred eighty-five percent of the federal
17 poverty level but do not exceed two hundred thirteen percent of the
18 federal poverty level; and

19 (v) Give fifth priority to eligible students whose household income
20 levels exceed two hundred thirteen percent of the federal poverty level
21 but do not exceed three hundred percent of the income indicated in the
22 income eligibility guidelines for reduced price meals under the National
23 School Lunch Program in 7 C.F.R. part 210;

24 (e) That the applicant will limit the maximum scholarship amount
25 awarded to any student to the cost necessary to educate the eligible
26 student at the qualified school such student attends; and

27 (f) That the applicant will limit scholarship amounts awarded to
28 students in a manner that assures that the average of the scholarship
29 amounts awarded per student does not exceed seventy-five percent of the
30 statewide average general fund operating expenditures per formula student
31 for the most recently available complete data year as such terms are

1 defined in section 79-1003.

2 (3) If the applicant meets the requirements of subsection (2) of
3 this section, the State Treasurer shall approve the grant in an amount
4 determined by the State Treasurer.

5 (4) The annual limit on the total amount of grants awarded under
6 this section for fiscal year 2024-25 shall be twenty-five million
7 dollars. The annual limit on the total amount of grants awarded under
8 this section for fiscal year 2025-26 and each fiscal year thereafter
9 shall be calculated by taking the annual limit from the prior fiscal year
10 and then multiplying such amount by (a) one hundred twenty-five percent
11 if the total amount of grants awarded in the prior fiscal year exceeded
12 ninety percent of the annual limit applicable to that fiscal year or (b)
13 one hundred percent if the total amount of grants awarded in the prior
14 fiscal year did not exceed ninety percent of the annual limit applicable
15 to that fiscal year. The annual limit may be increased as provided in
16 this subsection until it reaches one hundred million dollars. Thereafter,
17 no further increases shall be allowed.

18 (5)(a) A scholarship-granting organization receiving grant funds
19 under this section shall carry forward no more than twenty-five percent
20 of its grant funds from one state fiscal year to the following state
21 fiscal year. Any amount carried forward shall be expended for annual or
22 partial-year education scholarships in the following state fiscal year.

23 (b) Any amount of grant funds remaining on June 30 of any state
24 fiscal year that is in excess of the amount that may be carried forward
25 under subdivision (a) of this subsection shall be used to provide
26 education scholarships to eligible students or transferred to one or more
27 other scholarship-granting organizations to provide education
28 scholarships to eligible students by no later than the following
29 September 30. Any amount of such grant funds that is not used or
30 transferred by the following September 30 shall be remitted to the State
31 Treasurer for credit to the General Fund. Any scholarship-granting

1 organization receiving a transfer pursuant to this subdivision shall
2 place the transferred funds into its scholarship account and shall
3 separately disclose the transfer in its annual financial audit.

4 (6)(a) Each scholarship-granting organization receiving a grant
5 under this section shall submit to the State Treasurer, by no later than
6 December 1, an audited financial information report for its most recent
7 fiscal year certified by an independent public accountant.

8 (b) Each scholarship-granting organization receiving a grant under
9 this section shall include with the report submitted under subdivision
10 (6)(a) of this section a summary description of (i) its policies and
11 procedures for awarding education scholarships, (ii) the number of
12 eligible students receiving education scholarships in the most recent
13 fiscal year, and (iii) the total amount of education scholarships awarded
14 in the most recent fiscal year.

15 (c) The State Treasurer shall electronically forward the reports and
16 summary descriptions described in subdivisions (6)(a) and (b) of this
17 section to the Governor and the Legislature by no later than December 31.

18 (7)(a) It is the intent of the Legislature to appropriate twenty-
19 five million dollars from the General Fund for fiscal year 2024-25 to the
20 State Treasurer for the purpose of providing grants to scholarship-
21 granting organizations as provided in this section.

22 (b) It is the intent of the Legislature to appropriate the maximum
23 amount of grants allowed under subsection (4) of this section for fiscal
24 year 2025-26 and each fiscal year thereafter from the General Fund to the
25 State Treasurer for the purpose of providing grants to scholarship-
26 granting organizations as provided in this section.

27 Sec. 2. Since an emergency exists, this act takes effect when
28 passed and approved according to law.