

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 705

Introduced by Murman, 38; Walz, 15.

Read first time January 18, 2023

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 9-812,
2 9-836.01, 79-8,132, 79-8,135, 79-8,138, 79-8,139, and 79-8,140,
3 Reissue Revised Statutes of Nebraska, and sections 79-8,133,
4 79-8,134, 79-8,137, 79-8,137.01, 79-8,137.02, 79-8,137.03,
5 79-8,137.04, 79-8,137.05, 79-1054, 79-1104.02, 79-1337, 84-304,
6 85-1412, and 85-1920, Revised Statutes Cumulative Supplement, 2022;
7 to change provisions relating to distribution of lottery funds used
8 for education; to adopt the Behavioral Intervention Training and
9 Teacher Support Act; to create funds; to establish a mental health
10 training grant program; to define and redefine terms; to change
11 provisions relating to an innovation grant program and the use of
12 certain funds; to provide duties to the Coordinating Commission for
13 Postsecondary Education; to change provisions relating to the
14 Nebraska Opportunity Grant Fund; to adopt the Career-Readiness and
15 Dual-Credit Education Grant Program Act; to transfer and change
16 provisions of the Excellence in Teaching Act; to adopt the Door to
17 College Scholarship Act; to eliminate obsolete provisions; to repeal
18 the Master Teacher Program Act and provisions relating to a study
19 and a statewide vision for education; to harmonize provisions; to
20 provide a duty for the Revisor of Statutes; to provide an operative
21 date; to repeal the original sections; to outright repeal sections
22 50-425, 50-426, 50-427, 50-428, 79-8,124, 79-8,125, 79-8,126,
23 79-8,127, 79-8,128, 79-8,129, 79-8,130, and 79-8,131, Reissue

- 1 Revised Statutes of Nebraska; and to declare an emergency.
- 2 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 9-812 (1) All money received from the operation of lottery games
4 conducted pursuant to the State Lottery Act in Nebraska shall be credited
5 to the State Lottery Operation Trust Fund, which fund is hereby created.
6 All payments of the costs of establishing and maintaining the lottery
7 games shall be made from the State Lottery Operation Cash Fund. In
8 accordance with legislative appropriations, money for payments for
9 expenses of the division shall be transferred from the State Lottery
10 Operation Trust Fund to the State Lottery Operation Cash Fund, which fund
11 is hereby created. All money necessary for the payment of lottery prizes
12 shall be transferred from the State Lottery Operation Trust Fund to the
13 State Lottery Prize Trust Fund, which fund is hereby created. The amount
14 used for the payment of lottery prizes shall not be less than forty
15 percent of the dollar amount of the lottery tickets which have been sold.

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

30 (3) Of the money available to be transferred as provided in this
31 subsection ~~to the Education Innovation Fund, the Nebraska Opportunity~~

1 ~~Grant Fund, the Nebraska Education Improvement Fund, the Nebraska~~
2 ~~Environmental Trust Fund, the Nebraska State Fair Board, and the~~
3 ~~Compulsive Gamblers Assistance Fund:~~

4 (a) The first five hundred thousand dollars shall be transferred to
5 the Compulsive Gamblers Assistance Fund to be used as provided in section
6 9-1006;

7 (b) ~~Forty-four~~ Beginning July 1, 2016, ~~forty-four~~ and one-half
8 percent of the money remaining after the payment of prizes and operating
9 expenses and the initial transfer to the Compulsive Gamblers Assistance
10 Fund shall be used for education and transferred pursuant to subsections
11 (4), (5), and (6) of this section ~~the Nebraska Education Improvement~~
12 ~~Fund;~~

13 (c) Forty-four and one-half percent of the money remaining after the
14 payment of prizes and operating expenses and the initial transfer to the
15 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska
16 Environmental Trust Fund to be used as provided in the Nebraska
17 Environmental Trust Act;

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

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

1 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers
2 Assistance Fund to be used as provided in section 9-1006.

3 (4) For fiscal years through fiscal year 2022-23, the money
4 available to be used for education pursuant to subdivision (3)(b) of this
5 section shall be transferred to the Nebraska Education Improvement Fund.

6 (5) For fiscal years 2023-24 through 2027-28, the money available to
7 be used for education pursuant to subdivision (3)(b) of this section
8 shall be transferred as follows:

9 (a) Nine and one-half percent to the Behavioral Training Cash Fund;

10 (b) Two percent to the Career-Readiness and Dual-Credit Education
11 Cash Fund;

12 (c) Seven percent to the Community College Gap Assistance Program
13 Fund;

14 (d) Seventeen percent to the Department of Education Innovative
15 Grant Fund;

16 (e) One percent to the Door to College Scholarship Fund;

17 (f) One and one-half percent to the Mental Health Training Cash
18 Fund; and

19 (g) Sixty-two percent to the Nebraska Opportunity Grant Fund.

20 (6) For fiscal year 2028-29 and each fiscal year thereafter, the
21 money available to be used for education pursuant to subdivision (3)(b)
22 of this section shall be transferred as the Legislature may direct.

23 (7)(a) (4) The Nebraska Education Improvement Fund is created. The
24 fund shall consist of money transferred pursuant to subsection (4) (3) of
25 this section, money transferred pursuant to section 85-1920, and any
26 other funds appropriated by the Legislature. The fund shall be allocated,
27 after actual and necessary administrative expenses, as provided in this
28 section for fiscal years 2016-17 through 2023-24. A portion of each
29 allocation may be retained by the agency to which the allocation is made
30 or the agency administering the fund to which the allocation is made for
31 actual and necessary expenses incurred by such agency for administration,

1 ~~evaluation, and technical assistance related to the purposes of the~~
2 ~~allocation, except that no amount of the allocation to the Nebraska~~
3 ~~Opportunity Grant Fund may be used for such purposes. On or before~~
4 ~~December 31, 2022, the Education Committee of the Legislature shall~~
5 ~~electronically submit recommendations to the Clerk of the Legislature~~
6 ~~regarding how the fund should be allocated to best advance the~~
7 ~~educational priorities of the state for the five-year period beginning~~
8 ~~with fiscal year 2024-25. For fiscal year 2016-17, an amount equal to ten~~
9 ~~percent of the revenue allocated to the Education Innovation Fund and to~~
10 ~~the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be~~
11 ~~retained in the Nebraska Education Improvement Fund.~~

12 (b) For fiscal years 2017-18 through ~~2022-23~~ 2023-24, an amount
13 equal to ten percent of the revenue received by the Nebraska Education
14 Improvement Fund in the prior fiscal year shall be retained in the fund
15 at all times plus any interest earned during the current fiscal year. The
16 balance of the fund on July 26, 2023, less the three percent of the money
17 received for the fourth quarter of fiscal year 2022-23, shall be
18 transferred to the Behavioral Training Cash Fund.

19 (c) For fiscal years 2016-17 through ~~2022-23~~ 2023-24, the Nebraska
20 Education Improvement Fund ~~remainder of the fund~~ shall be allocated as
21 follows:

22 (i) ~~(a)~~ One percent of the allocated funds to the Expanded Learning
23 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
24 Grant Program Act;

25 (ii) ~~(b)~~ Seventeen percent of the allocated funds to the Department
26 of Education Innovative Grant Fund to be used for competitive innovation
27 grants pursuant to section 79-1054;

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

31 (iv) ~~(d)~~ Eight percent of the allocated funds to the Excellence in

1 Teaching Cash Fund to carry out the Excellence in Teaching Act;

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

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

7 (d) For fiscal year 2028-29 and each fiscal year thereafter, the
8 fund shall be allocated as the Legislature may direct.

9 (8) A portion of each transfer pursuant to subdivisions (5)(b), (c),
10 and (f) of this section may be retained by the agency administering the
11 fund to which such transfer is made for actual and necessary expenses
12 incurred by such agency for administration, evaluation, and technical
13 assistance related to the purposes of the transfer.

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

25 (b) The Auditor of Public Accounts shall annually compile a summary
26 of the annual reports received pursuant to subdivision (9)(a) ~~(5)(a)~~ of
27 this section, any audits related to transfers pursuant to subsection (5)
28 or (6) ~~(4)~~ of this section conducted by the Auditor of Public Accounts,
29 and any findings or recommendations related to such transfers into a
30 consolidated annual report and shall submit such consolidated annual
31 report electronically to the Legislature on or before January 1, 2023,

1 and on or before each January 1 thereafter.

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

7 (10) On or before December 31, 2026, the Education Committee of the
8 Legislature shall electronically submit recommendations to the Clerk of
9 the Legislature regarding how the money used for education from the State
10 Lottery Operation Trust Fund should be allocated to best advance the
11 educational priorities of the state for the five-year period beginning
12 with fiscal year 2028-29.

13 (11) ~~(6)~~ Any money in the State Lottery Operation Trust Fund, the
14 State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, or
15 the Nebraska Education Improvement Fund available for investment shall be
16 invested by the state investment officer pursuant to the Nebraska Capital
17 Expansion Act and the Nebraska State Funds Investment Act.

18 (12) ~~(7)~~ Unclaimed prize money on a winning lottery ticket shall be
19 retained for a period of time prescribed by rules and regulations. If no
20 claim is made within such period, the prize money shall be used at the
21 discretion of the Tax Commissioner for any of the purposes prescribed in
22 this section.

23 Sec. 2. Section 9-836.01, Reissue Revised Statutes of Nebraska, is
24 amended to read:

25 9-836.01 The division may endorse and sell for profit tangible
26 personal property related to the lottery. Any money received as profit by
27 the division pursuant to this section shall be remitted to the State
28 Treasurer for credit to the State Lottery Operation Trust Fund to be
29 distributed ~~to the Nebraska Opportunity Grant Fund, the Nebraska~~
30 ~~Education Improvement Fund, the Nebraska Environmental Trust Fund, and~~
31 ~~the Compulsive Gamblers Assistance Fund~~ pursuant to the requirements of

1 section 9-812.

2 Sec. 3. Sections 3 to 6 of this act shall be known and may be cited
3 as the Behavioral Intervention Training and Teacher Support Act.

4 Sec. 4. (1)(a) Beginning in school year 2023-24, the Educational
5 Service Unit Coordinating Council shall (i) ensure annual behavioral
6 awareness training is available statewide and (ii) develop, implement,
7 and administer an ongoing statewide teacher support system.

8 (b) Beginning in school year 2025-26, each school district shall
9 ensure that each administrator, teacher, paraprofessional, school nurse,
10 and counselor receives behavioral awareness training. Each administrator,
11 teacher, paraprofessional, school nurse, and counselor who has received
12 such training shall receive a behavioral awareness training review at
13 least once every three years. Each school district may offer such
14 training, or similar training, to any other school employees at the
15 discretion of the school district. In addition, all school employees
16 shall have a basic awareness of the goals, strategies, and schoolwide
17 plans included in such training.

18 (c) Behavioral awareness training shall include, but not be limited
19 to, evidence-based training on a continuum that includes:

20 (i) Recognition of detrimental factors impacting student behavior,
21 including, but not limited to, signs of trauma;

22 (ii) Positive behavior support and proactive teaching strategies,
23 including, but not limited to, expectations and boundaries; and

24 (iii) Verbal intervention and de-escalation techniques.

25 (2)(a) On or before July 1, 2024, and on or before July 1 of each
26 year thereafter, each school district shall submit a behavioral awareness
27 training report to the Educational Service Unit Coordinating Council.
28 Such report shall include the school district behavioral awareness
29 training plan and summarize how such plan fulfills the requirements of
30 this section.

31 (b) On or before December 31, 2024, and each December 31 thereafter,

1 the Educational Service Unit Coordinating Council shall submit a report
2 electronically to the Education Committee of the Legislature summarizing
3 the behavioral awareness training reports received by school districts,
4 the various trainings provided across the state, the teacher support
5 system, and a financial report of funding received and expended in
6 accordance with the Behavioral Intervention Training and Teacher Support
7 Act.

8 (3)(a) Behavioral awareness training and the teacher support system
9 required pursuant to this section shall be funded with funding from the
10 Behavioral Training Cash Fund.

11 (b) Any funding received by a school district for behavioral
12 awareness training under the Behavioral Intervention Training and Teacher
13 Support Act shall be considered special grant funds under section
14 79-1003.

15 Sec. 5. (1) Each school district shall designate one or more school
16 employees as a behavioral awareness point of contact for each school
17 building or other division as determined by such school district. Each
18 behavioral awareness point of contact shall be trained in behavioral
19 awareness and shall have knowledge of community service providers and
20 other resources that are available for the students and families in such
21 school district.

22 (2) Each school district shall maintain or have access to an
23 existing registry of local mental health and counseling resources. The
24 registry shall include resource services that can be accessed by families
25 and individuals outside of school. Each behavioral awareness point of
26 contact shall coordinate access to support services for students whenever
27 possible. Except as provided in section 43-2101, if information for an
28 external support service is provided to an individual student, school
29 personnel shall notify a parent or guardian of such student in writing
30 unless such recommendation involves law enforcement or child protective
31 services. Each school district shall indicate each behavioral awareness

1 point of contact for such school district on the website of the school
2 district and in any school directory for the school that the behavioral
3 awareness point of contact serves.

4 Sec. 6. The Behavioral Training Cash Fund is created. The fund
5 shall be administered by the State Department of Education, shall consist
6 of money received pursuant to section 9-812 and any money appropriated by
7 the Legislature, and shall be transferred to the Educational Service Unit
8 Coordinating Council for the purposes of coordinating training and
9 administering the teacher support system in compliance with the
10 Behavioral Intervention Training and Teacher Support Act. Any money in
11 the fund available for investment shall be invested by the state
12 investment officer pursuant to the Nebraska Capital Expansion Act and the
13 Nebraska State Funds Investment Act.

14 Sec. 7. (1) The State Department of Education shall establish a
15 mental health training grant program. Mental health training grants
16 awarded pursuant to this section shall be funded from the Mental Health
17 Training Cash Fund. A grantee shall be a school district or an
18 educational service unit.

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

21 (a) The skills, resources, and knowledge necessary to assist
22 students in crisis to connect with appropriate local mental health
23 services;

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

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

27 (3) Each application for a mental health training grant shall also
28 include in the application a description of how the training to be
29 provided under the grant will prepare recipients of such training to:

30 (a) Safely de-escalate crisis situations;

31 (b) Recognize the signs and symptoms of mental illness, including,

1 but not limited to, schizophrenia, bipolar disorder, major clinical
2 depression, and anxiety disorders; and

3 (c) Timely refer a student to available mental health services in
4 the early stages of the development of a mental disorder to avoid the
5 need for subsequent behavioral health care and to enhance the
6 effectiveness of mental health services.

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

10 (5) Grants received pursuant to this section shall be considered
11 special grant funds under section 79-1003.

12 Sec. 8. The Mental Health Training Cash Fund is created. The fund
13 shall be administered by the State Department of Education and shall
14 consist of money received pursuant to section 9-812 and any money
15 appropriated by the Legislature. The department shall use money in the
16 fund for mental health training grants pursuant to section 7 of this act.
17 Any money in the fund available for investment shall be invested by the
18 state investment officer pursuant to the Nebraska Capital Expansion Act
19 and the Nebraska State Funds Investment Act.

20 Sec. 9. Section 79-1054, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 79-1054 (1)(a) This subsection applies until July 1, ~~2023~~ 2024.

23 (b) The State Board of Education shall establish a competitive
24 innovation grant program with funding from the Nebraska Education
25 Improvement Fund pursuant to section 9-812. Grantees shall be a school
26 district, an educational service unit, or a combination of entities that
27 includes at least one school district or educational service unit. For
28 grantees that consist of a combination of entities, a participating
29 school district or educational service unit shall be designated to act as
30 the fiscal agent and administer the program funded by the grant. The
31 state board shall only award grants pursuant to applications that the

1 state board deems to be sufficiently innovative and to have a high chance
2 of success.

3 (c) An application for a grant pursuant to this subsection shall
4 describe:

5 (i) Specific measurable objectives for improving education outcomes
6 for early childhood students, elementary students, middle school
7 students, or high school students or for improving the transitions
8 between any successive stages of education or between education and the
9 workforce;

10 (ii) The method for annually evaluating progress toward a measurable
11 objective, with a summative evaluation of progress submitted to the state
12 board and electronically to the Education Committee of the Legislature on
13 or before July 1, 2019;

14 (iii) The potential for the project to be both scalable and
15 replicable; and

16 (iv) Any cost savings that could be achieved by reductions in other
17 programs if the funded program is successful.

18 (d) Based on evaluations received on or before July 1, 2019, for
19 each grant, the State Board of Education shall recommend the grant
20 project as:

21 (i) Representing a best practice;

22 (ii) A model for a state-supported program; or

23 (iii) A local issue for further study.

24 (e) On or before December 1, 2017, and on or before December 1 of
25 each year thereafter, the state board shall electronically submit a
26 report to the Clerk of the Legislature on all such grants, including, but
27 not limited to, the results of the evaluations for each grant. The state
28 board may adopt and promulgate rules and regulations to carry out this
29 subsection, including, but not limited to, application procedures,
30 selection procedures, and annual evaluation reporting procedures.

31 (2)(a) This subsection applies beginning July 1, ~~2023~~ 2024.

1 (b) The State Board of Education shall establish innovation grant
2 programs in areas, including, but not limited to, (i) teacher recruitment
3 and retention ~~mental health first aid~~, (ii) school improvement ~~early~~
4 ~~literacy~~, (iii) score improvements in the subject areas of reading and
5 math ~~quality instructional materials~~, (iv) ~~personalized learning through~~
6 ~~digital education~~, or (iv) ~~(v)~~ other innovation areas identified by the
7 board. It is the intent of the Legislature that such grant programs shall
8 be funded using lottery funds under section 9-812. Grantees shall be a
9 school district, an educational service unit, or a combination of
10 entities that includes at least one school district or educational
11 service unit.

12 (c) An application for participating in an innovation grant pursuant
13 to this subsection shall describe:

14 (i) Specific measurable objectives for improving education outcomes
15 for early childhood students, elementary students, middle school
16 students, or high school students or for improving the transitions
17 between any successive stages of education or between education and the
18 workforce;

19 (ii) Participation in a method for annually evaluating progress
20 toward a measurable objective, with a summative evaluation of progress
21 submitted to the state board and electronically to the Education
22 Committee of the Legislature on or before July 1 of each year;

23 (iii) The potential for the grant program to be both scalable and
24 replicable; and

25 (iv) Any cost savings that could be achieved by reductions in other
26 programs if the grant program is successful.

27 (d) Based on evaluations received on or before July 1 of each year
28 for each grant program, the State Board of Education shall recommend the
29 grant program as:

30 (i) Representing a best practice;

31 (ii) A model for a state-supported program; or

1 (iii) A local issue for further study.

2 (e) On or before December 1 of each year, the state board shall
3 electronically submit a report to the Clerk of the Legislature on all
4 such grant programs, including, but not limited to, the results of the
5 evaluations for each grant program. The state board may adopt and
6 promulgate rules and regulations to carry out this subsection, including,
7 but not limited to, application procedures, selection procedures, and
8 annual evaluation reporting procedures.

9 (3) The Department of Education Innovative Grant Fund is created.
10 The fund shall be administered by the State Department of Education and
11 shall consist of transfers pursuant to section 9-812, repayments of grant
12 funds, and interest payments received in the course of administering this
13 section. The fund shall be used to carry out this section. Any money in
14 the fund available for investment shall be invested by the state
15 investment officer pursuant to the Nebraska Capital Expansion Act and the
16 Nebraska State Funds Investment Act.

17 Sec. 10. Section 79-1104.02, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 79-1104.02 (1) The Early Childhood Education Endowment Cash Fund,
20 consisting of the interest, earnings, and proceeds from the Early
21 Childhood Education Endowment Fund and the earnings from the private
22 endowment created by the endowment provider, ~~funds transferred from the~~
23 ~~Education Innovation Fund pursuant to section 9-812,~~ and any additional
24 private donations made directly thereto, shall be used exclusively to
25 provide funds for the Early Childhood Education Grant Program for at-risk
26 children from birth to age three as set forth in this section.

27 (2) Grants provided by this section shall be to school districts and
28 cooperatives of school districts for early childhood education programs
29 for at-risk children from birth to age three, as determined by the board
30 of trustees pursuant to criteria set forth by the board of trustees.
31 School districts and cooperatives of school districts may establish

1 agreements with other public and private entities to provide services or
2 operate programs.

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

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

11 (5) Each program selected for a grant pursuant to this section shall
12 meet the requirements described in subsection (2) of section 79-1103,
13 except that the periodic evaluations of the program are to be specified
14 by the board of trustees and the programs need not include continuity
15 with programs in kindergarten and elementary grades and need not include
16 instructional hours that are similar to or less than the instructional
17 hours for kindergarten. The programs may continue to serve at-risk
18 children who turn three years of age during the program year until the
19 end of the program year, as specified by the board of trustees.

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

28 (7) The board of trustees shall require child care providers in
29 programs receiving grants under this section to obtain a step three
30 rating or higher on the quality scale described in section 71-1956 within
31 three years of the starting date of the initial grant period to continue

1 funding the program. The board of trustees shall require the child care
2 provider to maintain a step three rating or higher on such quality scale
3 after three years from the starting date of the initial grant period to
4 continue funding the program.

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

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

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

20 Sec. 11. Section 79-1337, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 79-1337 (1) For fiscal years 2007-08 through 2023-24, the State
23 Department of Education shall provide distance education incentives to
24 school districts and educational service units for qualified distance
25 education courses coordinated through the Educational Service Unit
26 Coordinating Council as provided in this section. Through fiscal year
27 2015-16, funding for such distance education incentives shall come from
28 the Education Innovation Fund. For fiscal years 2016-17 through 2023-24,
29 funding for such distance education incentives shall come from the
30 Nebraska Education Improvement Fund.

31 (2) School districts and educational service units shall apply for

1 incentives annually through calendar year 2023 to the department on or
2 before August 1 on a form specified by the department. The application
3 shall:

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

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

25 (3) On or before September 1 of each year through calendar year
26 2023, the department shall certify the incentives for each school
27 district and educational service unit which shall be paid on or before
28 October 1 of such year. The incentives for each district shall be
29 calculated as follows:

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

1 (i) One distance education unit for each qualified distance
2 education course received as reported pursuant to subdivision (2)(a) of
3 this section if the course was a two-way interactive video distance
4 education course;

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

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

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

21 (b) The difference of the amount available for distribution pursuant
22 to subdivision ~~(7)(c)(vi)~~ ~~(4)(f)~~ of section 9-812 in the Nebraska
23 Education Improvement Fund on the August 1 when the applications were due
24 shall be divided by the number of distance education units to determine
25 the incentive per distance education unit, except that the incentive per
26 distance education unit shall not equal an amount greater than one
27 thousand dollars; and

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

31 (4) If there are additional funds available for distribution after

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

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

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

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

19 (6) On or before October 1 of each year through calendar year 2023,
20 a school district or educational service unit may appeal the denial of
21 incentives for any course by the department to the State Board of
22 Education. The board shall allow a representative of the school district
23 or educational service unit an opportunity to present information
24 concerning the appeal to the board at the November board meeting. If the
25 board finds that the course meets the requirements of this section, the
26 department shall pay the district from the Nebraska Education Improvement
27 Fund as soon as practical in an amount for which the district or
28 educational service unit should have qualified based on the incentive per
29 distance education unit used in the original certification of incentives
30 pursuant to this section.

31 (7) The State Board of Education shall adopt and promulgate rules

1 and regulations to carry out this section.

2 Sec. 12. Section 84-304, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 84-304 It shall be the duty of the Auditor of Public Accounts:

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

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

11 (3)(a) To examine or cause to be examined, at such time as he or she
12 shall determine, books, accounts, vouchers, records, and expenditures of
13 all state officers, state bureaus, state boards, state commissioners, the
14 state library, societies and associations supported by the state, state
15 institutions, state colleges, and the University of Nebraska, except when
16 required to be performed by other officers or persons. Such examinations
17 shall be done in accordance with generally accepted government auditing
18 standards for financial audits and attestation engagements set forth in
19 Government Auditing Standards (2011 Revision for audit periods ending
20 before June 30, 2020, or 2018 Revision for audit periods ending on or
21 after June 30, 2020), published by the Comptroller General of the United
22 States, Government Accountability Office, and except as provided in
23 subdivision (11) of this section, subdivision (16) of section 50-1205,
24 and section 84-322, shall not include performance audits, whether
25 conducted pursuant to attestation engagements or performance audit
26 standards as set forth in Government Auditing Standards (2018 Revision),
27 published by the Comptroller General of the United States, Government
28 Accountability Office.

29 (b) Any entity, excluding the state colleges and the University of
30 Nebraska, that is audited or examined pursuant to subdivision (3)(a) of
31 this section and that is the subject of a comment and recommendation in a

1 management letter or report issued by the Auditor of Public Accounts
2 shall, on or before six months after the issuance of such letter or
3 report, provide to the Auditor of Public Accounts a detailed written
4 description of any corrective action taken or to be taken in response to
5 the comment and recommendation. The Auditor of Public Accounts may
6 investigate and evaluate the corrective action. The Auditor of Public
7 Accounts shall then electronically submit a report of any findings of
8 such investigation and evaluation to the Governor, the appropriate
9 standing committee of the Legislature, and the Appropriations Committee
10 of the Legislature. The Auditor of Public Accounts shall also ensure that
11 the report is delivered to the Appropriations Committee for entry into
12 the record during the committee's budget hearing process;

13 (4)(a) To examine or cause to be examined, at the expense of the
14 political subdivision, when the Auditor of Public Accounts determines
15 such examination necessary or when requested by the political
16 subdivision, the books, accounts, vouchers, records, and expenditures of
17 any agricultural association formed under Chapter 2, article 20, any
18 county agricultural society, any joint airport authority formed under the
19 Joint Airport Authorities Act, any city or county airport authority, any
20 bridge commission created pursuant to section 39-868, any cemetery
21 district, any community redevelopment authority or limited community
22 redevelopment authority established under the Community Development Law,
23 any development district, any drainage district, any health district, any
24 local public health department as defined in section 71-1626, any
25 historical society, any hospital authority or district, any county
26 hospital, any housing agency as defined in section 71-1575, any
27 irrigation district, any county or municipal library, any community
28 mental health center, any railroad transportation safety district, any
29 rural water district, any township, Wyuka Cemetery, the Educational
30 Service Unit Coordinating Council, any entity created pursuant to the
31 Interlocal Cooperation Act, any educational service unit, any village,

1 any service contractor or subrecipient of state or federal funds, any
2 political subdivision with the authority to levy a property tax or a
3 toll, or any entity created pursuant to the Joint Public Agency Act.

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

10 (b) The Auditor of Public Accounts may waive the audit requirement
11 of subdivision (4)(a) of this section upon the submission by the
12 political subdivision of a written request in a form prescribed by the
13 auditor. The auditor shall notify the political subdivision in writing of
14 the approval or denial of the request for a waiver.

15 (c) Through December 31, 2017, the Auditor of Public Accounts may
16 conduct audits under this subdivision for purposes of sections 2-3228,
17 12-101, 13-2402, 14-567, 14-1805.01, 14-2111, 16-1017, 16-1037, 19-3501,
18 23-1118, 23-3526, 71-1631.02, and 79-987.

19 (d) Beginning on May 24, 2017, the Auditor of Public Accounts may
20 conduct audits under this subdivision for purposes of sections 13-2402,
21 14-567, 14-1805.01, 14-2111, 15-1017, 16-1017, 16-1037, 18-814,
22 71-1631.02, and 79-987 and shall prescribe the form for the annual
23 reports required in each of such sections. Such annual reports shall be
24 published annually on the website of the Auditor of Public Accounts;

25 (5) To report promptly to the Governor and the appropriate standing
26 committee of the Legislature the fiscal condition shown by such
27 examinations conducted by the auditor, including any irregularities or
28 misconduct of officers or employees, any misappropriation or misuse of
29 public funds or property, and any improper system or method of
30 bookkeeping or condition of accounts. The report submitted to the
31 committee shall be submitted electronically. In addition, if, in the

1 normal course of conducting an audit in accordance with subdivision (3)
2 of this section, the auditor discovers any potential problems related to
3 the effectiveness, efficiency, or performance of state programs, he or
4 she shall immediately report them electronically to the Legislative
5 Performance Audit Committee which may investigate the issue further,
6 report it electronically to the appropriate standing committee of the
7 Legislature, or both;

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

11 (b) Whenever the expenditures of a fire protection district are one
12 hundred fifty thousand dollars or less per fiscal year, the fire
13 protection district shall be audited no more than once every five years
14 except as directed by the board of directors of the fire protection
15 district or unless the auditor receives a verifiable report from a third
16 party indicating any irregularities or misconduct of officers or
17 employees of the fire protection district, any misappropriation or misuse
18 of public funds or property, or any improper system or method of
19 bookkeeping or condition of accounts of the fire protection district. In
20 the absence of such a report, the auditor may waive the five-year audit
21 requirement upon the submission of a written request by the fire
22 protection district in a form prescribed by the auditor. The auditor
23 shall notify the fire protection district in writing of the approval or
24 denial of a request for waiver of the five-year audit requirement. Upon
25 approval of the request for waiver of the five-year audit requirement, a
26 new five-year audit period shall begin.

27 (c) Whenever the expenditures of a fire protection district exceed
28 one hundred fifty thousand dollars in a fiscal year, the auditor may
29 waive the audit requirement upon the submission of a written request by
30 the fire protection district in a form prescribed by the auditor. The
31 auditor shall notify the fire protection district in writing of the

1 approval or denial of a request for waiver. Upon approval of the request
2 for waiver, a new five-year audit period shall begin for the fire
3 protection district if its expenditures are one hundred fifty thousand
4 dollars or less per fiscal year in subsequent years;

5 (7) To appoint two or more assistant deputies (a) whose entire time
6 shall be devoted to the service of the state as directed by the auditor,
7 (b) who shall be certified public accountants with at least five years'
8 experience, (c) who shall be selected without regard to party affiliation
9 or to place of residence at the time of appointment, (d) who shall
10 promptly report to the auditor the fiscal condition shown by each
11 examination, including any irregularities or misconduct of officers or
12 employees, any misappropriation or misuse of public funds or property,
13 and any improper system or method of bookkeeping or condition of
14 accounts, and it shall be the duty of the auditor to file promptly with
15 the Governor a duplicate of such report, and (e) who shall qualify by
16 taking an oath which shall be filed in the office of the Secretary of
17 State;

18 (8) To conduct audits and related activities for state agencies,
19 political subdivisions of this state, or grantees of federal funds
20 disbursed by a receiving agency on a contractual or other basis for
21 reimbursement to assure proper accounting by all such agencies, political
22 subdivisions, and grantees for funds appropriated by the Legislature and
23 federal funds disbursed by any receiving agency. The auditor may contract
24 with any political subdivision to perform the audit of such political
25 subdivision required by or provided for in section 23-1608 or 79-1229 or
26 this section and charge the political subdivision for conducting the
27 audit. The fees charged by the auditor for conducting audits on a
28 contractual basis shall be in an amount sufficient to pay the cost of the
29 audit. The fees remitted to the auditor for such audits and services
30 shall be deposited in the Auditor of Public Accounts Cash Fund;

31 (9)(a) To examine or cause to be examined the books, accounts,

1 vouchers, and records related to any money transferred pursuant to
2 subsection (5) or (6) ~~(4)~~ of section 9-812, any fund receiving any such
3 transfer, or any subsequent transfer or expenditure of such money when
4 the Auditor of Public Accounts determines such examination necessary or
5 when requested by (i) any department or agency receiving any such
6 transfer or acting as the administrator for a fund receiving any such
7 transfer, (ii) any recipient or subsequent recipient of money disbursed
8 from any such fund, or (iii) any service contractor responsible for
9 managing, on behalf of any entity, any portion of any such fund or any
10 money disbursed from any such fund.

11 (b) Any examination pursuant to subdivision (9)(a) of this section
12 shall be made at the expense of the department or agency, recipient or
13 subsequent recipient, or service contractor whose books, accounts,
14 vouchers, or records are being examined.

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

20 (d) The Auditor of Public Accounts shall prescribe the form for the
21 annual reports required in subsection (9) ~~(5)~~ of section 9-812. Such
22 annual reports shall be published on the website of the Auditor of Public
23 Accounts;

24 (10) To develop and maintain an annual budget and actual financial
25 information reporting system for political subdivisions that is
26 accessible online by the public;

27 (11) When authorized, to conduct joint audits with the Legislative
28 Performance Audit Committee as described in section 50-1205;

29 (12) Unless otherwise specifically provided, to assess the interest
30 rate on delinquent payments of any fees for audits and services owing to
31 the Auditor of Public Accounts at a rate of fourteen percent per annum

1 from the date of billing unless paid within thirty days after the date of
2 billing. For an entity created pursuant to the Interlocal Cooperation Act
3 or the Joint Public Agency Act, any participating public agencies shall
4 be jointly and severally liable for the fees and interest owed if such
5 entity is defunct or unable to pay; and

6 (13) In consultation with statewide associations representing (a)
7 counties and (b) cities and villages, to approve annual continuing
8 education programs for county treasurers, city treasurers, and village
9 treasurers as required by sections 14-553, 15-317, 16-318, 17-606, and
10 23-1601. The cost of attending such programs shall be at the expense of
11 the county, city, or village. The auditor shall maintain records of
12 program attendance and notify each county board, city council, or village
13 board of trustees if its treasurer has not completed such program
14 attendance. The auditor shall inform the Attorney General and the county
15 attorney of the county in which a treasurer is located if such treasurer
16 has not completed a required annual continuing education program.

17 Sec. 13. Section 85-1412, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 85-1412 The commission shall have the following additional powers
20 and duties:

21 (1) Conduct surveys and studies as may be necessary to undertake the
22 coordination function of the commission pursuant to section 85-1403 and
23 request information from governing boards and appropriate administrators
24 of public institutions and other governmental agencies for research
25 projects. All public institutions and governmental agencies receiving
26 state funds shall comply with reasonable requests for information under
27 this subdivision. Public institutions may comply with such requests
28 pursuant to section 85-1417;

29 (2) Recommend to the Legislature and the Governor legislation it
30 deems necessary or appropriate to improve postsecondary education in
31 Nebraska and any other legislation it deems appropriate to change the

1 role and mission provisions in sections 85-917 to 85-966.01. The
2 recommendations submitted to the Legislature shall be submitted
3 electronically;

4 (3) Establish any advisory committees as may be necessary to
5 undertake the coordination function of the commission pursuant to section
6 85-1403 or to solicit input from affected parties such as students,
7 faculty, governing boards, administrators of the public institutions,
8 administrators of the private nonprofit institutions of postsecondary
9 education and proprietary institutions in the state, and community and
10 business leaders regarding the coordination function of the commission;

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

15 (5) Seek a close liaison with the State Board of Education and the
16 State Department of Education in recognition of the need for close
17 coordination of activities between elementary and secondary education and
18 postsecondary education;

19 (6) Administer the Integrated Postsecondary Education Data System or
20 other information system or systems to provide the commission with
21 timely, comprehensive, and meaningful information pertinent to the
22 exercise of its duties. The information system shall be designed to
23 provide comparable data on each public institution. The commission shall
24 also administer the uniform information system prescribed in sections
25 85-1421 to 85-1427 known as the Nebraska Educational Data System. Public
26 institutions shall supply the appropriate data for the information system
27 or systems required by the commission;

28 (7) Administer (a) the Access College Early Scholarship Program Act,
29 (b) the Community College Aid Act, (c) the Door to College Scholarship
30 Act and the Door to College Scholarship Fund, (d) the Nebraska Community
31 College Student Performance and Occupational Education Grant Fund under

1 the direction of the Nebraska Community College Student Performance and
2 Occupational Education Grant Committee, ~~(e) (d)~~ the Nebraska Opportunity
3 Grant Act and the Nebraska Opportunity Grant Fund, ~~(f) (e)~~ the
4 Postsecondary Institution Act, ~~(g) and (f)~~ the community college gap
5 assistance program and the Community College Gap Assistance Program Fund,
6 (h) the Excellence in Teaching Act and the Excellence in Teaching Cash
7 Fund, and (i) the Career-Readiness and Dual-Credit Education Grant
8 Program Act and the Career-Readiness and Dual-Credit Education Cash Fund;

9 (8) Accept and administer loans, grants, and programs from the
10 federal or state government and from other sources, public and private,
11 for carrying out any of its functions, including the administration of
12 privately endowed scholarship programs. Such loans and grants shall not
13 be expended for any other purposes than those for which the loans and
14 grants were provided. The commission shall determine eligibility for such
15 loans, grants, and programs, and such loans and grants shall not be
16 expended unless approved by the Governor;

17 (9) On or before December 1 of each even-numbered year, submit to
18 the Legislature and the Governor a report of its objectives and
19 activities and any new private colleges in Nebraska and the
20 implementation of any recommendations of the commission for the preceding
21 two calendar years. The report submitted to the Legislature shall be
22 submitted electronically;

23 (10) Provide staff support for interstate compacts on postsecondary
24 education; and

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

27 Sec. 14. Section 85-1920, Revised Statutes Cumulative Supplement,
28 2022, is amended to read:

29 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the
30 fund shall include amounts transferred pursuant to section 9-812 from the
31 State Lottery Operation Trust Fund ~~pursuant to section 9-812 until June~~

1 ~~30, 2016, or, until June 30, 2023,~~ the Nebraska Education Improvement
2 Fund ~~pursuant to section 9-812 until June 30, 2024.~~ All amounts accruing
3 to the Nebraska Opportunity Grant Fund shall be used to carry out the
4 Nebraska Opportunity Grant Act. Any money in the fund available for
5 investment shall be invested by the state investment officer pursuant to
6 the Nebraska Capital Expansion Act and the Nebraska State Funds
7 Investment Act.

8 Sec. 15. Sections 15 to 18 of this act shall be known and may be
9 cited as the Career-Readiness and Dual-Credit Education Grant Program
10 Act.

11 Sec. 16. The Career-Readiness and Dual-Credit Education Grant
12 Program is established. The program shall be administered by the
13 Coordinating Commission for Postsecondary Education. The commission, in
14 consultation with the State Department of Education, the Department of
15 Labor, and any advisory committee established by the commission for such
16 purpose, shall:

17 (1) Create and establish teacher education pathways enabling the
18 instruction of dual-credit courses and career and technical education
19 courses;

20 (2) Correlate and prioritize teacher education pathways with
21 Nebraska workforce demand;

22 (3) Establish a grant program beginning on or after July 1, 2023, to
23 distribute money from the Career-Readiness and Dual-Credit Education Cash
24 Fund to teachers enrolled in education pathways leading to qualification
25 to teach dual-credit courses and career and technical education courses;

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

28 (5) On December 31, 2024, and each December 31 thereafter,
29 electronically submit an annual report on grants awarded pursuant to the
30 Career-Readiness and Dual-Credit Education Grant Program Act to the Clerk
31 of the Legislature. The report shall include, but not be limited to, the

1 number and amount of grants awarded, the postsecondary educational
2 institutions attended by grant recipients, and information regarding the
3 completion of instructor requirements to teach dual-credit courses and
4 career and technical education courses.

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

8 Sec. 18. The Career-Readiness and Dual-Credit Education Cash Fund
9 is created. The fund shall be administered by the Coordinating Commission
10 for Postsecondary Education and shall consist of money received pursuant
11 to section 9-812 and any money appropriated by the Legislature. The
12 commission shall use the fund to carry out the Career-Readiness and Dual-
13 Credit Education Grant Program 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 Sec. 19. Section 79-8,132, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 ~~79-8,132~~ Sections 19 to 32 of this act ~~79-8,132 to 79-8,140~~ shall be
20 known and may be cited as the Excellence in Teaching Act and shall
21 include the Attracting Excellence to Teaching Program and the Enhancing
22 Excellence in Teaching Program.

23 Sec. 20. (1) On and after July 1, 2023, all powers, duties, and
24 functions that the State Department of Education had pursuant to the
25 Excellence in Teaching Act prior to such date are transferred to the
26 Coordinating Commission for Postsecondary Education.

27 (2) Any financial obligations of the State Department of Education
28 relating to the Excellence in Teaching Act that remain unpaid as of July
29 1, 2023, and that are subsequently certified as valid encumbrances to the
30 accounting division of the Department of Administrative Services pursuant
31 to sections 81-138.01 to 81-138.04, shall be paid by the commission from

1 any unexpended balance in the Excellence in Teaching Cash Fund.

2 (3) On and after July 1, 2023, whenever the State Department of
3 Education is referred to or designated by any contract or other document
4 in connection with any duties and functions under the Excellence in
5 Teaching Act, such reference or designation shall apply to the
6 commission. All contracts entered into by the State Department of
7 Education prior to July 1, 2023, in connection with any duties and
8 functions under the Excellence in Teaching Act are hereby recognized,
9 with the commission succeeding to all rights and obligations under such
10 contracts. Any cash funds, custodial funds, gifts, trusts, and grants and
11 any appropriations of funds from prior fiscal years available to satisfy
12 obligations incurred under such contracts shall be transferred and
13 appropriated to the commission for the payment of such obligations. All
14 documents and records transferred, or copies of the same, may be
15 authenticated or certified by the commission for all legal purposes.

16 (4) No suit, action, or other proceeding, judicial or
17 administrative, lawfully commenced prior to July 1, 2023, or which could
18 have been commenced prior to such date, by or against the State
19 Department of Education, the Commissioner of Education, or any employee
20 of the State Department of Education, in relation to the discharge of
21 duties under the Excellence in Teaching Act, shall abate by reason of the
22 transfer of duties and functions under the Excellence in Teaching Act
23 from the State Department of Education to the commission.

24 (5) On July 1, 2023, all documents and records of the State
25 Department of Education pertaining to duties and functions under the
26 Excellence in Teaching Act shall be transferred to the commission and
27 shall become the property of the commission.

28 Sec. 21. Section 79-8,133, Revised Statutes Cumulative Supplement,
29 2022, is amended to read:

30 ~~79-8,133~~ The Attracting Excellence to Teaching Program is created.
31 For purposes of the Attracting Excellence to Teaching Program:

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

3 (2) Eligible institution means a not-for-profit college or
4 university which (a) is located in Nebraska, (b) is accredited by an
5 accrediting agency recognized by the United States Department of
6 Education as determined to be acceptable by the State Board of Education,
7 (c) has a teacher education program, and (d) if a privately funded
8 college or university, has not opted out of the program pursuant to rules
9 and regulations;

10 (3) Eligible student means an individual who (a) is a full-time
11 student, (b) is enrolled in an eligible institution in an undergraduate
12 or a graduate teacher education program working toward his or her initial
13 certificate to teach in Nebraska, (c) if enrolled at a state-funded
14 eligible institution, is a resident student as described in section
15 85-502 or, if enrolled in a privately funded eligible institution, would
16 be deemed a resident student if enrolled in a state-funded eligible
17 institution, and (d) ~~for applicants applying for the first time on or~~
18 ~~after April 23, 2009,~~ is a student majoring in a shortage area, ~~and (e)~~
19 ~~for applicants applying to receive a loan during fiscal year 2011-12 or~~
20 ~~2012-13,~~ is a student who previously received a loan pursuant to the
21 ~~Attracting Excellence to Teaching Program in the fiscal year immediately~~
22 ~~preceding the fiscal year in which the new loan would be received;~~

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

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

30 (6) Shortage area means a secular field of teaching for which there
31 is a shortage, as determined by the State Department of Education

1 ~~department~~, of properly endorsed teachers at the time the borrower first
2 receives funds pursuant to the program; and

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

6 Sec. 22. Section 79-8,134, Revised Statutes Cumulative Supplement,
7 2022, is amended to read:

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

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

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

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

18 Sec. 23. Section 79-8,135, Reissue Revised Statutes of Nebraska, is
19 amended to read:

20 ~~79-8,135~~ (1) The commission ~~department~~ shall administer the
21 Attracting Excellence to Teaching Program either directly or by
22 contracting with public or private entities.

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

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

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

31 (c) Commit to teach in an accredited or approved public or private

1 school in Nebraska upon (i) successful completion of the teacher
2 education program for which the applicant is applying to the Attracting
3 Excellence to Teaching Program and (ii) becoming certified pursuant to
4 sections 79-806 to 79-815.

5 (3) Except as otherwise provided in this subsection, eligible
6 ~~Eligible~~ students may apply on an annual basis for loans in an amount of
7 not more than three thousand dollars per year. A loan recipient may also
8 apply on a one-time basis for a loan to cover the cost of taking each
9 test required to meet the basic skills competency requirement in section
10 79-809. Loans awarded to individual students shall not exceed a
11 cumulative period exceeding five consecutive years. Loans shall only be
12 awarded through an eligible institution. Loans shall be funded pursuant
13 to section 29 of this act ~~79-8,137.05~~.

14 Sec. 24. Section 79-8,137, Revised Statutes Cumulative Supplement,
15 2022, is amended to read:

16 ~~79-8,137~~ (1)(a) Prior to receiving any money from a loan pursuant to
17 the Attracting Excellence to Teaching Program, an eligible student shall
18 enter into a contract with the commission ~~department~~. Such contract shall
19 be exempt from the requirements of sections 73-501 to 73-510.

20 (b) For eligible students who applied for the first time prior to
21 April 23, 2009, the contract shall require that if (i) the borrower is
22 not employed as a teacher in Nebraska for a time period equal to the
23 number of years required for loan forgiveness pursuant to subsection (2)
24 of this section and is not enrolled as a full-time student in a graduate
25 program within six months after obtaining an undergraduate degree for
26 which a loan from the program was obtained or (ii) the borrower does not
27 complete the requirements for graduation within five consecutive years
28 after receiving the initial loan under the program, then the loan must be
29 repaid, with interest at the rate fixed pursuant to section 45-103
30 accruing as of the date the borrower signed the contract, and an
31 appropriate penalty as determined by the commission ~~department~~ may be

1 assessed. If a borrower fails to remain enrolled at an eligible
2 institution or otherwise fails to meet the requirements of an eligible
3 student, repayment of the loan shall commence within six months after
4 such change in eligibility. The commission ~~State Board of Education~~ may
5 by rules and regulations provide for exceptions to the conditions of
6 repayment pursuant to this subdivision based upon mitigating
7 circumstances.

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

28 (2) If the borrower applied for the first time prior to April 23,
29 2009, and (a) successfully completes the teacher education program and
30 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes
31 employed as a teacher in this state within six months of becoming

1 certified, and (c) otherwise meets the requirements of the contract,
2 payments shall be suspended for the number of years that the borrower is
3 required to remain employed as a teacher in this state under the
4 contract. For each year that the borrower teaches in Nebraska pursuant to
5 the contract, payments shall be forgiven in an amount equal to the amount
6 borrowed for one year, except that if the borrower teaches in a school
7 district that is in a local system classified as very sparse as defined
8 in section 79-1003 or teaches in a school district in which at least
9 forty percent of the students are poverty students as defined in section
10 79-1003, payments shall be forgiven each year in an amount equal to the
11 amount borrowed for two years.

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

24 (b) Beginning after the first two years of teaching full-time in
25 Nebraska following graduation for the degree for which the loan was
26 received, for each year that the borrower teaches full-time in Nebraska
27 pursuant to the contract, the loan shall be forgiven in an amount equal
28 to three thousand dollars, except that if the borrower teaches full-time
29 in a school district that is in a local system classified as very sparse
30 as defined in section 79-1003, teaches in a school building that provides
31 free meals to all students pursuant to the community eligibility

1 provision, teaches in a school building in which at least forty percent
2 of the formula students are poverty students as defined in section
3 79-1003, or teaches in an accredited or approved private school in
4 Nebraska in which at least forty percent of the enrolled students
5 qualified for free lunches as determined by the most recent data
6 available from the commission ~~department~~, payments shall be forgiven each
7 year in an amount equal to six thousand dollars.

8 (4) Beginning on August 1, 2022, if the borrower provides service as
9 a pre-service teacher intern for a full academic semester as part of a
10 clinical experience within an accredited or approved public, private,
11 denominational, or parochial school in Nebraska and subsequently passes
12 all related semester requirements, then the loan shall be forgiven in an
13 amount equal to one thousand dollars for such borrower.

14 Sec. 25. Section 79-8,137.01, Revised Statutes Cumulative
15 Supplement, 2022, is amended to read:

16 ~~79-8,137.01~~ The Enhancing Excellence in Teaching Program is created.
17 For purposes of the Enhancing Excellence in Teaching Program:

18 (1) Commission ~~Department~~ means the Coordinating Commission for
19 Postsecondary State ~~Department of~~ Education;

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

24 (3) Eligible institution means a not-for-profit college or
25 university which (a) is located in Nebraska, (b) is accredited by an
26 accrediting agency recognized by the United States Department of
27 Education as determined to be acceptable by the State Board of Education,
28 (c) has a teacher education program, and (d) if a privately funded
29 college or university, has not opted out of the Enhancing Excellence in
30 Teaching Program pursuant to rules and regulations;

31 (4) Eligible student means an individual who (a) is a certificated

1 teacher employed to teach in an approved or accredited school in
2 Nebraska, (b) is enrolled in an eligible graduate program, (c) if
3 enrolled at a state-funded eligible institution, is a resident student as
4 described in section 85-502 or, if enrolled in a privately funded
5 eligible institution, would be deemed a resident student if enrolled in a
6 state-funded eligible institution, (d) is majoring in a shortage area,
7 curriculum and instruction, a subject area in which the individual
8 already holds a secular teaching endorsement, or a subject area that will
9 result in an additional secular teaching endorsement which the
10 superintendent of the school district or head administrator of the
11 private, denominational, or parochial school employing the individual
12 believes will be beneficial to the students of such school district or
13 school as evidenced by a statement signed by the superintendent or head
14 administrator, and (e) is applying for a loan pursuant to the Enhancing
15 Excellence in Teaching Program to be received at a time other than during
16 fiscal year 2011-12 or 2012-13;

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

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

25 Sec. 26. Section 79-8,137.02, Revised Statutes Cumulative
26 Supplement, 2022, is amended to read:

27 ~~79-8,137.02~~ The purposes of the Enhancing Excellence in Teaching
28 Program are to:

29 (1) Retain teachers in the accredited school districts, educational
30 service units, and private schools or approved private schools of
31 Nebraska;

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

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

7 Sec. 27. Section 79-8,137.03, Revised Statutes Cumulative
8 Supplement, 2022, is amended to read:

9 ~~79-8,137.03~~ (1) The commission ~~department~~ shall administer the
10 Enhancing Excellence in Teaching Program either directly or by
11 contracting with public or private entities.

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

13 (a) Agree to complete an eligible graduate program at an eligible
14 institution and to complete the program on which the applicant's
15 eligibility is based as determined by the State Department of Education
16 ~~department~~; and

17 (b) Commit to teach in an accredited or approved public or private
18 school in Nebraska upon successful completion of the eligible graduate
19 program for which the applicant is applying to the Enhancing Excellence
20 in Teaching Program and to maintaining certification pursuant to sections
21 79-806 to 79-815.

22 (3) Eligible students may apply on an annual basis for loans in an
23 amount of not more than one hundred seventy-five dollars per credit hour.
24 Loans awarded to individual students shall not exceed a cumulative period
25 exceeding five consecutive years. Loans shall only be awarded through the
26 commission ~~department~~. Loans shall be funded pursuant to section 29 of
27 this act ~~79-8,137.05~~.

28 Sec. 28. Section 79-8,137.04, Revised Statutes Cumulative
29 Supplement, 2022, is amended to read:

30 ~~79-8,137.04~~ (1) Prior to receiving any money from a loan pursuant to
31 the Enhancing Excellence in Teaching Program, an eligible student shall

1 enter into a contract with the commission ~~department~~. Such contract shall
2 be exempt from the requirements of sections 73-501 to 73-510. The
3 contract shall require that if (a) the borrower is not employed as a
4 full-time teacher teaching in an approved or accredited school in
5 Nebraska for a time period equal to the number of years required for loan
6 forgiveness pursuant to subsection (2) of this section or (b) the
7 borrower does not complete the requirements for graduation within five
8 consecutive years after receiving the initial loan under the program,
9 then the loan shall be repaid, with interest at the rate fixed pursuant
10 to section 45-103 accruing as of the date the borrower signed the
11 contract and actual collection costs as determined by the commission
12 ~~department~~. If a borrower fails to remain enrolled at an eligible
13 institution or otherwise fails to meet the requirements of an eligible
14 student, repayment of the loan shall commence within six months after
15 such change in eligibility. The commission ~~State Board of Education~~ may
16 by rules and regulations provide for exceptions to the conditions of
17 repayment pursuant to this subsection based upon mitigating
18 circumstances.

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

28 (b) For recipients who received funds for the first time prior to
29 July 1, 2016, beginning after the first two years of teaching full-time
30 in Nebraska following graduation for the degree for which the loan was
31 received, for each year that the borrower teaches full-time in Nebraska

1 pursuant to the contract, the loan shall be forgiven in an amount equal
2 to three thousand dollars, except that if the borrower teaches full-time
3 in a school district that is in a local system classified as very sparse
4 as defined in section 79-1003, teaches in a school building that provides
5 free meals to all students pursuant to the community eligibility
6 provision, teaches in a school building in which at least forty percent
7 of the students are poverty students as defined in section 79-1003, or
8 teaches in an accredited or approved private school in Nebraska in which
9 at least forty percent of the enrolled students qualified for free
10 lunches as determined by the most recent data available from the State
11 Department of Education ~~department~~, payments shall be forgiven each year
12 in an amount equal to six thousand dollars.

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

1 Sec. 29. Section 79-8,137.05, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 ~~79-8,137.05~~ (1) The Excellence in Teaching Cash Fund is created. The
4 fund shall consist of appropriations by the Legislature, transfers
5 pursuant to section 9-812, and loan repayments, penalties, and interest
6 payments received in the course of administering the Attracting
7 Excellence to Teaching Program and the Enhancing Excellence in Teaching
8 Program.

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

21 (3) Any money in the Excellence in Teaching Cash Fund available for
22 investment shall be invested by the state investment officer pursuant to
23 the Nebraska Capital Expansion Act and the Nebraska State Funds
24 Investment Act.

25 Sec. 30. Section 79-8,138, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 ~~79-8,138~~ The commission ~~department~~ has the administrative
28 responsibility to track borrowers and to develop repayment tracking and
29 collection mechanisms for the Attracting Excellence to Teaching Program
30 and the Enhancing Excellence in Teaching Program. The commission
31 ~~department~~ may contract for such services. When a loan has been forgiven

1 pursuant to section ~~24 79-8,137~~ or ~~28 of this act 79-8,137.04~~, the amount
2 forgiven may be taxable income to the borrower and the commission
3 ~~department~~ shall provide notification of the amount forgiven to the
4 borrower, the Department of Revenue, and the United States Internal
5 Revenue Service if required by the Internal Revenue Code.

6 Sec. 31. Section 79-8,139, Reissue Revised Statutes of Nebraska, is
7 amended to read:

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

25 (2) Any report pursuant to this section which includes information
26 about borrowers shall exclude confidential information or any other
27 information which specifically identifies a borrower.

28 Sec. 32. Section 79-8,140, Reissue Revised Statutes of Nebraska, is
29 amended to read:

30 ~~79-8,140~~ The State Board of Education may adopt and promulgate rules
31 and regulations to determine teacher shortage areas. The commission may

1 adopt and promulgate rules and regulations and to carry out the
2 Excellence in Teaching Act.

3 Sec. 33. Sections 33 to 43 of this act shall be known and may be
4 cited as the Door to College Scholarship Act.

5 Sec. 34. For purposes of the Door to College Scholarship Act:

6 (1) Award means a grant of money under the act by the commission in
7 the form of a Door to College Scholarship to an eligible student for
8 educational expenses;

9 (2) Award year means the period beginning on July 1 through the
10 following June 30;

11 (3) Commission means the Coordinating Commission for Postsecondary
12 Education;

13 (4) Educational expenses means student costs for tuition, mandatory
14 fees, other education related fees, room and board, books, and other
15 costs related to a student's education;

16 (5) Eligible postsecondary educational institution means a public or
17 private postsecondary educational institution:

18 (a) Located in Nebraska;

19 (b) Primarily engaged in the instruction of students;

20 (c) Satisfying the provisions of Nebraska law relating to the
21 approval and licensure of schools, colleges, and universities and
22 maintaining accreditation by an accrediting organization recognized by
23 the United States Department of Education;

24 (d) Offering courses of instruction in regularly scheduled classes
25 to regularly enrolled undergraduate students who reside in Nebraska and
26 have received a high school diploma or the equivalent; and

27 (e) Which has adopted, and has available for inspection, award
28 refund and repayment policies.

29 (6) Eligible student means an undergraduate student who:

30 (a) Graduated from high school from an accredited education program
31 at a youth rehabilitation and treatment center operated and utilized in

1 compliance with state law or graduated from an approved or accredited
2 public, private, denominational, or parochial school within one year
3 after being discharged from a youth rehabilitation and treatment center
4 operated and utilized in compliance with state law;

5 (b) Is enrolled in an eligible postsecondary educational
6 institution;

7 (c) Has applied for federal financial aid through the Free
8 Application for Federal Student Aid for the applicable award year;

9 (d) Is a resident student who is domiciled in Nebraska as provided
10 by section 85-502; and

11 (e) Complies with all other provisions of the Door to College
12 Scholarship Act and any rules and regulations adopted and promulgated
13 pursuant to the act;

14 (7) Full-time status means enrollment in at least twenty-four
15 semester credit hours, thirty-six quarter credit hours, or nine hundred
16 clock hours per award year;

17 (8) Part-time status means enrollment in at least twelve semester
18 credit hours, eighteen quarter credit hours, or four hundred fifty clock
19 hours per award year; and

20 (9) Undergraduate student means an individual who has not earned a
21 first baccalaureate or professional degree and is enrolled in a
22 postsecondary educational program which leads to, or is creditable
23 toward, a first baccalaureate degree, associate degree, certificate,
24 diploma, or the equivalent.

25 Sec. 35. The commission shall, as provided in the Door to College
26 Scholarship Act, provide for awards to be made directly to eligible
27 students. An award shall not exceed a maximum of five thousand dollars
28 annually to an eligible student with a full-time status and shall be
29 prorated for eligible students with a part-time status. The commission
30 may adjust the value of awards annually to make awards to all eligible
31 applicants who apply by the application deadline set by the commission.

1 Sec. 36. (1) Eligible postsecondary educational institutions,
2 acting as agents of the commission, shall:

3 (a) Receive and process applications for awards under the Door to
4 College Scholarship Act;

5 (b) Determine eligibility of students based on criteria set forth in
6 the act; and

7 (c) No later than the application deadline set by the commission,
8 make recommendations to the commission for awards to eligible students,
9 including the name and social security number of each eligible student.

10 (2) An award under the Door to College Scholarship Act shall not be
11 used by a postsecondary educational institution to reduce institutional
12 scholarships, grants, or tuition or fee waivers that a student would
13 otherwise be eligible to receive if such student did not receive an award
14 under the act.

15 Sec. 37. (1) Within thirty days after receiving recommendations
16 pursuant to section 36 of this act, the commission shall review the
17 recommended awards for compliance with the Door to College Scholarship
18 Act and any rules and regulations adopted and promulgated pursuant to the
19 act and notify each eligible postsecondary educational institution of the
20 approval or disapproval of recommended awards.

21 (2) The commission shall distribute to each eligible postsecondary
22 educational institution the total award amount approved for eligible
23 students at such institution. The eligible postsecondary educational
24 institution shall act as an agent of the commission to disburse the
25 awards directly to eligible students during the award year.

26 Sec. 38. An award may be granted to an eligible student for
27 attendance at an eligible postsecondary educational institution if:

28 (1) The eligible student is accepted for enrollment as follows:

29 (a) In the case of an eligible student beginning the first year in
30 attendance at an eligible postsecondary educational institution, such
31 eligible student has satisfied requirements for admission and has

1 enrolled or indicated an intent to enroll in an eligible postsecondary
2 educational institution; or

3 (b) In the case of an eligible student enrolled in an eligible
4 postsecondary educational institution following the successful completion
5 of the student's first year in attendance, such eligible student
6 continues to meet the requirements of the Door to College Scholarship Act
7 and has maintained the minimum standards of performance as required by
8 the eligible postsecondary educational institution in which the eligible
9 student is enrolled;

10 (2) The eligible student receiving such award certifies that the
11 award will be used only for educational expenses; and

12 (3) The eligible student has complied with the act and any rules and
13 regulations adopted and promulgated pursuant to the act.

14 Sec. 39. (1) A recipient of an award shall:

15 (a) Attend all required courses regularly;

16 (b) Meet with an assigned advisor at regular intervals to discuss
17 academic progress and to develop a job-search plan; and

18 (c) Maintain good academic standing at the eligible postsecondary
19 educational institution without any disciplinary action by such
20 institution.

21 (2) An award may be terminated if such person fails to meet the
22 requirements of this section.

23 Sec. 40. If an award recipient discontinues attendance before the
24 end of the award year or the award is terminated pursuant to section 39
25 of this act, the award recipient shall remit any award balance allowable
26 to the eligible postsecondary educational institution in accordance with
27 such institution's withdrawal policy. The institution shall remit such
28 award balance to the commission in accordance with such institution's
29 refund policy.

30 Sec. 41. (1) The commission shall:

31 (a) Supervise the issuance of public information concerning the Door

1 to College Scholarship Act; and

2 (b) Establish a reasonable and fair appeal procedure for students
3 adversely affected by the actions of the commission or an eligible
4 postsecondary educational institution in the distribution of funds or
5 granting of awards pursuant to the act.

6 (2) The commission may adopt and promulgate rules and regulations
7 necessary to carry out the act.

8 Sec. 42. The Door to College Scholarship Act does not grant any
9 authority to the commission to:

10 (1) Control or influence the policies of any eligible postsecondary
11 educational institution because such institution accepts students who
12 receive awards; or

13 (2) Require any eligible postsecondary educational institution to
14 enroll any student receiving an award or, once admitted, to permit
15 continued enrollment in such institution by any student receiving an
16 award.

17 Sec. 43. The Door to College Scholarship Fund is created. The
18 commission shall administer the fund, which shall consist of amounts
19 transferred from the State Lottery Operation Trust Fund pursuant to
20 section 9-812 prior to July 1, 2028, as well as any money appropriated or
21 transferred by the Legislature and gifts, grants, or bequests from any
22 source, including federal, state, public, and private sources. All
23 amounts accruing to the Door to College Scholarship Fund shall be used to
24 carry out the Door to College Scholarship Act. Any money in the fund
25 available for investment shall be invested by the state investment
26 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
27 State Funds Investment Act.

28 Sec. 44. The Revisor of Statutes shall assign sections 19 to 43 of
29 this act with Chapter 85.

30 Sec. 45. This act becomes operative on July 1, 2023.

31 Sec. 46. Original sections 9-812, 9-836.01, 79-8,132, 79-8,135,

1 79-8,138, 79-8,139, and 79-8,140, Reissue Revised Statutes of Nebraska,
2 and sections 79-8,133, 79-8,134, 79-8,137, 79-8,137.01, 79-8,137.02,
3 79-8,137.03, 79-8,137.04, 79-8,137.05, 79-1054, 79-1104.02, 79-1337,
4 84-304, 85-1412, and 85-1920, Revised Statutes Cumulative Supplement,
5 2022, are repealed.

6 Sec. 47. The following sections are outright repealed: Sections
7 50-425, 50-426, 50-427, 50-428, 79-8,124, 79-8,125, 79-8,126, 79-8,127,
8 79-8,128, 79-8,129, 79-8,130, and 79-8,131, Reissue Revised Statutes of
9 Nebraska.

10 Sec. 48. Since an emergency exists, this act takes effect when
11 passed and approved according to law.