

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB306

Hearing Date: Monday February 03, 2025
Committee On: Education
Introducer: Education
One Liner: Change provisions relating to the Board of Trustees of the Nebraska State Colleges, the Nebraska Career Scholarship Act, the Coordinating Commission for Postsecondary Education Act, the Door to College Scholarship Act, and budget limitations for community colleges

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	6	Senators Murman, Sanders, Meyer, Hughes, Juarez, Lonowski
Nay:	1	Senator Hunt
Absent:	1	Senator Conrad
Present Not Voting:		

Testimony:

Proponents:

Senator Dave Murman
Paul Turman
Mike Baumgartner

Courtney Wittstruck
Tom Oschsner

David Lostroh

Opponents:

Neutral:

Representing:

Opening Presenter
Nebraska State College System
Coordinating Commission for Postsecondary Education
NE Community College Association
NE Wesleyan University, Council of Independent Nebraska Colleges
NE Christian Home Educators Association

Representing:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

Section 1 amends section 13-518 to redefine "state aid" for community colleges as the funding provided under the Community College Aid Act to include section 85-1543 which outlines the process for distributing funds to community college areas starting in fiscal year 2024-25, compensating for lost revenue from the elimination of their levy authority. The distribution amount is based on a formula considering previous property tax levies and a set increase.

Section 2 amends section 85-304 to empower the Board of Trustees of the Nebraska State Colleges to engage in any activity granted to the board pursuant to section 3 of this act.



Section 3 is a new section of law authorizing the Board of Trustees of the Nebraska State Colleges to enter into long-term leases, lease-purchase agreements, or financing contracts with any person, firm, governmental entity, or corporation to finance or refinance student housing or student activity facilities. The board may convey, lease, or lease back such facilities and the underlying land to facilitate these arrangements. These agreements may span multiple years and be funded from any legally available sources, excluding state tax funds. Facilities involved may be located on property owned by either the board or third parties, and agreements may include any terms deemed necessary or appropriate by the board. Financing for any new student housing project is subject to prior approval by the Coordinating Commission for Postsecondary Education, as required by Neb. Rev. Stat. § 85-1414(10), as long as state tax funds are not used. This authority constitutes a complete and independent method for executing such transactions and is supplementary to other statutory powers. Actions taken under this authority are exempt from compliance with other legal requirements related to long-term contracts, revenue pledging, and facility financing or approval.

Section 4 amends section 85-1402 to change the base amount to \$5 million for capital construction projects, including the construction of new buildings, additions, renovations, remodeling, or acquisition of structures through gift, purchase, lease-purchase, or other means, when directly financed with at least the minimum capital expenditure of tax funds. This section also changes the base amount to \$200,000 for capital expenditures related to a facility's operations and maintenance within ten years following substantial completion or acquisition. However, no tax funds designated by the Legislature may be used to cover any incremental increases beyond this minimum for facilities not classified as capital construction projects, which are exempt from Coordinating Commission for Postsecondary Education approval. Institutions are prohibited from including such increases in budget requests, and neither the Governor's budget recommendations nor legislative appropriations may include such funding. This section is further amended to provide that, beginning January 1, 2026, the commission must apply biennial inflation and market adjustments to these base expenditure thresholds.

Section 5 amends section 85-3003 to require the Board of Trustees of the Nebraska State Colleges to award a Nebraska Career Scholarship up to \$15,000 per year to any eligible state college student who achieved a score of at least 18 out of a maximum of 36 on any college admission test equivalent to a standard college admission test or who had a high school GPA of 3.0 or greater on a 4.0 scale and who is enrolled in an eligible program of study.

Section 6 amends section 85-3004 which requires the Board of Regents of the University of Nebraska to award Nebraska Career Scholarships to eligible university students enrolled in qualifying programs. Scholarships may be awarded up to \$25,000 per year for any student who achieved a composite score of at least 28 out of 36 on a standard college admission test, and up to \$10,000 per year for any student with a score between 20 and 27. The Board of Regents is also required to allocate scholarship funds among university campuses, determine student eligibility, and disburse funds directly to recipients within the same fiscal year. Eligible students include first-time freshmen with a minimum composite score of 20 out of 36 or transfer students enrolled in a qualifying program of study. This section is amended to include any college admission test equivalent to a standard college admission test.

Section 7 amends section 85-3006 which requires the Coordinating Commission for Postsecondary Education, in collaboration with participating private colleges, to award Nebraska Career Scholarships of up to \$10,000 per year to any eligible private college student. Eligibility is based on achieving a composite score of at least 18 out of 36 on a standard college admission test or having a high school GPA of 3.0 or higher, along with enrollment in an eligible program of study. The amendment includes any college admission test equivalent to a standard college admission test and eliminates the requirement for scholarship recipients to register with a campus office to secure a Nebraska-based internship, apprenticeship, clinical position, or employment in a related field before completing their program. It also removes an annual electronic reporting requirement that previously included data on student participation in such experiences and comparisons between scholarship recipients and non-recipients. Instead, the



commission must now include in its report submitted by December 1 each year, using Department of Labor data, the number of scholarship recipients who secure in-state employment within five fiscal quarters after completing their program. This replaces the prior requirement for the commission to report on employment in a major-related field within four months of graduation and associated average starting salaries.

Section 8 amends section 85-3202 to redefine "eligible student" under the Door to College Scholarship Act to include any undergraduate who received a high school equivalency diploma from the Commissioner of Education after being discharged from a youth rehabilitation center.

Explanation of amendments:

The Education Committee considered and adopted an amendment (AM 1440) which amends LB 306 as amended by AM 89, AM 1019, and AM 1376; and which incorporates LB 378 as amended by AM 825. AM 1376 combines LB 682 as amended by AM 1081, LB 550 as amended by AM 1440, and LB 440 as amended by AM 942, which adds LB 408 into LB 440.

LB 306 - Sections 1-12 and 14-27 of AM 1440

AM 89 to LB 306 amends section 13-518 by striking the original definitions subsection (subsection 1) and harmonizes the remaining subsections.

AM 1019 to LB 306 adds a new subsection to section 85-1412, granting the Coordinating Commission for Postsecondary Education authority to act as the primary coordinating entity for determining the manner in which data collection, grants, programs, and related responsibilities and functions may be transitioned or devolved from the United States Department of Education to the governing boards and administrators of public and private postsecondary education institutions in the state, or to the commission itself.

Sections 1-6 of AM 1376 to LB 306 (introduced as LB 440 by Sen. Spivey and attached to AM 1376 as amended by AM 1440) creates the Education Leave and Support Act. Beginning January 1, 2026, the act imposes a payroll fee of 0.35% on the taxable wages of certificated teachers employed by school districts in Nebraska. School districts are required to collect this fee from covered employees and remit it quarterly to the State Treasurer, along with an employer match equal to the total amount collected. These funds are credited to the State Education Leave Fund, which is administered by the State Department of Education and used to reimburse school districts for the cost of hiring substitute teachers during the first three weeks of a covered employee's leave taken under the federal Family and Medical Leave Act (FMLA). Reimbursements, which begin July 1, 2026, are limited to the actual daily cost of a substitute teacher as determined by the department. Covered employees for whom reimbursement is provided are not required to use accrued personal or sick leave during this period. The department is responsible for developing procedures for accepting and reviewing reimbursement applications and disbursing funds. The fund is subject to annual audit by the Auditor of Public Accounts. The department must submit an annual report to the Legislature detailing expenditures, utilization rates, and the fund's remaining balance. If the fund accrues a surplus exceeding 20% of its projected annual needs, the excess shall be transferred to the Education Retention Fund, which is also created by AM 1376 and administered by the department. Funds in the Education Retention Fund are to be used for addressing teacher shortages and supporting professional development. School districts found to have misused funds from the State Education Leave Fund must repay the amount in full and may be subject to penalties established by the department.

LB 440 had a public hearing on March 10, 2025, with the following testimony:

Proponents:

Senator Ashlei Spivey , Opening Presenter



Tim Royers, Nebraska State Education Association
Sydney Jensen, Nebraska State Education Association
Katherine Poehling, Omaha Education Association; Nebraska State Education Association
Bryant Bull, Self; Nebraska State Education Association
Nora Lenz, Nebraska State Education Association
Raeanna Carlson, Nebraska State Education Association
Dr. Alex Dworak, Nebraska State Education Association
Tamara M. Bailey, Self
Howard R. Gaffney, Self
Carrie George, Self
Sheila Janssen, Self
Kirsten Bank, Self
Nicole Lopez-Bettendorf, Self
Lisa Stork, Self; Nebraska State Education Association
Deana Kumpf, Self; Nebraska State Education Association
Kaley Reda, Self
Kim Turnwall, Nebraska State Education Association
Jake Bogus, Nebraska State Education Association

Opponents: None

Neutral: None

Sections 7-11 of AM 1376 to LB 306 (introduced as LB 408 by Sen. Dungan) creates the Special Education Teacher Forgivable Loan Program Act. The act establishes a forgivable loan program administered by the State Department of Education to support individuals pursuing certification as special education teachers in Nebraska. The program allows the department to award forgivable loans to eligible students enrolled in teacher education programs at eligible not-for-profit Nebraska colleges or universities offering special education programs. Eligible students must be U.S. citizens or eligible noncitizens, high school graduates or equivalent, enrolled in good standing at a Nebraska state college or the University of Nebraska, and seeking initial certification with a special education endorsement. The loan may be used to cover any remaining in-state tuition after applying federal and state financial aid. A maximum of 25 loans may be awarded annually per eligible institution. Loan recipients must enter into a contract with the department, agreeing to begin teaching special education at a Nebraska elementary or secondary school within one year of graduation, and to teach for either five consecutive years or a number of years equal to the number of years for which the loan was received. The department will forgive 20% of the total loan amount for each year the recipient meets these requirements. Full forgiveness is granted upon completion of the required service. If a recipient fails to meet the terms of the contract, such recipient may request a deferment in accordance with department rules. Absent deferment, recipients are required to repay the remaining loan balance with 5% simple interest per year. All repayments are credited to the General Fund. The department must provide recipients with a summary of their contractual obligations. The State Board of Education is authorized to adopt and promulgate rules and regulations to implement the act.

LB 408 had a public hearing on February 11, 2025, with the following testimony:

Proponents:

Senator George Dungan , Opening Presenter

Kyle McGowan, NE Council of School Administrators, NE Assn of School Boards, Schools Taking Action for Nebraska Children's Education, Nebraska Rural Community Schools Assn, Greater NE Schools Assn, Educational Service Units Coordinating Council, NE State Education Assn

Nicole Lopez-Bettendorf, Nebraska State Education Association

Jane Erdenberger, Omaha Public Schools



Opponents: None

Neutral: None

Section 12 of AM 1376 to LB 306 (introduced as LB 550 by Sen. Lippincott and attached to AM 1376 as amended by AM 1440) allows each school district, on or before July 1, 2025, to adopt a policy allowing students to be excused from school for at least one class period per week to attend a released time course, defined as a course in religious instruction provided by a sponsoring entity. If a school district decides to adopt such a policy, the policy must include provisions requiring written consent from a parent, guardian, or educational decisionmaker; the maintenance of attendance records by the sponsoring entity; that a release time course shall not be scheduled during a student's core curriculum instruction time and shall be no less than 42 minutes and no more than 120 consecutive minutes; and arrangements for transportation and liability coverage to be assumed by the sponsoring entity, parent, guardian, or educational decisionmaker. School districts are prohibited from expending funds for released time courses, except for minimal administrative costs. Courses may not be held on school district property unless allowed under a neutral policy of equal access. Students excused to attend such courses are considered present for purposes of school funding and attendance requirements. School districts may adopt a policy to award academic credit for released time courses, as long as the course is evaluated using secular criteria, such as instructional hours, syllabus content, assessment methods, and instructor qualifications, consistent with those applied to similar courses. The decision to award credit must remain neutral with respect to religious content or denominational affiliation. This section also provides that released time courses and sponsoring entities may not be denied equal access to benefits or services available to other community groups. Individuals or organizations aggrieved by a violation of this section may bring legal action against the school district and seek appropriate relief, including actual damages, equitable or declaratory relief, and reasonable attorney's fees and litigation costs.

LB 550 had a public hearing on March 3, 2025, with the following testimony:

Proponents:

Senator Loren Lippincott , Opening Presenter
Jesse Vohwinkel, Lifewise Academy
Karen Dittbrenner, Self
Brenna Grasz, Nebraska Family Alliance
Brielle Ostendorf, Self
Dallas Asher, Self
Tyler Carter, Youth for Christ
Eric Book, Self
Nicole Schnuelle, Self
Phillip Reinke, Self
Erin Chadwick, Self
Curtis Barnes, Self
Terry Doyle, Christ Community Church
Wes Garland, Self
Andrew C. Maschmann, Released Time Instruction

Opponents:

Doris Martin, Self
Piyush Srivastav, NE Assn. of School Boards, Lincoln Public Schools

Neutral: None



Section 14 of AM 1376 to LB 306 (introduced as LB 682 by the Education Committee and attached to AM 1376 as amended by AM 1081) amends section 49-1493 to require that individuals employed as superintendents by a school board shall file a statement of financial interests with the Nebraska Accountability and Disclosure Commission, in accordance with sections 49-1496 and 49-1497, by March 1 for each year they serve in that position, covering the previous calendar year. Individuals who leave the position must file a final statement within 30 days of departure. The amendment further requires that any contract for employment as a superintendent entered into or renewed on or after the effective date of this act must include a provision prohibiting the superintendent from receiving employment income during the contract term from any source other than the employing school district and income expressly stipulated in the contract. For purposes of this provision, "employment income" includes income from an employer in the education field or from education-related independent contracting, such as work with educational foundations, boards, commissions, or consulting. It excludes income from teaching at postsecondary institutions; acting as a hearing examiner for a long-term suspension, expulsion, or mandatory reassignment hearing; non-education-related employment or contracting; officiating at school-sponsored events; farming or ranching; leasing real estate; investments; or other sources specified in the employment contract. The bill also harmonizes related statutory sections.

LB 682 had a public hearing on March 17, 2025, with the following testimony:

Proponents:

Senator Dave Murman , Opening Presenter

Opponents:

Dr. Cindy Gray, Doane University

Neutral:

Haleigh Carlson, The Perry Law Firm

Section 18 of AM 1376 to LB 306 amends section 79-1028.01 to provide that expenditures to pay for employer contributions to the School Employees Retirement System of the State of Nebraska, to the extent such expenditures exceed the amount that would have been made at a contribution rate of 7.35%, may be included in the general fund budget of expenditures, and for school fiscal years 2025-26 and 2026-27, the amount of such expenditures from school fiscal year 2024-25 may be carried over and included in the budget authority for the general fund budget of expenditures for those fiscal years.

Section 18 of AM 1376 to LB 306 also amends section 79-1028.01 to allow a school district to exceed its budget authority for the general fund budget of expenditures as calculated pursuant to section 79-1023 by a specific dollar amount for expenditures to pay for the cost of hiring substitute teachers for the first three weeks of a covered employee's leave taken under the federal Family and Medical Leave Act of 1993, as reimbursed from the State Education Leave Fund pursuant to the Education Leave and Support Act.

LB 378 - Section 13 of AM 1440

LB 378 was introduced by Senator Andersen. LB 378 creates a new section of law that defines key terms related to foreign funding and contractual relationships involving public and private postsecondary institutions in Nebraska. "Contract" refers to any agreement between a covered institution and a foreign source for the acquisition of property or services for the direct benefit or use of either party. "Covered institution" means any public or private two-year or four-year college or university with a campus or business presence in Nebraska. "Foreign source" includes foreign governments and their agencies, legal entities established under foreign laws, individuals who are not U.S. citizens or nationals, and agents or affiliates acting on behalf of such entities or individuals. "Reportable funding" encompasses a



broad range of financial exchanges, including contracts, gifts, grants, endowments, awards, or donations from a foreign source valued at more than \$50, or expected to exceed that amount over the duration of the funding relationship. Beginning the first day of each calendar quarter, each covered institution is required to submit a report to the Attorney General and electronically to the Legislature, detailing reportable funding received from foreign sources in the preceding quarter. Reports must include the amount, type, and purpose of funding; details about the foreign source; and copies of any associated agreements. Payments made by individuals for tuition or related fees are exempt from reporting. The Attorney General must post the reports publicly on the Attorney General's website and is authorized to enforce the reporting requirements. Covered institutions that fail to comply may be subject to civil penalties of up to \$10,000 per violation and forfeiture of unreported funding.

AM 825 is a white copy amendment to LB 378 that replaces the entire language of the original section. AM 825 establishes reporting requirements related to funding from foreign adversarial sources received by postsecondary institutions in Nebraska. The amendment defines "contract" as any agreement between a covered institution and a foreign adversarial source for the acquisition of property or services for the direct benefit or use of either party. "Covered institution" refers to any public or private two-year or four-year college or university with a campus or place of business in Nebraska. A "foreign adversarial source" includes foreign adversary governments and their agencies, legal entities formed under the laws of a foreign adversary government, individuals who are citizens or nationals of a foreign adversary government, and agents or affiliates acting on behalf of such entities or individuals. "Foreign adversary" is defined pursuant to 15 C.F.R. 791.4. "Reportable funding" includes revenue or the fair-market value of any contract, gift, grant, endowment, award, scholarship, or donation received from a foreign adversarial source, including both conditional and unconditional pledges. Covered institutions are required to submit biannual reports to the Coordinating Commission for Postsecondary Education, in a manner prescribed by the commission, detailing all reportable funding received. Reports must include the amount and date of funding; the type and purpose of funding, including whether it is part of an ongoing relationship; identifying information about the foreign adversarial source; and copies of any related agreements. Tuition or related fee payments made by individuals who would otherwise qualify as a foreign adversarial source are exempt from reporting. Unless exempt, prohibited, or deemed confidential under federal or state law, the commission is required to post the reports on its public website. This section becomes operative on July 1, 2025, and has the emergency clause.

LB 378 was amended into LB 306 on a 6-1-1 vote of the committee:

Aye- Senators Murman, Hughes, Juarez, Lonowski, Meyer, Sanders; Nay- Senator Hunt; Absent- Senator Conrad

LB 378 had a public hearing on January 27, 2025, with the following testimony:

Proponents:

Senator Bob Andersen , Opening Presenter

John Murante, State Shield

Doug Kagan, NE Taxpayers for Freedom

Alan Seybert, NE Taxpayers for Freedom

Opponents:

Matt Blomstedt, University of Nebraska System

Neutral: None

Section by Section Summary:

Section 1: Provides that sections 1 to 6 of this act shall be known as the Education Leave and Support Act. (LB 440)

Section 2: The definitions section for the Education Leave and Support Act. (LB 440)



Section 3: Establishes a payroll fee and employer match to fund the State Education Leave Fund, beginning January 1, 2026. (LB 440)

Section 4: Creates and outlines the function and administration of the State Education Leave Fund. (LB 440 as amended)

Section 5: Creates and outlines the function and administration of the Education Retention Fund. (LB 440 as amended)

Section 6: Outlines the penalties for any misuse of the State Education Leave Fund and provides for an annual audit by the State Auditor. (LB 440)

Section 7: Provides that sections 7-11 of this act encompass the Special Education Teacher Forgivable Loan Program Act. (LB 408)

Section 8: States legislative findings and intent relating to the Special Education Teacher Forgivable Loan Program Act. (LB 408)

Section 9: The definitions section for the Special Education Teacher Forgivable Loan Program Act. (LB 408)

Section 10: Creates the Special Education Teacher Forgivable Loan Program and outlines its functions, eligibility requirements, and administration. (LB 408)

Section 11: Authorizes the State Board of Education to adopt and promulgate rules and regulations for the administration of the Special Education Teacher Forgivable Loan Program Act. (LB 408)

Section 12: Describes and authorizes released time courses for religious instruction. (LB 550 as amended by AM 1376)

Section 13: Mandates reporting by postsecondary education on funding received from foreign adversarial sources. (LB 378 as amended by AM 825)

Section 14: Amends section 49-1493 to add school district superintendents to the list of individuals required to file an annual financial interest statement with the Nebraska Accountability and Disclosure Commission. (LB 682 as amended)

Section 15: Places limitations on school district superintendent contracts from outside education-related income, with specific exceptions. (LB 682 as amended)

Section 16: Amends section 79-566 to require Class IV school districts to incorporate the income restrictions on superintendents provided under section 15 of this act within their superintendent contracts. (LB 682 as amended)

Section 17: Amends section 79-567 to require Class V school districts to incorporate the income restrictions on superintendents provided under section 15 of this act within their superintendent contracts. (LB 682 as amended)

Section 18: Amends section 79-594 to require Class I, II, III, and IV school districts to incorporate the income restrictions on superintendents provided under section 15 of this act within their superintendent contracts. (LB 682 as amended)



Section 19: Amends section 79-1028.01 to allow school districts to include excess retirement contributions and certain substitute teacher costs in their general fund budget authority. (LB 306 as amended by AM 1376)

Section 20: Amends section 85-304 to grant the Board of Trustees of the Nebraska State Colleges the power to engage in any activity pursuant to section 21 of this act. (LB 306)

Section 21: Authorizes the Board of Trustees of the Nebraska State Colleges to finance or refinance student housing and activity facilities through long-term agreements, including leases and lease-purchase contracts, without using state tax funds and without complying with other related legal requirements. (LB 306)

Section 22: Amends section 85-1402 to increase the base amount for capital expenditures and a facility's operation and maintenance costs under the the Coordinating Commission for Postsecondary Education Act. (LB 306)

Section 23: Amends section 85-1412 to authorize the Coordinating Commission for Postsecondary Education to coordinate the transition of federal education functions to state institutions or the commission. (LB 306 as amended)

Section 24: Amends section 85-3003 to change eligibility requirements for the Nebraska Career Scholarship awarded by Nebraska state colleges. (LB 306)

Section 25: Amends section 85-3004 to allow any test scores for any college admission test equivalent to a standard college admission test to be considered for the Nebraska Career Scholarship awarded by the University of Nebraska. (LB 306)

Section 26: Amends section 85-3006 to remove the internship requirement and updates the reporting requirements for the Nebraska Career Scholarship. (LB 306)

Section 27: Amends section 85-3202 to change an eligibility requirement for the Door to College Scholarship. (LB 306)

Section 28: Operative dates

Section 29: Repealer

Section 30: Emergency clause

Dave Murman, Chairperson

