

LEGISLATIVE BILL 962

Approved by the Governor April 12, 2006

Introduced by Price, 26; Beutler, 28; Byars, 30; Combs, 32; Cunningham, 40; Flood, 19; Heidemann, 1; Howard, 9; Hudkins, 21; Johnson, 37; Kruse, 13; McDonald, 41; Stuhr, 24; Synowiecki, 7; Thompson, 14; Aguilar, 35

AN ACT relating to postsecondary education; to amend section 85-957, Reissue Revised Statutes of Nebraska, sections 71-5663, 71-5668, 85-1416, and 85-1903, Revised Statutes Cumulative Supplement, 2004, and section 71-17,112, Revised Statutes Supplement, 2005; to change provisions relating to the Nursing Faculty Student Loan Cash Fund, the Rural Health Systems and Professional Incentive Act, Peru State College, the Coordinating Commission for Postsecondary Education Act, and student financial awards; to state findings regarding postsecondary education; to provide for a report regarding postsecondary education priorities; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 71-17,112, Revised Statutes Supplement, 2005, is amended to read:

71-17,112 The Nursing Faculty Student Loan Cash Fund is created. The fund shall consist of grants, private donations, fees collected pursuant to section 71-17,113, and loan repayments under the Nursing Faculty Student Loan Act remitted by the department to the State Treasurer for credit to the fund. The fund shall be used to administer the act and for loans to qualified students pursuant to the act. ~~The act shall be carried out with no appropriations from the General Fund.~~ Any money in the Nursing Faculty Student Loan Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 2. Section 71-5663, Revised Statutes Cumulative Supplement, 2004, is amended to read:

71-5663 (1) The amount of financial assistance provided through student loans pursuant to the Rural Health Systems and Professional Incentive Act shall be limited to twenty thousand dollars for each recipient for each academic year and shall not exceed eighty thousand dollars per medical, dental, or doctorate-level mental health student or twenty thousand dollars per master's level mental health or physician assistant student.

(2) The amount of financial assistance provided by the state through loan repayments pursuant to the act (a) for physicians, dentists, and psychologists shall be limited to ~~ten~~ twenty thousand dollars per recipient per year of full-time practice in a designated health profession shortage area and shall not exceed ~~thirty~~ sixty thousand dollars per recipient and (b) for physician assistants, advanced practice registered nurses, pharmacists, physical therapists, occupational therapists, and mental health practitioners shall be limited to ~~five~~ ten thousand dollars per recipient per year of full-time practice in a designated health profession shortage area and shall not exceed ~~fifteen~~ thirty thousand dollars per recipient.

Sec. 3. Section 71-5668, Revised Statutes Cumulative Supplement, 2004, is amended to read:

71-5668 Each loan repayment recipient shall execute an agreement with the department and a local entity. Such agreement shall include, at a minimum, the following terms:

(1) The loan repayment recipient agrees to practice his or her profession, and a physician, dentist, advanced practice registered nurse, or physician assistant also agrees to practice an approved specialty, in a designated health profession shortage area for at least three years and to accept medicaid patients in his or her practice;

(2) In consideration of the agreement by the recipient, the State of Nebraska and a local entity within the designated health profession shortage area will provide equal funding for the repayment of the recipient's qualified educational debts, in amounts up to ~~ten~~ twenty thousand dollars per year per recipient for physicians, dentists, and psychologists and up to ~~five~~ ten thousand dollars per year per recipient for physician assistants, advanced practice registered nurses, pharmacists, physical therapists, occupational therapists, and mental health practitioners toward qualified educational debts for up to three years. The department shall make payments directly to the recipient; and

(3) If the loan repayment recipient discontinues practice in the shortage area prior to completion of the three-year requirement, the recipient shall repay to the state one hundred twenty-five percent of the total amount of funds provided to the recipient for loan repayment. Upon repayment by the recipient to the department, the department shall reimburse the local entity its share of the funds.

Sec. 4. Section 85-957, Reissue Revised Statutes of Nebraska, is amended to read:

85-957 Peru State College may maintain its existing baccalaureate general academic, baccalaureate occupational, and baccalaureate professional degree programs, and shall limit new baccalaureate degree programs to the needs of its unique service area generally defined as the state's southeast region. Peru's cooperative master's degree program in education with the university may be maintained. Subject to approval by the Board of Trustees of the Nebraska State Colleges, Peru State College may offer a Master of Science degree in organizational management with a focus in entrepreneurial and economic development.

Sec. 5. Section 85-1416, Revised Statutes Cumulative Supplement, 2004, is amended to read:

85-1416 (1) Pursuant to the authority granted in Article VII, section 14, of the Constitution of Nebraska and the Coordinating Commission for Postsecondary Education Act, the commission shall, in accordance with the coordination function of the commission pursuant to section 85-1403, review and modify, if needed to promote compliance and consistency with the comprehensive statewide plan and prevent unnecessary duplication, the budget requests of the governing boards.

(2)(a) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission an outline of its proposed operating budget. The outline of its proposed operating budget or outline of proposed state aid request shall include those information summaries provided to the institution's governing board describing the respective institution's budget for the next fiscal year or biennium. The outline shall contain projections of funds necessary for (i) the retention of current programs and services at current funding levels, (ii) any inflationary costs necessary to maintain current programs and services at the current programmatic or service levels, and (iii) proposed new and expanded programs and services. In addition to the outline, the commission may request an institution to provide to the commission any other supporting information to assist the commission in its budget review process. An institution may comply with such requests pursuant to section 85-1417.

(b) On September 15 of each biennial budget request year, ~~except as otherwise provided for 2002,~~ the boards of governors of the community colleges or their designated representatives shall submit to the commission outlines of their proposed state aid requests pursuant to sections 85-1536 and 85-1537. ~~In 2002, the boards of governors of the community colleges or their designated representatives shall submit to the commission the outlines no later than the date established by the budget administrator of the budget division of the Department of Administrative Services for the filing of biennial budget requests pursuant to section 81-132.~~

(c) The commission shall analyze institutional budget priorities in light of the comprehensive statewide plan, role and mission assignments, and the goal of prevention of unnecessary duplication. The commission shall submit to the Governor and Legislature by October 15 of each year, ~~except as otherwise provided for 2002,~~ recommendations for approval or modification of ~~each budget request~~ the budget requests together with a rationale for each such recommendation. ~~In 2002, the commission shall submit to the Governor and Legislature its recommendations, and rationale no later than November 12, 2002.~~ The analysis and recommendations by the commission shall focus on budget requests for new and expanded programs and services and major statewide funding issues or initiatives as identified in the comprehensive statewide plan. If an institution does not comply with the commission's request pursuant to subdivision (a) of this subsection for additional budget information, the commission may so note the refusal and its specific information request in its report of budget recommendations. The commission shall also provide to the Governor and the Appropriations Committee of the Legislature on or before October 1 of each even-numbered year a report identifying public policy issues relating to student tuition and fees, including the appropriate relative differentials of tuition and fee levels between the sectors of public postsecondary education in the state consistent with the comprehensive

statewide plan.

(3) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission information the commission deems necessary regarding each board's capital construction budget requests. The commission shall review the capital construction budget request information and may recommend to the Governor and the Legislature modification, approval, or disapproval of such requests consistent with the statewide facilities plan and any project approval determined pursuant to subsection (10) of section 85-1414 and to section 85-1415. The commission shall develop from a statewide perspective a unified prioritization of individual capital construction budget requests for which it has recommended approval and submit such prioritization to the Governor and the Legislature for their consideration. In establishing its prioritized list, the commission may consider and respond to the priority order established by the Board of Regents or the Board of Trustees in their respective capital construction budget requests.

(4) Nothing in this section shall be construed to affect other constitutional, statutory, or administrative requirements for the submission of budget or state aid requests by the governing boards to the Governor and the Legislature.

Sec. 6. Section 85-1903, Revised Statutes Cumulative Supplement, 2004, is amended to read:

85-1903 Award means a grant of money by the commission to an eligible student for educational expenses. Awards shall not exceed:

(1) For award years prior to the ~~2006-07~~ 2007-08 award year:

(a) For students who received an award from the Postsecondary Education Award Program Act, the Scholarship Assistance Program Act, or the State Scholarship Award Program Act for the 2002-03 award year, the greater of the total awards received by the student pursuant to such acts for the 2002-03 award year or one-half of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln; or

(b) For students who did not receive an award from the Postsecondary Education Award Program Act, the Scholarship Assistance Program Act, or the State Scholarship Award Program Act for the 2002-03 award year, one-half of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln; and

(2) For the ~~2006-07~~ 2007-08 award year and each award year thereafter, twenty-five percent of the tuition and mandatory fees for a full-time, resident, undergraduate student for the last completed award year at the University of Nebraska-Lincoln.

Sec. 7. The Legislature finds that:

(1) Expansion and diversification of Nebraska's economy is necessary in order to sustain essential public services sponsored or aided by the state;

(2) Increasing the number of Nebraskans with high levels of educational attainment is essential to support economic expansion and diversification;

(3) In order to increase the number of Nebraskans with high levels of educational attainment, the state's postsecondary education system shall include, but not be limited to, the following key priorities that were identified by the LR 174 Task Force of 2003:

(a) Increasing the number of students who enter postsecondary education in Nebraska;

(b) Increasing the percentage of students who enroll and successfully complete a degree; and

(c) Reducing, eliminating, and then reversing the net out-migration of Nebraskans with high levels of educational attainment; and

(4) Unprecedented collaboration and cooperation between and among educational institutions and sectors will be necessary to develop community, regional, and statewide strategies to achieve progress toward these priorities and to assist the state in serving Nebraska students and allowing them to reach their academic caliber.

Sec. 8. On or before March 15 of each year, the Coordinating Commission for Postsecondary Education shall provide a report that evaluates progress toward attainment of the priorities listed in subdivision (3) of section 7 of this act. The Education Committee of the Legislature shall review the report at a public hearing and report its findings to the Legislature.

Sec. 9. Original section 85-957, Reissue Revised Statutes of

Nebraska, sections 71-5663, 71-5668, 85-1416, and 85-1903, Revised Statutes Cumulative Supplement, 2004, and section 71-17,112, Revised Statutes Supplement, 2005, are repealed.