

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 62

Introduced by Kolterman, 24.

Read first time January 07, 2021

Committee:

1 A BILL FOR AN ACT relating to education funding; to amend sections 9-812,
2 85-1412, 85-1920, and 85-2009, Revised Statutes Cumulative
3 Supplement, 2020; to change provisions relating to the Nebraska
4 Education Improvement Fund, the Nebraska Opportunity Grant Fund, the
5 Community College Gap Assistance Program Fund, and the Coordinating
6 Commission for Postsecondary Education; to create a fund; to provide
7 a duty; to harmonize provisions; to repeal the original sections;
8 and to declare an emergency.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,
2 2020, is 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 to the Education
31 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska

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

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

6 (b) Beginning July 1, 2016, forty-four and one-half percent of the
7 money remaining after the payment of prizes and operating expenses and
8 the initial transfer to the Compulsive Gamblers Assistance Fund shall be
9 transferred to the Nebraska Education Improvement Fund;

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

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

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

31 (4) The Nebraska Education Improvement Fund is created. The fund

1 shall consist of money transferred pursuant to subsection (3) of this
2 section, money transferred pursuant to section 85-1920, and any other
3 funds appropriated by the Legislature. The fund shall be allocated, after
4 actual and necessary administrative expenses, as provided in this section
5 for fiscal years 2016-17 through ~~2026-27~~ 2020-21. A portion of each
6 allocation may be retained by the agency to which the allocation is made
7 or the agency administering the fund to which the allocation is made for
8 actual and necessary expenses incurred by such agency for administration,
9 evaluation, and technical assistance related to the purposes of the
10 allocation, except that no amount of the allocation to the Nebraska
11 Opportunity Grant Fund may be used for such purposes. On or before
12 December 31, 2019, the Education Committee of the Legislature shall
13 electronically submit recommendations to the Clerk of the Legislature
14 regarding how the fund should be allocated to best advance the
15 educational priorities of the state for the five-year period beginning
16 with fiscal year 2021-22. For fiscal years 2021-22 through 2026-27, the
17 revenue allocated to the Nebraska Education Improvement Fund shall be
18 transferred ~~For fiscal year 2016-17, an amount equal to ten percent of~~
19 ~~the revenue allocated to the Education Innovation Fund and to the~~
20 ~~Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be retained~~
21 ~~in the Nebraska Education Improvement Fund. For fiscal years 2017-18~~
22 ~~through 2020-21, an amount equal to ten percent of the revenue received~~
23 ~~by the Nebraska Education Improvement Fund in the prior fiscal year shall~~
24 ~~be retained in the fund. For fiscal years 2016-17 through 2020-21, the~~
25 ~~remainder of the fund, after payment of any learning community transition~~
26 ~~aid pursuant to section 79-10,145, shall be allocated as follows:~~

27 (a) Two and one-half percent to the Access College Early Scholarship
28 Cash Fund ~~One percent of the allocated funds to the Expanded Learning~~
29 ~~Opportunity Grant Fund to carry out the Expanded Learning Opportunity~~
30 ~~Grant Program Act;~~

31 (b) ~~Seventeen percent of the allocated funds to the Department of~~

1 ~~Education Innovative Grant Fund to be used (i) for competitive innovation~~
2 ~~grants pursuant to section 79-1054 and (ii) to carry out the purposes of~~
3 ~~section 79-759;~~

4 ~~(b) Four and one-half (c) Nine percent of the allocated funds to the~~
5 ~~Community College Gap Assistance Program Fund to carry out the community~~
6 ~~college gap assistance program; and~~

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

9 ~~(c) (e) Sixty-two percent of the allocated funds to the Nebraska~~
10 ~~Opportunity Grant Fund, to carry out the Nebraska Opportunity Grant Act~~
11 ~~in conjunction with appropriations from the General Fund; and~~

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

14 The remainder of such revenue shall be retained in the Nebraska
15 Education Improvement Fund until such time as the Legislature otherwise
16 directs.

17 (5) Any money in the State Lottery Operation Trust Fund, the State
18 Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, the
19 Nebraska Education Improvement Fund, or the Education Innovation Fund
20 available for investment shall be invested by the state investment
21 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
22 State Funds Investment Act.

23 (6) Unclaimed prize money on a winning lottery ticket shall be
24 retained for a period of time prescribed by rules and regulations. If no
25 claim is made within such period, the prize money shall be used at the
26 discretion of the Tax Commissioner for any of the purposes prescribed in
27 this section.

28 Sec. 2. Section 85-1412, Revised Statutes Cumulative Supplement,
29 2020, is amended to read:

30 85-1412 The commission shall have the following additional powers
31 and duties:

1 (1) Conduct surveys and studies as may be necessary to undertake the
2 coordination function of the commission pursuant to section 85-1403 and
3 request information from governing boards and appropriate administrators
4 of public institutions and other governmental agencies for research
5 projects. All public institutions and governmental agencies receiving
6 state funds shall comply with reasonable requests for information under
7 this subdivision. Public institutions may comply with such requests
8 pursuant to section 85-1417;

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

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

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

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

30 (6) Administer the Integrated Postsecondary Education Data System or
31 other information system or systems to provide the commission with

1 timely, comprehensive, and meaningful information pertinent to the
2 exercise of its duties. The information system shall be designed to
3 provide comparable data on each public institution. The commission shall
4 also administer the uniform information system prescribed in sections
5 85-1421 to 85-1427 known as the Nebraska Educational Data System. Public
6 institutions shall supply the appropriate data for the information system
7 or systems required by the commission;

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

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

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

31 (10) Provide staff support for interstate compacts on postsecondary

1 education; and

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

4 Sec. 3. Section 85-1920, Revised Statutes Cumulative Supplement,
5 2020, is amended to read:

6 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the
7 fund shall include amounts transferred from ~~the State Lottery Operation~~
8 ~~Trust Fund pursuant to section 9-812 until June 30, 2016,~~ or the Nebraska
9 Education Improvement Fund pursuant to section 9-812 until June 30, 2027
10 ~~2021~~. All amounts accruing to the Nebraska Opportunity Grant Fund shall
11 be used to carry out the Nebraska Opportunity Grant Act. Any money in the
12 fund available for investment shall be invested by the state investment
13 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
14 State Funds Investment Act.

15 The Nebraska Opportunity Grant Fund terminates on June 30, 2027
16 ~~2021~~. Any money in the fund on such date shall be transferred to the
17 Nebraska Education Improvement Fund on such date.

18 Sec. 4. Section 85-2009, Revised Statutes Cumulative Supplement,
19 2020, is amended to read:

20 85-2009 (1) The Community College Gap Assistance Program Fund is
21 created. The fund shall be under the direction of the committee and shall
22 be administered by the Coordinating Commission for Postsecondary
23 Education. The fund shall consist of money received pursuant to section
24 9-812, any other money received by the state in the form of grants or
25 gifts from nonfederal sources, such other amounts as may be transferred
26 or otherwise accrue to the fund, and any investment income earned on the
27 fund. The fund shall be used to provide aid or grants to the community
28 colleges pursuant to the Community College Gap Assistance Program Act.
29 Any money in the fund available for investment shall be invested by the
30 state investment officer pursuant to the Nebraska Capital Expansion Act
31 and the Nebraska State Funds Investment Act.

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

4 ~~(2) (3) Money in the fund may also be used by the committee to~~ ~~÷ (a)~~
5 ~~To establish application and funding procedures. ; and~~

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

17 Sec. 5. The Access College Early Scholarship Cash Fund is created.
18 The fund shall be administered by the Coordinating Commission for
19 Postsecondary Education and shall consist of money received pursuant to
20 section 9-812 and any money appropriated by the Legislature. The
21 Coordinating Commission for Postsecondary Education shall use the fund to
22 carry out the Access College Early Scholarship Program Act. Any money in
23 the fund available for investment shall be invested by the state
24 investment officer pursuant to the Nebraska Capital Expansion Act and the
25 Nebraska State Funds Investment Act.

26 Sec. 6. Original sections 9-812, 85-1412, 85-1920, and 85-2009,
27 Revised Statutes Cumulative Supplement, 2020, are repealed.

28 Sec. 7. Since an emergency exists, this act takes effect when
29 passed and approved according to law.