

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 519

FINAL READING

Introduced by Sullivan, 41.

Read first time January 21, 2015

Committee: Education

1 A BILL FOR AN ACT relating to education; to amend sections 79-8,134,
2 79-8,137, 79-8,137.01, 79-8,137.02, 79-8,137.03, 79-8,137.04,
3 79-8,137.05, 79-1001, 79-1003, 79-1007.11, 79-1017.01, 79-1337,
4 85-1412, and 85-1920, Reissue Revised Statutes of Nebraska, and
5 section 9-812, Revised Statutes Cumulative Supplement, 2014; to
6 change provisions relating to the Nebraska Education Improvement
7 Fund, the Attracting Excellence to Teaching Program, the Enhancing
8 Excellence in Teaching Program, the Tax Equity and Educational
9 Opportunities Support Act, distance education incentives, the
10 Coordinating Commission for Postsecondary Education, and the
11 Nebraska Opportunity Grant Fund; to provide for competitive
12 innovation grants; to create funds; to provide for best practices
13 aid; to adopt the Expanded Learning Opportunity Grant Program Act
14 and the Community College Gap Assistance Program Act; to require a
15 study of postsecondary education by the Education Committee of the
16 Legislature; to eliminate obsolete provisions; to harmonize
17 provisions; to repeal the original sections; and to outright repeal
18 section 79-2306, Reissue Revised Statutes of Nebraska.
19 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,
2 2014, 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) Through June 30, 2016, nineteen and three-fourths percent of the
11 money remaining after the payment of prizes and operating expenses and
12 the initial transfer to the Compulsive Gamblers Assistance Fund shall be
13 transferred to the Education Innovation Fund;

14 (d) Through June 30, 2016, twenty-four and three-fourths percent of
15 the money remaining after the payment of prizes and operating expenses
16 and the initial transfer to the Compulsive Gamblers Assistance Fund shall
17 be transferred to the Nebraska Opportunity Grant Fund;

18 (e) Forty-four and one-half percent of the money remaining after the
19 payment of prizes and operating expenses and the initial transfer to the
20 Compulsive Gamblers Assistance Fund shall be transferred to the Nebraska
21 Environmental Trust Fund to be used as provided in the Nebraska
22 Environmental Trust Act;

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

1 of prizes and operating expenses and the initial transfer to the
2 Compulsive Gamblers Assistance Fund shall be transferred to the General
3 Fund; and

4 (g) One percent of the money remaining after the payment of prizes
5 and operating expenses and the initial transfer to the Compulsive
6 Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers
7 Assistance Fund to be used as provided in section 9-1006.

8 (4)(a) The Education Innovation Fund is created. At least seventy-
9 five percent of the lottery proceeds allocated to the Education
10 Innovation Fund shall be available for disbursement.

11 ~~(b) For fiscal year 2013-14, the Education Innovation Fund shall be~~
12 ~~allocated as follows: (i) The first one million dollars shall be~~
13 ~~transferred to the Excellence in Teaching Cash Fund to fund the~~
14 ~~Excellence in Teaching Act; (ii) the next allocation shall be distributed~~
15 ~~to local systems as grants for approved accelerated or differentiated~~
16 ~~curriculum programs for students identified as learners with high ability~~
17 ~~pursuant to section 79-1108.02 in an aggregated amount up to the amount~~
18 ~~distributed in the prior fiscal year for such purposes increased by the~~
19 ~~basic allowable growth rate pursuant to section 79-1025; (iii) up to the~~
20 ~~next one hundred sixty thousand dollars shall be used by the State~~
21 ~~Department of Education to implement section 79-759; (iv) the next one~~
22 ~~million seven hundred fifty thousand dollars shall be allocated to early~~
23 ~~childhood education grants awarded by the department pursuant to section~~
24 ~~79-1103; (v) the next one million dollars shall be transferred to the~~
25 ~~Early Childhood Education Endowment Cash Fund for use pursuant to section~~
26 ~~79-1104.02; (vi) the next two hundred thousand dollars shall be used to~~
27 ~~provide grants to establish bridge programs pursuant to sections 79-1189~~
28 ~~to 79-1195; (vii) the next ten thousand dollars shall be used to fund the~~
29 ~~Interstate Compact on Educational Opportunity for Military Children;~~
30 ~~(viii) the next eighty-five thousand five hundred fifty dollars shall be~~
31 ~~allocated to the State Department of Education for distribution pursuant~~

1 ~~to section 79-2306; and (ix) the amount remaining shall be allocated,~~
2 ~~after administrative expenses, for distance education equipment and~~
3 ~~incentives pursuant to sections 79-1336 and 79-1337. No funds received as~~
4 ~~allocations from the Education Innovation Fund pursuant to this~~
5 ~~subdivision may be obligated for payment to be made after June 30, 2016.~~

6 (b e) For fiscal year 2014-15, the Education Innovation Fund shall
7 be allocated, after administrative expenses, as follows: (i) The first
8 one million two hundred thousand dollars shall be transferred to the
9 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;
10 (ii) the next allocation shall be distributed to local systems as grants
11 for approved accelerated or differentiated curriculum programs for
12 students identified as learners with high ability pursuant to section
13 79-1108.02 in an aggregated amount up to the amount distributed in the
14 prior fiscal year for such purposes increased by the basic allowable
15 growth rate pursuant to section 79-1025; (iii) the next one million eight
16 hundred fifty thousand dollars shall be allocated to early childhood
17 education grants awarded by the State Department of Education pursuant to
18 section 79-1103; (iv) the next one million dollars shall be transferred
19 to the Early Childhood Education Endowment Cash Fund for use pursuant to
20 section 79-1104.02; (v) the next two hundred thousand dollars shall be
21 used to provide grants to establish bridge programs pursuant to sections
22 79-1189 to 79-1195; (vi) the next ten thousand dollars shall be used to
23 fund the Interstate Compact on Educational Opportunity for Military
24 Children; (vii) the next two million dollars shall be allocated for
25 distance education equipment and incentives pursuant to sections 79-1336
26 and 79-1337; (viii) the next one million dollars shall be transferred to
27 the School District Reorganization Fund; (ix) up to the next one hundred
28 forty-five thousand dollars shall be used by the State Department of
29 Education to implement section 79-759; and (x) the next three hundred
30 thirty-five thousand dollars shall be allocated to local systems as
31 grants awarded by the State Department of Education to assist schools in

1 evaluating and improving career education programs to align such programs
2 with the state's economic and workforce needs. Except for funds
3 transferred to the School District Reorganization Fund, the Early
4 Childhood Education Endowment Cash Fund, or the department for early
5 childhood education grants pursuant to section 79-1103, no funds received
6 as allocations from the Education Innovation Fund pursuant to this
7 subdivision may be obligated for payment to be made after June 30, 2016,
8 and such funds received as transfers or allocations from the Education
9 Innovation Fund that have not been used for their designated purpose as
10 of such date shall be transferred to the Nebraska Education Improvement
11 Fund on or before August 1, 2016.

12 (c) For fiscal year 2015-16, the Education Innovation Fund shall
13 be allocated, after administrative expenses, as follows: (i) The first
14 one million two hundred thousand dollars shall be transferred to the
15 Excellence in Teaching Cash Fund to fund the Excellence in Teaching Act;
16 (ii) the next allocation shall be distributed to local systems as grants
17 for approved accelerated or differentiated curriculum programs for
18 students identified as learners with high ability pursuant to section
19 79-1108.02 in an aggregated amount up to the amount distributed in the
20 prior fiscal year for such purposes increased by the basic allowable
21 growth rate pursuant to section 79-1025; (iii) the next one million nine
22 hundred fifty thousand dollars shall be allocated to early childhood
23 education grants awarded by the State Department of Education pursuant to
24 section 79-1103; (iv) the next one million dollars shall be transferred
25 to the Early Childhood Education Endowment Cash Fund for use pursuant to
26 section 79-1104.02; (v) the next ten thousand dollars shall be used to
27 fund the Interstate Compact on Educational Opportunity for Military
28 Children; (vi) the next two million five hundred thousand dollars shall
29 be allocated for distance education equipment and incentives pursuant to
30 sections 79-1336 and 79-1337; (vii) the next one million dollars shall be
31 transferred to the School District Reorganization Fund; (viii) up to the

1 next one hundred forty-five thousand dollars shall be used by the State
2 Department of Education to implement section 79-759; and (ix) of the
3 amount remaining, (A) three million dollars shall be retained in the
4 Education Innovation Fund to transfer to the Nebraska Education
5 Improvement Fund on June 30, 2016, and (B) the remaining amount shall be
6 allocated to local systems as grants awarded by the State Department of
7 Education to assist schools in evaluating and improving career education
8 programs to align such programs with the state's economic and workforce
9 needs. Except for funds transferred to the School District Reorganization
10 Fund, the Early Childhood Education Endowment Cash Fund, or the
11 department for early childhood education grants pursuant to section
12 79-1103, no funds received as allocations from the Education Innovation
13 Fund pursuant to this subdivision may be obligated for payment to be made
14 after June 30, 2016, and such funds received as transfers or allocations
15 from the Education Innovation Fund that have not been used for their
16 designated purpose as of such date shall be transferred to the Nebraska
17 Education Improvement Fund on or before August 1, 2016.

18 (d e) The Education Innovation Fund terminates on June 30, 2016. Any
19 money in the fund on such date shall be transferred to the Nebraska
20 Education Improvement Fund on such date.

21 (5) The Nebraska Education Improvement Fund is created. The fund
22 shall consist of money transferred pursuant to subsections (3) and (4) of
23 this section, money transferred pursuant to section 85-1920, and any
24 other funds appropriated by the Legislature. The fund shall be allocated,
25 after actual and necessary administrative expenses, as provided in this
26 section for fiscal years 2016-17 through 2020-21. A portion of each
27 allocation may be retained by the agency to which the allocation is made
28 or the agency administering the fund to which the allocation is made for
29 actual and necessary expenses incurred by such agency for administration,
30 evaluation, and technical assistance related to the purposes of the
31 allocation, except that no amount of the allocation to the Nebraska

1 Opportunity Grant Fund may be used for such purposes. On or before
2 December 31, 2019, the Education Committee of the Legislature shall
3 electronically submit recommendations to the Clerk of the Legislature
4 regarding how the fund should be allocated to best advance the
5 educational priorities of the state for the five-year period beginning
6 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten
7 percent of the revenue allocated to the Education Innovation Fund and to
8 the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be
9 retained in the Nebraska Education Improvement Fund. For fiscal years
10 2017-18 through 2020-21, an amount equal to ten percent of the revenue
11 received by the Nebraska Education Improvement Fund in the prior fiscal
12 year shall be retained in the fund. For fiscal years 2016-17 through
13 2020-21, the remainder of the fund shall be allocated as follows: Any
14 money in 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 (a) One percent of the allocated funds to the Expanded Learning
18 Opportunity Grant Fund to carry out the Expanded Learning Opportunity
19 Grant Program Act;

20 (b) Seventeen percent of the allocated funds to the Department of
21 Education Innovative Grant Fund for competitive innovation grants
22 pursuant to section 2 of this act;

23 (c) Nine percent of the allocated funds to the Community College Gap
24 Assistance Program Fund to carry out the community college gap assistance
25 program;

26 (d) Eight percent of the allocated funds to the Excellence in
27 Teaching Cash Fund to carry out the Excellence in Teaching Act;

28 (e) Sixty-two percent of the allocated funds to the Nebraska
29 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in
30 conjunction with appropriations from the General Fund; and

31 (f) Three percent of the allocated funds to fund distance education

1 incentives pursuant to section 79-1337.

2 (6) Any money in the State Lottery Operation Trust Fund, the State
3 Lottery Operation Cash Fund, the State Lottery Prize Trust Fund, the
4 Nebraska Education Improvement Fund, or the Education Innovation Fund
5 available for investment shall be invested by the state investment
6 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
7 State Funds Investment Act.

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

13 Sec. 2. (1) The State Board of Education shall establish a
14 competitive innovation grant program with funding from the Nebraska
15 Education Improvement Fund pursuant to section 9-812. Grantees shall be a
16 school district, an educational service unit, or a combination of
17 entities that includes at least one school district or educational
18 service unit. For grantees that consist of a combination of entities, a
19 participating school district or educational service unit shall be
20 designated to act as the fiscal agent and administer the program funded
21 by the grant. The state board shall only award grants pursuant to
22 applications that the state board deems to be sufficiently innovative and
23 to have a high chance of success.

24 (2) An application for a grant pursuant to subsection (1) of this
25 section shall describe:

26 (a) Specific measurable objectives for improving education outcomes
27 for early childhood students, elementary students, middle school
28 students, or high school students or for improving the transitions
29 between any successive stages of education or between education and the
30 workforce;

31 (b) The method for annually evaluating progress toward a measurable

1 objective, with a summative evaluation of progress submitted to the state
2 board and electronically to the Education Committee of the Legislature on
3 or before July 1, 2019;

4 (c) The potential for the project to be both scalable and
5 replicable; and

6 (d) Any cost savings that could be achieved by reductions in other
7 programs if the funded program is successful.

8 (3) Based on evaluations received on or before July 1, 2019, for
9 each grant, the State Board of Education shall recommend the grant
10 project as:

11 (a) Representing a best practice;

12 (b) A model for a state-supported program; or

13 (c) A local issue for further study.

14 (4) For grant projects that are recommended as best practices, the
15 State Board of Education may establish criteria allowing such best
16 practices to be included in the best practices allowance to school
17 districts pursuant to section 11 of this act beginning with aid
18 calculated for school fiscal year 2021-22. The criteria shall:

19 (a) Specify qualifications for a school district to participate in
20 the best practices allowance for each best practice to be included in the
21 allowance;

22 (b) Specify a best practices dollar amount based on eighty-five
23 percent of the estimated costs related to each best practice included in
24 the allowance that would not otherwise be incurred without the best
25 practice, that do not replace other such costs, and that are not included
26 in another allowance;

27 (c) Specify an accountability process which will result in a future
28 aid correction if a school district is found to be in violation of any of
29 the qualifications; and

30 (d) Specify any other criteria deemed relevant by the state board.

31 (5) On or before November 1, 2020, and on or before November 1 of

1 each year thereafter, the department shall certify to each qualifying
2 school district the amount of the best practices cost pursuant to this
3 section for such school district and the total best practices cost for
4 all qualifying school districts to be included in the calculation of
5 state aid for the next school fiscal year.

6 (6) On or before December 1, 2017, and on or before December 1 of
7 each year thereafter, the state board shall electronically submit a
8 report to the Clerk of the Legislature on all such grants, including, but
9 not limited to, the results of the evaluations for each grant and on the
10 best practices allowance if the allowance has been implemented. The state
11 board may adopt and promulgate rules and regulations to carry out this
12 section, including, but not limited to, application procedures, selection
13 procedures, and annual evaluation reporting procedures.

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

22 Sec. 3. Section 79-8,134, Reissue Revised Statutes of Nebraska, is
23 amended to read:

24 79-8,134 The purposes of the Attracting Excellence to Teaching
25 Program are to:

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

29 (2) Retain resident students and graduates as teachers in the
30 accredited school districts, educational service units, and private
31 schools or approved public and private schools of Nebraska; and

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

3 Sec. 4. Section 79-8,137, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to
6 the Attracting Excellence to Teaching Program, an eligible student shall
7 enter into a contract with the department. ~~Such contract shall provide~~
8 ~~notice to the eligible student that funding for loans pursuant to the~~
9 ~~Attracting Excellence to Teaching Program terminates on June 30, 2016.~~
10 Such contract shall be exempt from the requirements of sections 73-501 to
11 73-510.

12 (b) For eligible students who applied for the first time prior to
13 April 23, 2009, the contract shall require that if (i) the borrower is
14 not employed as a teacher in Nebraska for a time period equal to the
15 number of years required for loan forgiveness pursuant to subsection (2)
16 of this section and is not enrolled as a full-time student in a graduate
17 program within six months after obtaining an undergraduate degree for
18 which a loan from the program was obtained or (ii) the borrower does not
19 complete the requirements for graduation within five consecutive years
20 after receiving the initial loan under the program, then the loan must be
21 repaid, with interest at the rate fixed pursuant to section 45-103
22 accruing as of the date the borrower signed the contract, and an
23 appropriate penalty as determined by the department may be assessed. If a
24 borrower fails to remain enrolled at an eligible institution or otherwise
25 fails to meet the requirements of an eligible student, repayment of the
26 loan shall commence within six months after such change in eligibility.
27 The State Board of Education may by rules and regulations provide for
28 exceptions to the conditions of repayment pursuant to this subdivision
29 based upon mitigating circumstances.

30 (c) For eligible students who apply for the first time on or after
31 April 23, 2009, the contract shall require that if (i) the borrower is

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

19 (2) If the borrower applied for the first time prior to April 23,
20 2009, and (a) successfully completes the teacher education program and
21 becomes certified pursuant to sections 79-806 to 79-815, (b) becomes
22 employed as a teacher in this state within six months of becoming
23 certified, and (c) otherwise meets the requirements of the contract,
24 payments shall be suspended for the number of years that the borrower is
25 required to remain employed as a teacher in this state under the
26 contract. For each year that the borrower teaches in Nebraska pursuant to
27 the contract, payments shall be forgiven in an amount equal to the amount
28 borrowed for one year, except that if the borrower teaches in a school
29 district that is in a local system classified as very sparse as defined
30 in section 79-1003 or teaches in a school district in which at least
31 forty percent of the students are poverty students as defined in section

1 79-1003, payments shall be forgiven each year in an amount equal to the
2 amount borrowed for two years.

3 (3)(a) If the borrower applies for the first time on or after April
4 23, 2009, and (i a) successfully completes the teacher education program
5 and major for which the borrower is receiving a forgivable loan pursuant
6 to the program and becomes certified pursuant to sections 79-806 to
7 79-815 with an endorsement in the shortage area for which the loan was
8 received, (ii b) becomes employed as a full-time teacher teaching at
9 least a portion of the time in the shortage area for which the loan was
10 received in an approved or accredited school in this state within six
11 months of becoming certified, and (iii e) otherwise meets the
12 requirements of the contract, payments shall be suspended for the number
13 of years that the borrower is required to remain employed as a teacher in
14 this state under the contract.

15 (b) Beginning after the first two years of teaching full-time in
16 Nebraska following graduation for the degree for which the loan was
17 received, for each year that the borrower teaches full-time in Nebraska
18 pursuant to the contract, the loan shall be forgiven in an amount equal
19 to three thousand dollars, except that if the borrower teaches full-time
20 in a school district that is in a local system classified as very sparse
21 as defined in section 79-1003, teaches in a school building in which at
22 least forty percent of the formula students are poverty students as
23 defined in section 79-1003, or teaches in an accredited or approved
24 private school in Nebraska in which at least forty percent of the
25 enrolled students qualified for free lunches as determined by the most
26 recent data available from the department, payments shall be forgiven
27 each year in an amount equal to six thousand dollars.

28 Sec. 5. Section 79-8,137.01, Reissue Revised Statutes of Nebraska,
29 is amended to read:

30 79-8,137.01 The Enhancing Excellence in Teaching Program is created.
31 For purposes of the Enhancing Excellence in Teaching Program:

1 (1) Department means the State Department of Education;

2 (2) Eligible graduate program means a program of study offered by an
3 eligible institution which results in obtaining a graduate degree;

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

11 (4) Eligible student means an individual who (a) is a certificated
12 teacher employed to teach in an approved or accredited school in
13 Nebraska, (b) is enrolled in an eligible graduate program, including a
14 course of study leading to an endorsement in a shortage area specified by
15 the State Board of Education, (c) if enrolled at a state-funded eligible
16 institution, is a resident student as described in section 85-502 or, if
17 enrolled in a privately funded eligible institution, would be deemed a
18 resident student if enrolled in a state-funded eligible institution, (d)
19 is majoring in a shortage area, curriculum and instruction, a subject
20 area in which the individual already holds a secular teaching
21 endorsement, or a subject area that will result in an additional secular
22 teaching endorsement which the superintendent of the school district or
23 head administrator of the private, denominational, or parochial school
24 employing the individual believes will be beneficial to the students of
25 such school district or school as evidenced by a statement signed by the
26 superintendent or head administrator, and (e) is applying for a loan
27 pursuant to the Enhancing Excellence in Teaching Program to be received
28 at a time other than during fiscal year 2011-12 or 2012-13;

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

1 (6) Shortage area means a secular field of teaching or endorsement
2 area for which there is a shortage, as determined by the department, of
3 properly endorsed teachers at the time the borrower first receives funds
4 pursuant to the Enhancing Excellence in Teaching Program.

5 Sec. 6. Section 79-8,137.02, Reissue Revised Statutes of Nebraska,
6 is amended to read:

7 79-8,137.02 The purposes of the Enhancing Excellence in Teaching
8 Program are to:

9 (1) Retain teachers in the accredited school districts, educational
10 service units, and private schools or approved ~~public and~~ private schools
11 of Nebraska;

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

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

18 Sec. 7. Section 79-8,137.03, Reissue Revised Statutes of Nebraska,
19 is amended to read:

20 79-8,137.03 (1) The department shall administer the Enhancing
21 Excellence in Teaching Program either directly or by contracting with
22 public or private entities.

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

24 (a) Agree to complete an eligible graduate or endorsement program at
25 an eligible institution and to complete the program ~~major~~ on which the
26 applicant's eligibility is based as determined by the department; and

27 (b) Commit to teach in an accredited or approved public or private
28 school in Nebraska upon successful completion of the eligible graduate or
29 endorsement program for which the applicant is applying to the Enhancing
30 Excellence in Teaching Program and to maintaining certification pursuant
31 to sections 79-806 to 79-815.

1 (3) Eligible students may apply on an annual basis for loans in an
2 amount of not more than one hundred seventy-five dollars per credit hour.
3 Loans awarded to individual students shall not exceed a cumulative period
4 exceeding five consecutive years. Loans shall only be awarded through the
5 department. Loans shall be funded pursuant to section 79-8,137.05.

6 Sec. 8. Section 79-8,137.04, Reissue Revised Statutes of Nebraska,
7 is amended to read:

8 79-8,137.04 (1) Prior to receiving any money from a loan pursuant to
9 the Enhancing Excellence in Teaching Program, an eligible student shall
10 enter into a contract with the department. ~~Such contract shall provide~~
11 ~~notice to the eligible student that funding for loans pursuant to the~~
12 ~~Enhancing Excellence in Teaching Program terminates on June 30, 2016.~~
13 Such contract shall be exempt from the requirements of sections 73-501 to
14 73-510. The contract shall require that if (a) the borrower is not
15 employed as a full-time teacher teaching in an approved or accredited
16 school in Nebraska for a time period equal to the number of years
17 required for loan forgiveness pursuant to subsection (2) of this section
18 or (b) the borrower does not complete the requirements for graduation
19 within five consecutive years after receiving the initial loan under the
20 program, then the loan shall be repaid, with interest at the rate fixed
21 pursuant to section 45-103 accruing as of the date the borrower signed
22 the contract and actual collection costs as determined by the department.
23 If a borrower fails to remain enrolled at an eligible institution or
24 otherwise fails to meet the requirements of an eligible student,
25 repayment of the loan shall commence within six months after such change
26 in eligibility. The State Board of Education may by rules and regulations
27 provide for exceptions to the conditions of repayment pursuant to this
28 subsection based upon mitigating circumstances.

29 (2)(a) If the borrower (i a) successfully completes the eligible
30 graduate or endorsement program and major for which the borrower is
31 receiving a forgivable loan pursuant to the Enhancing Excellence in

1 Teaching Program and maintains certification pursuant to sections 79-806
2 to 79-815, (ii b) maintains employment as a teacher in an approved or
3 accredited school in this state, and (iii e) otherwise meets the
4 requirements of the contract, payments shall be suspended for the number
5 of years that the borrower is required to remain employed as a teacher in
6 this state under the contract.

7 (b) For funds received prior to July 1, 2016, beginning Beginning
8 after the first two years of teaching full-time in Nebraska following
9 graduation for the degree for which the loan was received, for each year
10 that the borrower teaches full-time in Nebraska pursuant to the contract,
11 the loan shall be forgiven in an amount equal to three thousand dollars,
12 except that if the borrower teaches full-time in a school district that
13 is in a local system classified as very sparse as defined in section
14 79-1003, teaches in a school building in which at least forty percent of
15 the students are poverty students as defined in section 79-1003, or
16 teaches in an accredited or approved private school in Nebraska in which
17 at least forty percent of the enrolled students qualified for free
18 lunches as determined by the most recent data available from the
19 department, payments shall be forgiven each year in an amount equal to
20 six thousand dollars.

21 (c) For funds received on or after July 1, 2016, beginning after the
22 first two years of teaching full-time in Nebraska following graduation
23 for the degree for which the loan was received, for each year that the
24 borrower teaches full-time in Nebraska pursuant to the contract, the loan
25 shall be forgiven in an amount equal to one thousand five hundred
26 dollars, except that if the borrower teaches full-time in a school
27 district that is in a local system classified as very sparse as defined
28 in section 79-1003, teaches in a school building in which at least forty
29 percent of the formula students are poverty students as defined in
30 section 79-1003, or teaches in an accredited private school or
31 educational service unit or an approved private school in Nebraska in

1 which at least forty percent of the enrolled students qualified for free
2 lunches as determined by the most recent data available from the
3 department, payments shall be forgiven each year in an amount equal to
4 one thousand five hundred dollars for the first year of loan forgiveness
5 and three thousand dollars for each year of loan forgiveness thereafter.

6 Sec. 9. Section 79-8,137.05, Reissue Revised Statutes of Nebraska,
7 is amended to read:

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

14 (2) For all fiscal years ~~except fiscal years 2011-12 and 2012-13,~~
15 the department shall allocate on an annual basis up to four hundred
16 thousand dollars in the aggregate of the funds to be distributed for the
17 Attracting Excellence to Teaching Program to all eligible institutions
18 according to the distribution formula as determined by rule and
19 regulation. The eligible institutions shall act as agents of the
20 department in the distribution of the funds for the Attracting Excellence
21 to Teaching Program to eligible students. The department shall allocate
22 on an annual basis up to eight hundred thousand dollars of the remaining
23 available funds to shall be distributed by the department to eligible
24 students for the Enhancing Excellence in Teaching Program. Funding
25 amounts granted in excess of one million two hundred thousand dollars
26 shall be evenly divided for distribution between the two programs.

27 ~~(3) For fiscal years 2011-12 and 2012-13, the department shall~~
28 ~~allocate on an annual basis funds to be distributed for the Attracting~~
29 ~~Excellence to Teaching Program to all eligible institutions receiving~~
30 ~~applications from eligible students for loans to be received during such~~
31 ~~fiscal years. The distribution for each of fiscal years 2011-12 and~~

1 ~~2012-13 shall be proportional based on the amounts applied for by~~
2 ~~eligible students at each institution, except that no more than one~~
3 ~~hundred percent of such amounts shall be distributed. The eligible~~
4 ~~institutions shall act as agents of the department in the distribution of~~
5 ~~the funds for the Attracting Excellence to Teaching Program to eligible~~
6 ~~students.~~

7 (3 4) Any money remaining in the fund on August 1, ~~2021~~ 2016, shall
8 be transferred to the Nebraska Education Improvement Fund on such date.

9 (4 5) Any money in the Excellence in Teaching Cash Fund available
10 for investment shall be invested by the state investment officer pursuant
11 to the Nebraska Capital Expansion Act and the Nebraska State Funds
12 Investment Act.

13 Sec. 10. Section 79-1001, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 79-1001 Sections 79-1001 to 79-1033 and section 11 of this act shall
16 be known and may be cited as the Tax Equity and Educational Opportunities
17 Support Act.

18 Sec. 11. Beginning with aid calculated for school fiscal year
19 2021-22, for any school fiscal year for which the best practices
20 allowance has been implemented by the State Board of Education, the State
21 Department of Education shall calculate a best practices allowance for
22 each school district qualifying pursuant to section 2 of this act equal
23 to the lesser of (1) the best practices cost certified pursuant to
24 section 2 of this act for such school district or (2) the product of the
25 best practices cost certified pursuant to section 2 of this act for such
26 school district multiplied by the ratio of one million dollars divided by
27 the aggregate total of the best practices cost certified for all
28 qualifying school districts for such school fiscal year. Fifty percent of
29 the best practices allowance calculated pursuant to this section for each
30 qualifying school district shall be paid to such school district as best
31 practices aid for the school fiscal year for which aid is being

1 calculated.

2 Sec. 12. Section 79-1003, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-1003 For purposes of the Tax Equity and Educational Opportunities
5 Support Act:

6 (1) Adjusted general fund operating expenditures means (a) for
7 school fiscal years 2013-14 through 2015-16, the difference of the
8 general fund operating expenditures as calculated pursuant to subdivision
9 (22) of this section increased by the cost growth factor calculated
10 pursuant to section 79-1007.10, minus the transportation allowance,
11 special receipts allowance, poverty allowance, limited English
12 proficiency allowance, distance education and telecommunications
13 allowance, elementary site allowance, summer school allowance,
14 instructional time allowance, teacher education allowance, and focus
15 school and program allowance, and (b) for school fiscal year 2016-17 and
16 each school fiscal year thereafter, the difference of the general fund
17 operating expenditures as calculated pursuant to subdivision (22) of this
18 section increased by the cost growth factor calculated pursuant to
19 section 79-1007.10, minus the transportation allowance, special receipts
20 allowance, poverty allowance, limited English proficiency allowance,
21 distance education and telecommunications allowance, elementary site
22 allowance, summer school allowance, best practices allowance, and focus
23 school and program allowance;

24 (2) Adjusted valuation means the assessed valuation of taxable
25 property of each local system in the state, adjusted pursuant to the
26 adjustment factors described in section 79-1016. Adjusted valuation means
27 the adjusted valuation for the property tax year ending during the school
28 fiscal year immediately preceding the school fiscal year in which the aid
29 based upon that value is to be paid. For purposes of determining the
30 local effort rate yield pursuant to section 79-1015.01, adjusted
31 valuation does not include the value of any property which a court, by a

1 final judgment from which no appeal is taken, has declared to be
2 nontaxable or exempt from taxation;

3 (3) Allocated income tax funds means the amount of assistance paid
4 to a local system pursuant to section 79-1005.01 as adjusted by the
5 minimum levy adjustment pursuant to section 79-1008.02;

6 (4) Average daily membership means the average daily membership for
7 grades kindergarten through twelve attributable to the local system, as
8 provided in each district's annual statistical summary, and includes the
9 proportionate share of students enrolled in a public school instructional
10 program on less than a full-time basis;

11 (5) Base fiscal year means the first school fiscal year following
12 the school fiscal year in which the reorganization or unification
13 occurred;

14 (6) Board means the school board of each school district;

15 (7) Categorical funds means funds limited to a specific purpose by
16 federal or state law, including, but not limited to, Title I funds, Title
17 VI funds, federal vocational education funds, federal school lunch funds,
18 Indian education funds, Head Start funds, and funds from the Education
19 Innovation Fund. Categorical funds does not include funds received
20 pursuant to section 79-1028.02 or 79-1028.04;

21 (8) Consolidate means to voluntarily reduce the number of school
22 districts providing education to a grade group and does not include
23 dissolution pursuant to section 79-498;

24 (9) Converted contract means an expired contract that was in effect
25 for at least fifteen school years beginning prior to school year 2012-13
26 for the education of students in a nonresident district in exchange for
27 tuition from the resident district when the expiration of such contract
28 results in the nonresident district educating students, who would have
29 been covered by the contract if the contract were still in effect, as
30 option students pursuant to the enrollment option program established in
31 section 79-234;

1 (10) Converted contract option student means a student who will be
2 an option student pursuant to the enrollment option program established
3 in section 79-234 for the school fiscal year for which aid is being
4 calculated and who would have been covered by a converted contract if the
5 contract were still in effect and such school fiscal year is the first
6 school fiscal year for which such contract is not in effect;

7 (11) Department means the State Department of Education;

8 (12) District means any Class I, II, III, IV, V, or VI school
9 district and, beginning with the calculation of state aid for school
10 fiscal year 2011-12 and each school fiscal year thereafter, a unified
11 system as defined in section 79-4,108;

12 (13) Ensuing school fiscal year means the school fiscal year
13 following the current school fiscal year;

14 (14) Equalization aid means the amount of assistance calculated to
15 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
16 79-1007.25, 79-1008.01 to 79-1022, 79-1022.02, 79-1028.02, and
17 79-1028.04;

18 (15) Fall membership means the total membership in kindergarten
19 through grade twelve attributable to the local system as reported on the
20 fall school district membership reports for each district pursuant to
21 section 79-528;

22 (16) Fiscal year means the state fiscal year which is the period
23 from July 1 to the following June 30;

24 (17) Formula students means:

25 (a) For state aid certified pursuant to section 79-1022, the sum of
26 the product of fall membership from the school fiscal year immediately
27 preceding the school fiscal year in which the aid is to be paid
28 multiplied by the average ratio of average daily membership to fall
29 membership for the second school fiscal year immediately preceding the
30 school fiscal year in which the aid is to be paid and the prior two
31 school fiscal years plus sixty percent of the qualified early childhood

1 education fall membership plus tuitioned students from the school fiscal
2 year immediately preceding the school fiscal year in which aid is to be
3 paid minus the product of the number of students enrolled in kindergarten
4 that is not full-day kindergarten from the fall membership multiplied by
5 0.5; and

6 (b) For the final calculation of state aid pursuant to section
7 79-1065, the sum of average daily membership plus sixty percent of the
8 qualified early childhood education average daily membership plus
9 tuitioned students minus the product of the number of students enrolled
10 in kindergarten that is not full-day kindergarten from the average daily
11 membership multiplied by 0.5 from the school fiscal year immediately
12 preceding the school fiscal year in which aid was paid;

13 (18) Free lunch and free milk student means a student who qualified
14 for free lunches or free milk from the most recent data available on
15 November 1 of the school fiscal year immediately preceding the school
16 fiscal year in which aid is to be paid;

17 (19) Full-day kindergarten means kindergarten offered by a district
18 for at least one thousand thirty-two instructional hours;

19 (20) General fund budget of expenditures means the total budget of
20 disbursements and transfers for general fund purposes as certified in the
21 budget statement adopted pursuant to the Nebraska Budget Act, except that
22 for purposes of the limitation imposed in section 79-1023 and the
23 calculation pursuant to subdivision (2) of section 79-1027.01, the
24 general fund budget of expenditures does not include any special grant
25 funds, exclusive of local matching funds, received by a district;

26 (21) General fund expenditures means all expenditures from the
27 general fund;

28 (22) General fund operating expenditures means for state aid
29 calculated for school fiscal years 2012-13 and each school fiscal year
30 thereafter, as reported on the annual financial report for the second
31 school fiscal year immediately preceding the school fiscal year in which

1 aid is to be paid, the total general fund expenditures minus (a) the
2 amount of all receipts to the general fund, to the extent that such
3 receipts are not included in local system formula resources, from early
4 childhood education tuition, summer school tuition, educational entities
5 as defined in section 79-1201.01 for providing distance education courses
6 through the Educational Service Unit Coordinating Council to such
7 educational entities, private foundations, individuals, associations,
8 charitable organizations, the textbook loan program authorized by section
9 79-734, federal impact aid, and levy override elections pursuant to
10 section 77-3444, (b) the amount of expenditures for categorical funds,
11 tuition paid, transportation fees paid to other districts, adult
12 education, community services, redemption of the principal portion of
13 general fund debt service, retirement incentive plans authorized by
14 section 79-855, and staff development assistance authorized by section
15 79-856, (c) the amount of any transfers from the general fund to any bond
16 fund and transfers from other funds into the general fund, (d) any legal
17 expenses in excess of fifteen-hundredths of one percent of the formula
18 need for the school fiscal year in which the expenses occurred, (e)
19 expenditures to pay for sums agreed to be paid by a school district to
20 certificated employees in exchange for a voluntary termination occurring
21 prior to July 1, 2009, occurring on or after the last day of the 2010-11
22 school year and prior to the first day of the 2013-14 school year, or, to
23 the extent that a district has demonstrated to the State Board of
24 Education pursuant to section 79-1028.01 that the agreement will result
25 in a net savings in salary and benefit costs to the school district over
26 a five-year period, occurring on or after the first day of the 2013-14
27 school year, (f)(i) expenditures to pay for employer contributions
28 pursuant to subsection (2) of section 79-958 to the School Employees
29 Retirement System of the State of Nebraska to the extent that such
30 expenditures exceed the employer contributions under such subsection that
31 would have been made at a contribution rate of seven and thirty-five

1 hundredths percent or (ii) expenditures to pay for school district
2 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
3 the retirement system established pursuant to the Class V School
4 Employees Retirement Act to the extent that such expenditures exceed the
5 school district contributions under such subdivision that would have been
6 made at a contribution rate of seven and thirty-seven hundredths percent,
7 and (g) any amounts paid by the district for lobbyist fees and expenses
8 reported to the Clerk of the Legislature pursuant to section 49-1483.

9 For purposes of this subdivision (22) of this section, receipts from
10 levy override elections shall equal ninety-nine percent of the difference
11 of the total general fund levy minus a levy of one dollar and five cents
12 per one hundred dollars of taxable valuation multiplied by the assessed
13 valuation for school districts that have voted pursuant to section
14 77-3444 to override the maximum levy provided pursuant to section
15 77-3442;

16 (23) High school district means a school district providing
17 instruction in at least grades nine through twelve;

18 (24) Income tax liability means the amount of the reported income
19 tax liability for resident individuals pursuant to the Nebraska Revenue
20 Act of 1967 less all nonrefundable credits earned and refunds made;

21 (25) Income tax receipts means the amount of income tax collected
22 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
23 credits earned and refunds made;

24 (26) Limited English proficiency students means the number of
25 students with limited English proficiency in a district from the most
26 recent data available on November 1 of the school fiscal year preceding
27 the school fiscal year in which aid is to be paid plus the difference of
28 such students with limited English proficiency minus the average number
29 of limited English proficiency students for such district, prior to such
30 addition, for the three immediately preceding school fiscal years if such
31 difference is greater than zero;

1 (27) Local system means a learning community for purposes of
2 calculation of state aid for the second full school fiscal year after
3 becoming a learning community and each school fiscal year thereafter, a
4 unified system, a Class VI district and the associated Class I districts,
5 or a Class II, III, IV, or V district and any affiliated Class I
6 districts or portions of Class I districts. The membership, expenditures,
7 and resources of Class I districts that are affiliated with multiple high
8 school districts will be attributed to local systems based on the percent
9 of the Class I valuation that is affiliated with each high school
10 district;

11 (28) Low-income child means a child under nineteen years of age
12 living in a household having an annual adjusted gross income for the
13 second calendar year preceding the beginning of the school fiscal year
14 for which aid is being calculated equal to or less than the maximum
15 household income that would allow a student from a family of four people
16 to be a free lunch and free milk student during the school fiscal year
17 immediately preceding the school fiscal year for which aid is being
18 calculated;

19 (29) Low-income students means the number of low-income children
20 within the district multiplied by the ratio of the formula students in
21 the district divided by the total children under nineteen years of age
22 residing in the district as derived from income tax information;

23 (30) Most recently available complete data year means the most
24 recent single school fiscal year for which the annual financial report,
25 fall school district membership report, annual statistical summary,
26 Nebraska income tax liability by school district for the calendar year in
27 which the majority of the school fiscal year falls, and adjusted
28 valuation data are available;

29 (31) Poverty students means the number of low-income students or the
30 number of students who are free lunch and free milk students in a
31 district plus the difference of the number of low-income students or the

1 number of students who are free lunch and free milk students in a
2 district, whichever is greater, minus the average number of poverty
3 students for such district, prior to such addition, for the three
4 immediately preceding school fiscal years if such difference is greater
5 than zero;

6 (32) Qualified early childhood education average daily membership
7 means the product of the average daily membership for school fiscal year
8 2006-07 and each school fiscal year thereafter of students who will be
9 eligible to attend kindergarten the following school year and are
10 enrolled in an early childhood education program approved by the
11 department pursuant to section 79-1103 for such school district for such
12 school year multiplied by the ratio of the actual instructional hours of
13 the program divided by one thousand thirty-two if: (a) The program is
14 receiving a grant pursuant to such section for the third year; (b) the
15 program has already received grants pursuant to such section for three
16 years; or (c) the program has been approved pursuant to subsection (5) of
17 section 79-1103 for such school year and the two preceding school years,
18 including any such students in portions of any of such programs receiving
19 an expansion grant;

20 (33) Qualified early childhood education fall membership means the
21 product of membership on the last Friday in September 2006 and each year
22 thereafter of students who will be eligible to attend kindergarten the
23 following school year and are enrolled in an early childhood education
24 program approved by the department pursuant to section 79-1103 for such
25 school district for such school year multiplied by the ratio of the
26 planned instructional hours of the program divided by one thousand
27 thirty-two if: (a) The program is receiving a grant pursuant to such
28 section for the third year; (b) the program has already received grants
29 pursuant to such section for three years; or (c) the program has been
30 approved pursuant to subsection (5) of section 79-1103 for such school
31 year and the two preceding school years, including any such students in

1 portions of any of such programs receiving an expansion grant;

2 (34) Regular route transportation means the transportation of
3 students on regularly scheduled daily routes to and from the attendance
4 center;

5 (35) Reorganized district means any district involved in a
6 consolidation and currently educating students following consolidation;

7 (36) School year or school fiscal year means the fiscal year of a
8 school district as defined in section 79-1091;

9 (37) Sparse local system means a local system that is not a very
10 sparse local system but which meets the following criteria:

11 (a)(i) Less than two students per square mile in the county in which
12 each high school is located, based on the school district census, (ii)
13 less than one formula student per square mile in the local system, and
14 (iii) more than ten miles between each high school attendance center and
15 the next closest high school attendance center on paved roads;

16 (b)(i) Less than one and one-half formula students per square mile
17 in the local system and (ii) more than fifteen miles between each high
18 school attendance center and the next closest high school attendance
19 center on paved roads;

20 (c)(i) Less than one and one-half formula students per square mile
21 in the local system and (ii) more than two hundred seventy-five square
22 miles in the local system; or

23 (d)(i) Less than two formula students per square mile in the local
24 system and (ii) the local system includes an area equal to ninety-five
25 percent or more of the square miles in the largest county in which a high
26 school attendance center is located in the local system;

27 (38) Special education means specially designed kindergarten through
28 grade twelve instruction pursuant to section 79-1125, and includes
29 special education transportation;

30 (39) Special grant funds means the budgeted receipts for grants,
31 including, but not limited to, categorical funds, reimbursements for

1 wards of the court, short-term borrowings including, but not limited to,
2 registered warrants and tax anticipation notes, interfund loans,
3 insurance settlements, and reimbursements to county government for
4 previous overpayment. The state board shall approve a listing of grants
5 that qualify as special grant funds;

6 (40) State aid means the amount of assistance paid to a district
7 pursuant to the Tax Equity and Educational Opportunities Support Act;

8 (41) State board means the State Board of Education;

9 (42) State support means all funds provided to districts by the
10 State of Nebraska for the general fund support of elementary and
11 secondary education;

12 (43) Statewide average basic funding per formula student means the
13 statewide total basic funding for all districts divided by the statewide
14 total formula students for all districts;

15 (44) Statewide average general fund operating expenditures per
16 formula student means the statewide total general fund operating
17 expenditures for all districts divided by the statewide total formula
18 students for all districts;

19 (45) Teacher has the definition found in section 79-101;

20 (46) Temporary aid adjustment factor means (a) for school fiscal
21 years before school fiscal year 2007-08, one and one-fourth percent of
22 the sum of the local system's transportation allowance, the local
23 system's special receipts allowance, and the product of the local
24 system's adjusted formula students multiplied by the average formula cost
25 per student in the local system's cost grouping and (b) for school fiscal
26 year 2007-08, one and one-fourth percent of the sum of the local system's
27 transportation allowance, special receipts allowance, and distance
28 education and telecommunications allowance and the product of the local
29 system's adjusted formula students multiplied by the average formula cost
30 per student in the local system's cost grouping;

31 (47) Tuition receipts from converted contracts means tuition

1 receipts received by a district from another district in the most
2 recently available complete data year pursuant to a converted contract
3 prior to the expiration of the contract;

4 (48) Tuitioned students means students in kindergarten through grade
5 twelve of the district whose tuition is paid by the district to some
6 other district or education agency; and

7 (49) Very sparse local system means a local system that has:

8 (a)(i) Less than one-half student per square mile in each county in
9 which each high school attendance center is located based on the school
10 district census, (ii) less than one formula student per square mile in
11 the local system, and (iii) more than fifteen miles between the high
12 school attendance center and the next closest high school attendance
13 center on paved roads; or

14 (b)(i) More than four hundred fifty square miles in the local
15 system, (ii) less than one-half student per square mile in the local
16 system, and (iii) more than fifteen miles between each high school
17 attendance center and the next closest high school attendance center on
18 paved roads.

19 Sec. 13. Section 79-1007.11, Reissue Revised Statutes of Nebraska,
20 is amended to read:

21 79-1007.11 (1) Except as otherwise provided in this section, for
22 school fiscal years 2013-14 through 2015-16, each school district's
23 formula need shall equal the difference of the sum of the school
24 district's basic funding, poverty allowance, limited English proficiency
25 allowance, focus school and program allowance, summer school allowance,
26 special receipts allowance, transportation allowance, elementary site
27 allowance, instructional time allowance, teacher education allowance,
28 distance education and telecommunications allowance, averaging
29 adjustment, new learning community transportation adjustment, student
30 growth adjustment, any positive student growth adjustment correction, and
31 new school adjustment, minus the sum of the limited English proficiency

1 allowance correction, poverty allowance correction, and any negative
2 student growth adjustment correction.

3 (2) Except as otherwise provided in this section, for school fiscal
4 year 2016-17 and each school fiscal year thereafter, each school
5 district's formula need shall equal the difference of the sum of the
6 school district's basic funding, poverty allowance, limited English
7 proficiency allowance, focus school and program allowance, summer school
8 allowance, special receipts allowance, transportation allowance,
9 elementary site allowance, best practices allowance, distance education
10 and telecommunications allowance, averaging adjustment, new learning
11 community transportation adjustment, student growth adjustment, any
12 positive student growth adjustment correction, and new school adjustment,
13 minus the sum of the limited English proficiency allowance correction,
14 poverty allowance correction, and any negative student growth adjustment
15 correction.

16 (3) If the formula need calculated for a school district pursuant to
17 subsections (1) and (2) of this section is less than one hundred percent
18 of the formula need for such district for the school fiscal year
19 immediately preceding the school fiscal year for which aid is being
20 calculated, the formula need for such district shall equal one hundred
21 percent of the formula need for such district for the school fiscal year
22 immediately preceding the school fiscal year for which aid is being
23 calculated.

24 (4) Except as provided in subsection (6) of this section, if the
25 formula need calculated for a school district pursuant to subsections (1)
26 and (2) of this section is more than one hundred twelve percent of the
27 formula need for such district for the school fiscal year immediately
28 preceding the school fiscal year for which aid is being calculated, the
29 formula need for such district shall equal one hundred twelve percent of
30 the formula need for such district for the school fiscal year immediately
31 preceding the school fiscal year for which aid is being calculated,

1 except that the formula need shall not be reduced pursuant to this
2 subsection for any district receiving a student growth adjustment for the
3 school fiscal year for which aid is being calculated.

4 (5) For purposes of subsections (3) and (4) of this section, the
5 formula need for the school fiscal year immediately preceding the school
6 fiscal year for which aid is being calculated shall be the formula need
7 used in the final calculation of aid pursuant to section 79-1065 and for
8 districts that were affected by a reorganization with an effective date
9 in the calendar year preceding the calendar year in which aid is
10 certified for the school fiscal year for which aid is being calculated,
11 the formula need for the school fiscal year immediately preceding the
12 school fiscal year for which aid is being calculated shall be attributed
13 to the affected school districts based on information provided to the
14 department by the school districts or proportionally based on the
15 adjusted valuation transferred if sufficient information has not been
16 provided to the department.

17 (6) For state aid calculated for the first full school fiscal year
18 of a new learning community, if the formula need calculated for a member
19 school district pursuant to subsections (1) through (3) of this section
20 is less than the sum of the school district's state aid certified for the
21 school fiscal year immediately preceding the first full school fiscal
22 year of the learning community plus the school district's other actual
23 receipts included in local system formula resources pursuant to section
24 79-1018.01 for such school fiscal year plus the product of the school
25 district's general fund levy for such school fiscal year up to one dollar
26 and five cents multiplied by the school district's assessed valuation for
27 such school fiscal year, the formula need for such school district for
28 the school fiscal year for which aid is being calculated shall equal such
29 sum.

30 Sec. 14. Section 79-1017.01, Reissue Revised Statutes of Nebraska,
31 is amended to read:

1 79-1017.01 ~~(1) For state aid calculated for school fiscal year~~
2 ~~2013-14, local system formula resources includes retirement aid~~
3 ~~determined under section 79-1028.03, teacher education aid determined for~~
4 ~~each district pursuant to subdivision (2) of section 79-1007.25,~~
5 ~~instructional time aid determined pursuant to subsection (2) of section~~
6 ~~79-1007.23, allocated income tax funds determined for each district~~
7 ~~pursuant to section 79-1005.01, and adjustments pursuant to section~~
8 ~~79-1008.02 and is reduced by amounts paid by the district in the most~~
9 ~~recently available complete data year as property tax refunds pursuant to~~
10 ~~or in the manner prescribed by section 77-1736.06.~~

11 (1 2) For state aid calculated for school fiscal years 2014-15 and
12 2015-16, local system formula resources includes teacher education aid
13 determined for each district pursuant to section 79-1007.25,
14 instructional time aid determined pursuant to subsection (2) of section
15 79-1007.23, allocated income tax funds determined for each district
16 pursuant to section 79-1005.01, and adjustments pursuant to section
17 79-1008.02 and is reduced by amounts paid by the district in the most
18 recently available complete data year as property tax refunds pursuant to
19 or in the manner prescribed by section 77-1736.06.

20 (2 3) For state aid calculated for school fiscal year 2016-17 and
21 each school fiscal year thereafter, local system formula resources
22 includes best practices aid pursuant to section 11 of this act, if any
23 districts in the local system qualify, allocated income tax funds
24 determined for each district pursuant to section 79-1005.01, and
25 adjustments pursuant to section 79-1008.02 and is reduced by amounts paid
26 by the district in the most recently available complete data year as
27 property tax refunds pursuant to or in the manner prescribed by section
28 77-1736.06.

29 Sec. 15. Sections 15 to 24 of this act shall be known and may be
30 cited as the Expanded Learning Opportunity Grant Program Act.

31 Sec. 16. The purpose of the Expanded Learning Opportunity Grant

1 Program Act is to promote academic achievement outside of school hours in
2 high-need school districts.

3 Sec. 17. For purposes of the Expanded Learning Opportunity Grant
4 Program Act:

5 (1) Community learning center has the definition found in 20 U.S.C.
6 7171(b)(1), as such section existed on January 1, 2015;

7 (2) Department means the State Department of Education;

8 (3) Expanded learning opportunity program means a school-community
9 partnership that provides participating elementary-age and secondary-age
10 students and their families with programming and other support activities
11 and services after school and on weekends, holidays, and other hours when
12 school is not in session through a mix of programs and services that (a)
13 complement but do not duplicate elementary and secondary school day
14 learning and (b) create opportunities to strengthen school-community
15 partnerships that provide students and their families with the support
16 they need to be successful in school; and

17 (4) High-need school district means a school district in which forty
18 percent or more of the enrolled students qualify for free and reduced
19 price meals under the National School Lunch Program, 7 C.F.R. part 210,
20 as such regulations existed on January 1, 2015.

21 Sec. 18. The department shall establish and administer the Expanded
22 Learning Opportunity Grant Program. The grant program shall provide
23 grants to community-based organizations working in partnership with
24 schools in high-need school districts to provide expanded learning
25 opportunity programs.

26 Sec. 19. The first priority of the Expanded Learning Opportunity
27 Grant Program is to continue existing 21st Century Community Learning
28 Centers funded by the federal 21st Century Community Learning Center
29 program pursuant to 20 U.S.C. 7171 et seq., as such sections existed on
30 January 1, 2015, in high-need school districts that have a record of
31 success. The second priority shall be support for new expanded learning

1 opportunity program development in areas of the state with a high
2 percentage of at-risk children that are not currently served by school-
3 based or school-linked expanded learning opportunity programs funded by
4 the federal 21st Century Community Learning Center program pursuant to 20
5 U.S.C. 7171 et seq., as such sections existed on January 1, 2015.

6 Sec. 20. (1) The department shall establish an application process
7 and timeline pursuant to which partner organizations may submit proposals
8 for a grant under the Expanded Learning Opportunity Grant Program. Each
9 proposal shall include:

10 (a) A grant planning period;

11 (b) An agreement to participate in periodic evaluations of the
12 expanded learning opportunity program, to be specified by the department;

13 (c) Evidence that the proposed expanded learning opportunity program
14 will be coordinated or contracted with existing programs;

15 (d) A plan to coordinate and use a combination of local, state,
16 philanthropic, and federal funding sources, including, but not limited
17 to, funding available through the federal No Child Left Behind Act of
18 2001, 20 U.S.C. 6301 et seq., as such act and sections existed on January
19 1, 2015, funds allocated pursuant to section 9-812, and funds from any
20 other source designated or appropriated for purposes of the program.
21 Funding provided by the Expanded Learning Opportunity Grant Program shall
22 be matched on a one-to-one basis by community or partner contributions;

23 (e) A plan to use sliding-fee scales and the funding sources
24 included in subdivision (d) of this subsection;

25 (f) An advisory body which includes families and community members;

26 (g) Appropriately qualified staff;

27 (h) An appropriate child-to-staff ratio;

28 (i) Compliance with minimum health and safety standards;

29 (j) A strong family development and support component, recognizing
30 the central role of parents in their children's development; and

31 (k) Developmentally and culturally appropriate practices and

1 assessments.

2 (2) The proposal shall demonstrate how the expanded learning
3 opportunity program will provide participating students with academic
4 enrichment and expanded learning opportunities that are high quality,
5 based on proven methods, if appropriate, and designed to complement
6 students' regular academic programs. Such activities shall include two or
7 more of the following:

8 (a) Core education subjects of reading, writing, mathematics, and
9 science;

10 (b) Academic enrichment learning programs, including provision of
11 additional assistance to students to allow the students to improve their
12 academic achievement;

13 (c) Science, technology, engineering, and mathematics (STEM)
14 education;

15 (d) Sign language, foreign language, and social studies instruction;

16 (e) Remedial education activities;

17 (f) Tutoring services, including, but not limited to, tutoring
18 services provided by senior citizen volunteers;

19 (g) Arts and music education;

20 (h) Entrepreneurial education programs;

21 (i) Telecommunications and technology education programs;

22 (j) Programs for English language learners that emphasize language
23 skills and academic achievement;

24 (k) Mentoring programs;

25 (l) Recreational activities;

26 (m) Expanded library service hours;

27 (n) Programs that provide assistance to students who have been
28 truant, suspended, or expelled to allow such students to improve their
29 academic achievement;

30 (o) Drug abuse prevention and violence prevention programs;

31 (p) Character education programs;

- 1 (q) Health and nutritional services;
- 2 (r) Behavioral health counseling services; and
- 3 (s) Programs that promote parental involvement and family literacy.

4 (3) A proposal shall: (a) Demonstrate specifically how its
5 activities are expected to improve student academic achievement; (b)
6 demonstrate that its activities will be provided by organizations in
7 partnership with the school that have experience or the promise of
8 success in providing educational and related activities that will
9 complement and enhance the academic performance, achievement, and
10 positive development of the students; and (c) demonstrate that the
11 expanded learning opportunity program aligns with the school district
12 learning objectives and behavioral codes. Nothing in this subsection
13 shall be construed to require an expanded learning opportunity program to
14 provide academic services in specific subject areas.

15 (4) The department shall make an effort to fund expanded learning
16 opportunity programs in both rural and urban areas of the state. The
17 department shall award grants to proposals that offer a broad array of
18 services, programs, and activities.

19 Sec. 21. A school district participating in an expanded learning
20 opportunity program shall inform an authorized representative or designee
21 of each nonpublic school geographically located within each public school
22 building's attendance area regarding potential participation in an
23 expanded learning opportunity program.

24 Sec. 22. Grantees receiving funds pursuant to the Expanded Learning
25 Opportunity Grant Program shall cooperate with evaluators and supervise
26 the administration and collection of student, teacher, parent, and
27 collaboration surveys. Grantees shall also designate a qualified
28 evaluation professional or local evaluation support to ensure data
29 collection, perform annual self-assessments, monitor program progress,
30 and assist in developing local evaluation reports.

31 Sec. 23. The department shall provide a report evaluating the

1 expanded learning opportunity programs to the Legislature by January 1 of
2 each odd-numbered year. The report submitted to the Legislature shall be
3 submitted electronically.

4 Sec. 24. (1) The Expanded Learning Opportunity Grant Fund is
5 created. The fund shall be administered by the department and shall
6 consist of transfers pursuant to section 9-812, repayments of grant
7 funds, and interest payments received in the course of administering the
8 Expanded Learning Opportunity Grant Program Act. The fund shall be used
9 to carry out the Expanded Learning Opportunity Grant Program Act. Any
10 money in the fund available for investment shall be invested by the state
11 investment officer pursuant to the Nebraska Capital Expansion Act and the
12 Nebraska State Funds Investment Act.

13 (2) The State Board of Education, in consultation with the
14 department, may adopt and promulgate rules and regulations to carry out
15 the Expanded Learning Opportunity Grant Program Act.

16 Sec. 25. Section 79-1337, Reissue Revised Statutes of Nebraska, is
17 amended to read:

18 79-1337 (1) For fiscal years 2007-08 through ~~2020-21~~ 2015-16, the
19 State Department of Education shall provide distance education incentives
20 ~~from the Education Innovation Fund~~ to school districts and educational
21 service units for qualified distance education courses coordinated
22 through the ~~Distance Education Council until July 1, 2008,~~ and the
23 Educational Service Unit Coordinating Council ~~on and after July 1, 2008,~~
24 as provided in this section. Through fiscal year 2015-16, funding for
25 such distance education incentives shall come from the Education
26 Innovation Fund. For fiscal years 2016-17 through 2020-21, funding for
27 such distance education incentives shall come from the Nebraska Education
28 Improvement Fund.

29 (2) School districts and educational service units shall apply for
30 incentives annually through calendar year ~~2020~~ 2015 to the department on
31 or before August 1 on a form specified by the department. The application

1 shall:

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

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

23 (3) On or before September 1 of each year through calendar year 2020
24 ~~2015~~, the department shall certify the incentives for each school
25 district and educational service unit which shall be paid on or before
26 October 1 of such year. The incentives for each district shall be
27 calculated as follows:

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

30 (i) One distance education unit for each qualified distance
31 education course received as reported pursuant to subdivision (2)(a) of

1 this section if the course was a two-way interactive video distance
2 education course;

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

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

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

19 (b) The difference of the amount available for distribution in the
20 Education Innovation Fund on the August 1 when the applications were due
21 minus any amount to be paid to school districts pursuant to section
22 79-1336 shall be divided by the number of distance education units to
23 determine the incentive per distance education unit, except that the
24 incentive per distance education unit shall not equal an amount greater
25 than one thousand dollars; and

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

29 (4) If there are additional funds available for distribution after
30 equipment reimbursements pursuant to section 79-1336 and incentives
31 calculated pursuant to subsections (1) through (3) of this section,

1 school districts and educational service units may qualify for additional
2 incentives for elementary distance education courses. Such incentives
3 shall be calculated for sending and receiving school districts and
4 educational service units as follows:

5 (a) The per-hour incentives shall equal the funds available for
6 distribution after equipment reimbursements pursuant to section 79-1336
7 and incentives calculated pursuant to subsections (1) through (3) of this
8 section divided by the sum of the hours of elementary distance education
9 courses sent or received for each school district and educational service
10 unit submitting an application, except that the per-hour incentives shall
11 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 2020
20 ~~2015~~, a school district or educational service unit may appeal the denial
21 of 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 Education Innovation Fund as
27 soon as practical in an amount for which the district or educational
28 service unit should have qualified based on the incentive per distance
29 education unit used in the original certification of incentives pursuant
30 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. 26. Section 85-1412, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 85-1412 The commission shall have the following additional powers
5 and duties:

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

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

20 (3) Establish any advisory committees as may be necessary to
21 undertake the coordination function of the commission pursuant to section
22 85-1403 or to solicit input from affected parties such as students,
23 faculty, governing boards, administrators of the public institutions,
24 administrators of the private nonprofit institutions of postsecondary
25 education and proprietary institutions in the state, and community and
26 business leaders regarding the coordination function of the commission;

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

31 (5) Seek a close liaison with the State Board of Education and the

1 State Department of Education in recognition of the need for close
2 coordination of activities between elementary and secondary education and
3 postsecondary education;

4 (6) Administer the Integrated Postsecondary Education Data System or
5 other information system or systems to provide the commission with
6 timely, comprehensive, and meaningful information pertinent to the
7 exercise of its duties. The information system shall be designed to
8 provide comparable data on each public institution. The commission shall
9 also administer the uniform information system prescribed in sections
10 85-1421 to 85-1427 known as the Nebraska Educational Data System. Public
11 institutions shall supply the appropriate data for the information system
12 or systems required by the commission;

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

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

29 (9) On or before December 1 of each even-numbered year, submit to
30 the Legislature and the Governor a report of its objectives and
31 activities and any new private colleges in Nebraska and the

1 implementation of any recommendations of the commission for the preceding
2 two calendar years. The report submitted to the Legislature shall be
3 submitted electronically;

4 (10) Provide staff support for interstate compacts on postsecondary
5 education; and

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

8 Sec. 27. Sections 27 to 37 of this act shall be known and may be
9 cited as the Community College Gap Assistance Program Act.

10 Sec. 28. For purposes of the Community College Gap Assistance
11 Program Act:

12 (1) Committee means the Nebraska Community College Student
13 Performance and Occupational Education Grant Committee;

14 (2) Community college gap assistance program means the program
15 created pursuant to section 29 of this act;

16 (3) Eligible program means a program offered by a community college
17 that is not offered for credit but is aligned with training programs with
18 stackable credentials that lead to a program awarding college credit, an
19 associate's degree, a diploma, or a certificate in an in-demand
20 occupation, has a duration of not less than sixteen contact hours in
21 length, and does any of the following:

22 (a) Offers a state, national, or locally recognized certificate;

23 (b) Offers preparation for a professional examination or licensure;

24 (c) Provides endorsement for an existing credential or license;

25 (d) Represents recognized skill standards defined by an industrial
26 sector; or

27 (e) Offers a similar credential or training; and

28 (4) In-demand occupation means:

29 (a) Financial services;

30 (b) Transportation, warehousing, and distribution logistics;

31 (c) Precision metals manufacturing;

- 1 (d) Biosciences;
- 2 (e) Renewable energy;
- 3 (f) Agriculture and food processing;
- 4 (g) Business management and administrative services;
- 5 (h) Software and computer services;
- 6 (i) Research, development, and engineering services;
- 7 (j) Health services;
- 8 (k) Hospitality and tourism; and
- 9 (l) Any other industry designated as an in-demand occupation by the
- 10 committee.

11 Sec. 29. (1) The community college gap assistance program is
12 created. The program shall be under the direction of the committee and
13 shall be administered by the Coordinating Commission for Postsecondary
14 Education. The purpose of the community college gap assistance program is
15 to provide funding to community colleges to award community college gap
16 assistance to students in eligible programs.

17 (2) To be eligible for community college gap assistance under the
18 community college gap assistance program, an applicant:

19 (a) Shall have a family income which is at or below two hundred
20 fifty percent of Office of Management and Budget income poverty
21 guidelines; and

22 (b) Shall be a resident of Nebraska as provided in section 85-502.

23 (3) Eligibility for such tuition assistance shall not be construed
24 to guarantee enrollment in any eligible program.

25 Sec. 30. Application for community college gap assistance under the
26 community college gap assistance program shall be made to the community
27 college in which the applicant is enrolled or intends to enroll. An
28 application shall be valid for six months from the date of signature on
29 the application. The applicant shall provide documentation of all sources
30 of income. An applicant shall not receive community college gap
31 assistance for more than one eligible program.

1 Sec. 31. (1) An applicant for community college gap assistance
2 under the community college gap assistance program shall demonstrate
3 capacity to achieve the following outcomes:

4 (a) The ability to be accepted to and complete an eligible program;

5 (b) The ability to be accepted into and complete a postsecondary
6 certificate, diploma, or degree program for credit;

7 (c) The ability to obtain full-time employment; and

8 (d) The ability to maintain full-time employment over time.

9 (2) The committee may grant community college gap assistance under
10 the community college gap assistance program to an applicant in any
11 amount up to the full amount of eligible costs.

12 (3) The committee shall deny an application when the community
13 college receiving the application determines that funding for an
14 applicant's participation in an eligible program is available from any
15 other public or private funding source.

16 Sec. 32. The eligible costs for which the committee may award
17 community college gap assistance under the community college gap
18 assistance program include, but are not limited to:

19 (1) Tuition;

20 (2) Direct training costs;

21 (3) Required books and equipment; and

22 (4) Fees, including, but not limited to, fees for industry testing
23 services and background check services.

24 Sec. 33. An applicant for community college gap assistance under
25 the community college gap assistance program shall complete an initial
26 assessment administered by the community college receiving the
27 application to determine the applicant's readiness to complete an
28 eligible program. The initial assessment shall include any assessments
29 required by the eligible program.

30 Sec. 34. (1) A recipient of community college gap assistance under
31 the community college gap assistance program shall:

1 (a) Maintain regular contact with faculty of the eligible program to
2 document the applicant's progress in the program;

3 (b) Sign any necessary releases to provide relevant information to
4 community college faculty or case managers, if applicable;

5 (c) Discuss with faculty of the eligible program any issues that may
6 affect the recipient's ability to complete the eligible program and
7 obtain and maintain employment;

8 (d) Attend all required courses regularly; and

9 (e) Meet with faculty of the eligible program to develop a job-
10 search plan.

11 (2) A community college may terminate community college gap
12 assistance under the community college gap assistance program for a
13 recipient who fails to meet the requirements of this section.

14 Sec. 35. (1) The Community College Gap Assistance Program Fund is
15 created. The fund shall be under the direction of the committee and shall
16 be administered by the Coordinating Commission for Postsecondary
17 Education. The fund shall consist of money received pursuant to section
18 9-812, any other money received by the state in the form of grants or
19 gifts from nonfederal sources, such other amounts as may be transferred
20 or otherwise accrue to the fund, and any investment income earned on the
21 fund. The fund shall be used to provide aid or grants to the community
22 colleges pursuant to the Community College Gap Assistance Program Act.
23 Any money in the fund available for investment shall be invested by the
24 state investment officer pursuant to the Nebraska Capital Expansion Act
25 and the Nebraska State Funds Investment Act.

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

29 (3) Money in the fund may also be used by the committee:

30 (a) To establish application and funding procedures; and

31 (b) To assist community colleges in defraying the costs of direct

1 staff support services, including, but not limited to, marketing,
2 outreach, applications, interviews, and assessments as follows: (i) Up to
3 twenty percent of any amount allocated for such purposes to the two
4 smallest community colleges; (ii) up to ten percent of any such amount to
5 the two largest community colleges; and (iii) up to fifteen percent of
6 any such amount to the remaining two community colleges. For purposes of
7 this subsection, community college size shall be determined based on the
8 most recent three-year rolling average full-time equivalent enrollment.

9 Sec. 36. (1) The committee shall develop a common applicant
10 tracking system for the community college gap assistance program that
11 shall be implemented consistently by each participating community
12 college.

13 (2) The committee shall coordinate statewide oversight, evaluation,
14 and reporting efforts for the community college gap assistance program.

15 (3) The committee shall meet at least quarterly to evaluate and
16 monitor the performance of the community college gap assistance program
17 to determine if performance measures are being met and shall take
18 necessary steps to correct any deficiencies. Performance measures
19 include, but are not limited to, eligible program completion rates, job
20 attainment rates, and continuing education rates.

21 Sec. 37. The Coordinating Commission for Postsecondary Education
22 may adopt and promulgate rules and regulations to carry out the Community
23 College Gap Assistance Program Act.

24 Sec. 38. Section 85-1920, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 85-1920 The Nebraska Opportunity Grant Fund is created. Money in the
27 fund shall include amounts transferred from the State Lottery Operation
28 Trust Fund pursuant to section 9-812 until June 30, 2016, or the Nebraska
29 Education Improvement Fund pursuant to section 9-812 until June 30, 2021.

30 All amounts accruing to the Nebraska Opportunity Grant Fund shall be used
31 to carry out the Nebraska Opportunity Grant Act. Any money in the fund

1 available for investment shall be invested by the state investment
2 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
3 State Funds Investment Act.

4 The Nebraska Opportunity Grant Fund terminates on June 30, 2021
5 ~~2016~~. Any money in the fund on such date shall be transferred to the
6 Nebraska Education Improvement Fund on such date.

7 Sec. 39. The Education Committee of the Legislature shall conduct a
8 study of postsecondary education affordability in Nebraska and
9 alternatives for supporting students and families with the cost. The
10 committee shall electronically report its recommendations to the Clerk of
11 the Legislature on or before December 31, 2015.

12 Sec. 40. Original sections 79-8,134, 79-8,137, 79-8,137.01,
13 79-8,137.02, 79-8,137.03, 79-8,137.04, 79-8,137.05, 79-1001, 79-1003,
14 79-1007.11, 79-1017.01, 79-1337, 85-1412, and 85-1920, Reissue Revised
15 Statutes of Nebraska, and section 9-812, Revised Statutes Cumulative
16 Supplement, 2014, are repealed.

17 Sec. 41. The following section is outright repealed: Section
18 79-2306, Reissue Revised Statutes of Nebraska.