

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1168**

Introduced by Kolowski, 31.

Read first time January 23, 2020

Committee:

- 1 A BILL FOR AN ACT relating to education; to amend section 85-2101,
- 2 Reissue Revised Statutes of Nebraska, and section 9-812, Revised
- 3 Statutes Cumulative Supplement, 2018; to change provisions relating
- 4 to the State Lottery Operation Trust Fund; to adopt the College
- 5 Credit Testing Fee Reduction Program Act and the Career-Readiness
- 6 and Dual-Credit Education Grant Program Act; to add a fund to the
- 7 Access College Early Scholarship Program Act; and to repeal the
- 8 original sections.
- 9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,  
2 2018, 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 as provided in this  
31 subsection ~~to the Education Innovation Fund, the Nebraska Opportunity~~

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

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

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

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

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

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

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

3 (4) For fiscal years through fiscal year 2020-21, all of the money  
4 available to be used for education pursuant to subdivision (3)(b) of this  
5 section shall be transferred to the Nebraska Education Improvement Fund.

6 (5) For fiscal years 2021-22 through 2025-26, of the money available  
7 to be used for education pursuant to subdivision (3)(b) of this section:

8 (a) Seven percent of the money shall be used for career-readiness  
9 and dual-credit education and transferred as follows:

10 (i) The first two hundred eighty-two thousand five hundred dollars  
11 each fiscal year to the State Department of Education Cash Fund for the  
12 annual fee for an online education and career planning tool; and

13 (ii) For the remainder:

14 (A) Forty percent to the Access College Early Scholarship Cash Fund;

15 (B) Forty-five percent to the Career-Readiness and Dual-Credit  
16 Education Cash Fund; and

17 (C) Fifteen percent to the College Credit Testing Fee Cash Fund; and

18 (b) Ninety-three percent of the money shall be transferred as the  
19 Legislature may direct.

20 (6) For fiscal year 2026-27 and each fiscal year thereafter, all of  
21 the money available to be used for education pursuant to subdivision (3)  
22 (b) of this section shall be transferred as the Legislature may direct.

23 (7) ~~(4)~~ The Nebraska Education Improvement Fund is created. The fund  
24 shall consist of money transferred pursuant to subsection ~~(4)~~ ~~(3)~~ of this  
25 section, money transferred pursuant to section 85-1920, and any other  
26 funds appropriated by the Legislature. The fund shall be allocated, after  
27 actual and necessary administrative expenses, as provided in this section  
28 for fiscal years 2016-17 through 2020-21. A portion of each allocation  
29 may be retained by the agency to which the allocation is made or the  
30 agency administering the fund to which the allocation is made for actual  
31 and necessary expenses incurred by such agency for administration,

1 evaluation, and technical assistance related to the purposes of the  
2 allocation, except that no amount of the allocation to the Nebraska  
3 Opportunity Grant Fund may be used for such purposes. On or before  
4 December 31, 2019, the Education Committee of the Legislature shall  
5 electronically submit recommendations to the Clerk of the Legislature  
6 regarding how the fund should be allocated to best advance the  
7 educational priorities of the state for the five-year period beginning  
8 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten  
9 percent of the revenue allocated to the Education Innovation Fund and to  
10 the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be  
11 retained in the Nebraska Education Improvement Fund. For fiscal years  
12 2017-18 through 2020-21, an amount equal to ten percent of the revenue  
13 received by the Nebraska Education Improvement Fund in the prior fiscal  
14 year shall be retained in the fund. For fiscal years 2016-17 through  
15 2020-21, the remainder of the fund, after payment of any learning  
16 community transition aid pursuant to section 79-10,145, shall be  
17 allocated as follows:

18 (a) One percent of the allocated funds to the Expanded Learning  
19 Opportunity Grant Fund to carry out the Expanded Learning Opportunity  
20 Grant Program Act;

21 (b) Seventeen percent of the allocated funds to the Department of  
22 Education Innovative Grant Fund to be used (i) for competitive innovation  
23 grants pursuant to section 79-1054 and (ii) to carry out the purposes of  
24 section 79-759;

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

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

30 (e) Sixty-two percent of the allocated funds to the Nebraska  
31 Opportunity Grant Fund to carry out the Nebraska Opportunity Grant Act in

1 conjunction with appropriations from the General Fund; and

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

4 ~~(8) (5)~~ Any money in the State Lottery Operation Trust Fund, the  
5 State Lottery Operation Cash Fund, the State Lottery Prize Trust Fund,  
6 the Nebraska Education Improvement Fund, or the Education Innovation Fund  
7 available for investment shall be invested by the state investment  
8 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
9 State Funds Investment Act.

10 ~~(9) (6)~~ Unclaimed prize money on a winning lottery ticket shall be  
11 retained for a period of time prescribed by rules and regulations. If no  
12 claim is made within such period, the prize money shall be used at the  
13 discretion of the Tax Commissioner for any of the purposes prescribed in  
14 this section.

15 Sec. 2. Sections 2 to 5 of this act shall be known and may be cited  
16 as the College Credit Testing Fee Reduction Program Act.

17 Sec. 3. For purposes of the College Credit Testing Fee Reduction  
18 Program Act:

19 (1) National college credit testing program means a testing program  
20 administered on a national basis to allow students to apply for college  
21 credit at colleges and universities in multiple states based on the  
22 results of such testing;

23 (2) Qualified student means a student who meets the poverty  
24 guidelines established by the State Department of Education and is taking  
25 a test offered by a national college credit testing program related to a  
26 course, offered by such school district, in which such student is or has  
27 been enrolled; and

28 (3) Testing fee reduction means the amount paid by a school district  
29 to reduce the fees charged to a qualified student by a national college  
30 credit testing program less any rebate received by the school district  
31 for such student from the national college credit testing program.

1           Sec. 4. (1) The College Credit Testing Fee Reduction Program is  
2 established and shall be administered by the State Department of  
3 Education.

4           (2) Beginning in school year 2021-22, each school district may  
5 apply, in the manner prescribed by the department, for the reimbursement  
6 of testing fee reductions. Except as provided in subsection (3) of this  
7 section, the department shall reimburse school districts from the College  
8 Credit Testing Fee Cash Fund in the amount of all testing fee reductions  
9 paid by such school district in the period covered by such application.

10           (3) If at any time there is not a sufficient amount of money  
11 available in the College Credit Testing Fee Cash Fund to pay all  
12 reimbursements pursuant to subsection (2) of this section, reimbursements  
13 pursuant to this section shall be proportionally reduced such that, at  
14 the time such reimbursements are paid, the amount of all such  
15 reimbursements equals the amount of money available in the fund.

16           (4) On or before December 31, 2022, and on or before each December  
17 31 thereafter, the department shall electronically submit an annual  
18 report on the College Credit Testing Fee Reduction Program and shall  
19 submit the report electronically to the Clerk of the Legislature. The  
20 report shall include, but not be limited to, the number and amounts of  
21 testing fee reductions paid by school districts, the reimbursement level  
22 for such testing fee reductions, the school districts attended by testing  
23 fee reduction recipients, and information regarding the number and types  
24 of courses associated with testing fee reductions.

25           (5) The department shall adopt and promulgate rules and regulations  
26 to carry out the College Credit Testing Fee Reduction Program that  
27 include, but are not limited to, poverty guidelines.

28           Sec. 5. The College Credit Testing Fee Cash Fund is created. The  
29 fund shall be administered by the State Department of Education and shall  
30 consist of money received pursuant to section 9-812 and any money  
31 appropriated by the Legislature. The department shall use the fund to

1 carry out the College Credit Testing Fee Reduction Program Act. Any money  
2 in the fund available for investment shall be invested by the state  
3 investment officer pursuant to the Nebraska Capital Expansion Act and the  
4 Nebraska State Funds Investment Act.

5 Sec. 6. Sections 6 to 9 of this act shall be known and may be cited  
6 as the Career-Readiness and Dual-Credit Education Grant Program Act.

7 Sec. 7. The Career-Readiness and Dual-Credit Education Grant  
8 Program is established. The program shall be administered by the  
9 Coordinating Commission for Postsecondary Education. The commission, in  
10 consultation with the State Department of Education, the Department of  
11 Labor, and any advisory committee established by the commission for such  
12 purpose, shall:

13 (1) Create and establish teacher education pathways enabling the  
14 instruction of dual-credit courses and career and technical education  
15 courses;

16 (2) Correlate and prioritize teacher education pathways with  
17 Nebraska work force demand;

18 (3) Establish a grant program beginning on or after July 1, 2021, to  
19 distribute money from the Career-Readiness and Dual-Credit Education Cash  
20 Fund to teachers enrolled in educational pathways leading to  
21 qualification to teach dual-credit courses and career and technical  
22 education courses;

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

25 (5) On December 31, 2022, and each December 31 thereafter,  
26 electronically submit an annual report on grants awarded pursuant to the  
27 Career-Readiness and Dual-Credit Education Grant Program Act to the Clerk  
28 of the Legislature. The report shall include, but not be limited to, the  
29 number and amount of grants awarded, the postsecondary educational  
30 institutions attended by grant recipients, and information regarding the  
31 completion of instructor requirements to teach dual-credit courses and



1 career and technical education courses.

2       Sec. 8. The Coordinating Commission for Postsecondary Education may  
3 adopt and promulgate rules and regulations to carry out the Career-  
4 Readiness and Dual-Credit Education Grant Program Act.

5       Sec. 9. The Career-Readiness and Dual-Credit Education Cash Fund is  
6 created. The fund shall be administered by the Coordinating Commission  
7 for Postsecondary Education and shall consist of money received pursuant  
8 to section 9-812 and any money appropriated by the Legislature. The  
9 commission shall use the fund to carry out the Career-Readiness and Dual-  
10 Credit Education Grant Program Act. Any money in the fund available for  
11 investment shall be invested by the state investment officer pursuant to  
12 the Nebraska Capital Expansion Act and the Nebraska State Funds  
13 Investment Act.

14       Sec. 10. Section 85-2101, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16       85-2101 Sections 85-2101 to 85-2108 and section 11 of this act shall  
17 be known and may be cited as the Access College Early Scholarship Program  
18 Act.

19       Sec. 11. The Access College Early Scholarship Cash Fund is created.  
20 The fund shall be administered by the Coordinating Commission for  
21 Postsecondary Education and shall consist of money received pursuant to  
22 section 9-812 and any money appropriated by the Legislature. The  
23 commission shall use the fund to carry out the Access College Early  
24 Scholarship Program Act. Any money in the fund available for investment  
25 shall be invested by the state investment officer pursuant to the  
26 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
27 Act.

28       Sec. 12. Original section 85-2101, Reissue Revised Statutes of  
29 Nebraska, and section 9-812, Revised Statutes Cumulative Supplement,  
30 2018, are repealed.