

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 864

Introduced by Mello, 5.

Read first time January 13, 2014

Committee:

A BILL

1 FOR AN ACT relating to the Education Innovation Fund; to amend
2 section 9-812, Revised Statutes Supplement, 2013; to
3 allocate funds to the Early Childhood Education Grant
4 Program; to harmonize provisions; and to repeal the
5 original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Supplement,
2 2013, is amended to read:

3 9-812 (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in Nebraska
5 shall be credited to the State Lottery Operation Trust Fund, which
6 fund is hereby created. All payments of the costs of establishing and
7 maintaining the lottery games shall be made from the State Lottery
8 Operation Cash Fund. In accordance with legislative appropriations,
9 money for payments for expenses of the division shall be transferred
10 from the State Lottery Operation Trust Fund to the State Lottery
11 Operation Cash Fund, which fund is hereby created. All money
12 necessary for the payment of lottery prizes shall be transferred from
13 the State Lottery Operation Trust Fund to the State Lottery Prize
14 Trust Fund, which fund is hereby created. The amount used for the
15 payment of lottery prizes shall not be less than forty percent of the
16 dollar amount of the lottery tickets which have been sold.

17 (2) A portion of the dollar amount of the lottery tickets
18 which have been sold on an annualized basis shall be transferred from
19 the State Lottery Operation Trust Fund to the Education Innovation
20 Fund, the Nebraska Opportunity Grant Fund, the Nebraska Education
21 Improvement Fund, the Nebraska Environmental Trust Fund, the Nebraska
22 State Fair Board, and the Compulsive Gamblers Assistance Fund as
23 provided in subsection (3) of this section. The dollar amount
24 transferred pursuant to this subsection shall equal the greater of
25 (a) the dollar amount transferred to the funds in fiscal year 2002-03

1 or (b) any amount which constitutes at least twenty-two percent and
2 no more than twenty-five percent of the dollar amount of the lottery
3 tickets which have been sold on an annualized basis. To the extent
4 that funds are available, the Tax Commissioner and director may
5 authorize a transfer exceeding twenty-five percent of the dollar
6 amount of the lottery tickets sold on an annualized basis.

7 (3) Of the money available to be transferred to the
8 Education Innovation Fund, the Nebraska Opportunity Grant Fund, the
9 Nebraska Education Improvement Fund, the Nebraska Environmental Trust
10 Fund, the Nebraska State Fair Board, and the Compulsive Gamblers
11 Assistance Fund:

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

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

20 (c) Through June 30, 2016, nineteen and three-fourths
21 percent of the money remaining after the payment of prizes and
22 operating expenses and the initial transfer to the Compulsive
23 Gamblers Assistance Fund shall be transferred to the Education
24 Innovation Fund;

25 (d) Through June 30, 2016, twenty-four and three-fourths

1 percent of the money remaining after the payment of prizes and
2 operating expenses and the initial transfer to the Compulsive
3 Gamblers Assistance Fund shall be transferred to the Nebraska
4 Opportunity Grant Fund;

5 (e) Forty-four and one-half percent of the money
6 remaining after the payment of prizes and operating expenses and the
7 initial transfer to the Compulsive Gamblers Assistance Fund shall be
8 transferred to the Nebraska Environmental Trust Fund to be used as
9 provided in the Nebraska Environmental Trust Act;

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

22 (g) One percent of the money remaining after the payment
23 of prizes and operating expenses and the initial transfer to the
24 Compulsive Gamblers Assistance Fund shall be transferred to the
25 Compulsive Gamblers Assistance Fund to be used as provided in section

1 9-1006.

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

5 (b) For fiscal year 2012-13, the Education Innovation
6 Fund shall be allocated as follows: (i) The first forty-five thousand
7 dollars shall be transferred to the Excellence in Teaching Cash Fund
8 to fund the Attracting Excellence to Teaching Program; (ii) the next
9 three million three hundred sixty-five thousand nine hundred sixty-
10 two dollars shall be distributed to school districts as grants
11 pursuant to the Early Childhood Education Grant Program; (iii) the
12 next two million one hundred seventy-five thousand six hundred
13 seventy-three dollars shall be distributed to local systems as grants
14 for approved accelerated or differentiated curriculum programs for
15 students identified as learners with high ability pursuant to section
16 79-1108.02; (iv) the next one hundred eight thousand one hundred
17 thirty-six dollars shall be used by the State Department of Education
18 for the development of an integrated early childhood, elementary,
19 secondary, and postsecondary student information system; (v) the next
20 four hundred fifty thousand dollars shall fund the Center for Student
21 Leadership and Extended Learning Act; (vi) the next one hundred
22 fourteen thousand six hundred twenty-nine dollars shall be used by
23 the department to fund the multicultural education program created
24 under section 79-720; (vii) the next one hundred twenty-three
25 thousand four hundred sixty-eight dollars shall be used by the

1 department to employ persons to investigate and prosecute alleged
2 violations as provided in section 79-868; (viii) up to the next one
3 hundred sixty thousand dollars shall be used by the department to
4 implement section 79-759; (ix) the next twenty-seven thousand two
5 hundred dollars shall be used to fund the Interstate Compact on
6 Educational Opportunity for Military Children; (x) the next two
7 hundred thousand dollars shall be used to provide grants to establish
8 bridge programs pursuant to sections 79-1189 to 79-1195; and (xi) the
9 amount remaining shall be allocated, after administrative expenses,
10 for distance education equipment and incentives pursuant to sections
11 79-1336 and 79-1337. No funds received as allocations from the
12 Education Innovation Fund pursuant to this subdivision may be
13 obligated for payment to be made after June 30, 2016.

14 (c) For fiscal year 2013-14, the Education Innovation
15 Fund shall be allocated as follows: (i) The first one million dollars
16 shall be transferred to the Excellence in Teaching Cash Fund to fund
17 the Excellence in Teaching Act; (ii) the next allocation shall be
18 distributed to local systems as grants for approved accelerated or
19 differentiated curriculum programs for students identified as
20 learners with high ability pursuant to section 79-1108.02 in an
21 aggregated amount up to the amount distributed in the prior fiscal
22 year for such purposes increased by the basic allowable growth rate
23 pursuant to section 79-1025; (iii) up to the next one hundred sixty
24 thousand dollars shall be used by the State Department of Education
25 to implement section 79-759; (iv) the next one million seven hundred

1 fifty thousand dollars shall be allocated to early childhood
2 education grants awarded by the department pursuant to section
3 79-1103; (v) the next one million dollars shall be transferred to the
4 Early Childhood Education Endowment Cash Fund for use pursuant to
5 section 79-1104.02; (vi) the next two hundred thousand dollars shall
6 be used to provide grants to establish bridge programs pursuant to
7 sections 79-1189 to 79-1195; (vii) the next ten thousand dollars
8 shall be used to fund the Interstate Compact on Educational
9 Opportunity for Military Children; (viii) the next eighty-five
10 thousand five hundred fifty dollars shall be allocated to the State
11 Department of Education for distribution pursuant to section 79-2306;
12 and (ix) the amount remaining shall be allocated, after
13 administrative expenses, for distance education equipment and
14 incentives pursuant to sections 79-1336 and 79-1337. No funds
15 received as allocations from the Education Innovation Fund pursuant
16 to this subdivision may be obligated for payment to be made after
17 June 30, 2016.

18 (d) For fiscal year 2014-15, the Education Innovation
19 Fund shall be allocated as follows: (i) The first one million dollars
20 shall be transferred to the Excellence in Teaching Cash Fund to fund
21 the Excellence in Teaching Act; (ii) the next allocation shall be
22 distributed to local systems as grants for approved accelerated or
23 differentiated curriculum programs for students identified as
24 learners with high ability pursuant to section 79-1108.02 in an
25 aggregated amount up to the amount distributed in the prior fiscal

1 year for such purposes increased by the basic allowable growth rate
2 pursuant to section 79-1025; (iii) the next ~~one~~two million ~~eight~~
3 three hundred fifty thousand dollars shall be allocated to early
4 childhood education grants awarded by the State Department of
5 Education pursuant to section 79-1103; (iv) the next one million
6 dollars shall be transferred to the Early Childhood Education
7 Endowment Cash Fund for use pursuant to section 79-1104.02; (v) the
8 next two hundred thousand dollars shall be used to provide grants to
9 establish bridge programs pursuant to sections 79-1189 to 79-1195;
10 (vi) the next ten thousand dollars shall be used to fund the
11 Interstate Compact on Educational Opportunity for Military Children;
12 and (vii) the amount remaining shall be allocated, after
13 administrative expenses, for distance education equipment and
14 incentives pursuant to sections 79-1336 and 79-1337. No funds
15 received as allocations from the Education Innovation Fund pursuant
16 to this subdivision may be obligated for payment to be made after
17 June 30, 2016.

18 (e) For fiscal year 2015-16, the Education Innovation
19 Fund shall be allocated as follows: (i) The first one million dollars
20 shall be transferred to the Excellence in Teaching Cash Fund to fund
21 the Excellence in Teaching Act; (ii) the next allocation shall be
22 distributed to local systems as grants for approved accelerated or
23 differentiated curriculum programs for students identified as
24 learners with high ability pursuant to section 79-1108.02 in an
25 aggregated amount up to the amount distributed in the prior fiscal

1 year for such purposes increased by the basic allowable growth rate
2 pursuant to section 79-1025; (iii) the next ~~one two~~ million ~~nine four~~
3 hundred fifty thousand dollars shall be allocated to early childhood
4 education grants awarded by the State Department of Education
5 pursuant to section 79-1103; (iv) the next one million dollars shall
6 be transferred to the Early Childhood Education Endowment Cash Fund
7 for use pursuant to section 79-1104.02; (v) the next ten thousand
8 dollars shall be used to fund the Interstate Compact on Educational
9 Opportunity for Military Children; and (vi) the amount remaining
10 shall be allocated, after administrative expenses, for distance
11 education equipment and incentives pursuant to sections 79-1336 and
12 79-1337. No funds received as allocations from the Education
13 Innovation Fund pursuant to this subdivision may be obligated for
14 payment to be made after June 30, 2016.

15 (f) The Education Innovation Fund terminates on June 30,
16 2016. Any money in the fund on such date shall be transferred to the
17 Nebraska Education Improvement Fund on such date.

18 (5) The Nebraska Education Improvement Fund is created.
19 The fund shall consist of money transferred pursuant to subsections
20 (3) and (4) of this section, money transferred pursuant to section
21 85-1920, and any other funds appropriated by the Legislature. Any
22 money in the fund available for investment shall be invested by the
23 state investment officer pursuant to the Nebraska Capital Expansion
24 Act and the Nebraska State Funds Investment Act.

25 (6) Any money in the State Lottery Operation Trust Fund,

1 the State Lottery Operation Cash Fund, the State Lottery Prize Trust
2 Fund, or the Education Innovation Fund available for investment shall
3 be invested by the state investment officer pursuant to the Nebraska
4 Capital Expansion Act and the Nebraska State Funds Investment Act.

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

10 (8) It is the intent of the Legislature to replace
11 funding from the Education Innovation Fund with General Fund
12 appropriations to the State Department of Education beginning with
13 FY2013-14 for (a) the integrated early childhood, elementary,
14 secondary, and postsecondary student information system, (b) the
15 Center for Student Leadership and Extended Learning Act, (c) the
16 multicultural education program created under section 79-720, and (d)
17 the employment of persons to investigate and prosecute alleged
18 violations as provided in section 79-868.

19 Sec. 2. Original section 9-812, Revised Statutes
20 Supplement, 2013, is repealed.