

LEGISLATURE OF NEBRASKA  
NINETY-SIXTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1150**

Introduced by Janssen, 15; Baker, 44; Schrock, 38

Read first time January 10, 2000

Committee: General Affairs

A BILL

1 FOR AN ACT relating to the State Lottery Act; to amend section  
2 9-812, Revised Statutes Supplement, 1999; to change  
3 provisions relating to transfers of funds, lottery game  
4 retailer compensation, and expense reports; to provide  
5 duties; and to repeal the original section.  
6 Be it enacted by the people of the State of Nebraska,

1                   Section 1.    Section 9-812, Revised Statutes Supplement,  
2 1999, 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  
5 Nebraska shall be deposited in the State Lottery Operation Trust  
6 Fund, which fund is hereby created. All payments of expenses of  
7 the operation of the lottery games shall be made from the State  
8 Lottery Operation Cash Fund. In accordance with legislative  
9 appropriations, money for payments for expenses of the division  
10 shall be transferred from the State Lottery Operation Trust Fund to  
11 the State Lottery Operation Cash Fund, which fund is hereby  
12 created. All money necessary for the payment of lottery prizes  
13 shall be transferred from the State Lottery Operation Trust Fund to  
14 the State Lottery Prize Trust Fund, which fund is hereby created.  
15 The amount used for the payment of lottery prizes shall not be less  
16 than forty percent of the dollar amount of the lottery tickets  
17 which have been sold. The amount used by the division for the  
18 compensation of lottery game retailers shall be at least six  
19 percent of the dollar amount of the lottery tickets which have been  
20 sold. At least ~~twenty-five~~ fifteen percent of the dollar amount of  
21 the lottery tickets which have been sold on an annualized basis  
22 shall be transferred from the State Lottery Operation Trust Fund to  
23 the Education Innovation Fund, the Nebraska Environmental Trust  
24 Fund, and the Compulsive Gamblers Assistance Fund. Forty-nine and  
25 one-half percent of the money remaining after the payment of prizes  
26 and operating expenses shall be transferred to the Education  
27 Innovation Fund. Forty-nine and one-half percent of the money  
28 remaining after the payment of prizes and operating expenses shall

1 be transferred to the Nebraska Environmental Trust Fund to be used  
2 as provided in the Nebraska Environmental Trust Act. One percent  
3 of the money remaining after the payment of prizes and operating  
4 expenses shall be transferred to the Compulsive Gamblers Assistance  
5 Fund to be used as provided in sections 83-162.01 to 83-162.04.  
6 The division shall report on a quarterly basis lottery ticket  
7 sales, prize expenses, and operating expenses to the General  
8 Affairs Committee of the Legislature, the Excellence in Education  
9 Council, the Nebraska Environmental Trust Board, and the Nebraska  
10 Advisory Commission on Compulsive Gambling.

11 (2) The Education Innovation Fund is hereby created.  
12 Each fiscal year beginning with fiscal year 1994-95, at least  
13 seventy-five percent of the lottery proceeds allocated to the  
14 Education Innovation Fund shall be available for disbursement. The  
15 Education Innovation Fund shall be allocated in the following  
16 manner: Up to ten percent to fund the mentor teacher program  
17 pursuant to the Quality Education Accountability Act; up to seventy  
18 percent as quality education incentives pursuant to the act; and up  
19 to twenty percent of the fund shall be allocated by the Governor  
20 through incentive grants to encourage the development of strategic  
21 school improvement plans by school districts for accomplishing high  
22 performance learning and to encourage schools to establish  
23 innovations in programs or practices that result in restructuring  
24 of school organization, school management, and instructional  
25 programs which bring about improvement in the quality of education.  
26 Such incentive grants allocated by the Governor are intended to  
27 provide selected school districts, teachers or groups of teachers,  
28 nonprofit educational organizations, educational service units, or

1 cooperatives funding for the allowable costs of implementing pilot  
2 projects and model programs.

3           From the funds allocated by the Governor, minigrants  
4 shall be available to school districts to support the development  
5 of strategic school improvement plans which shall include  
6 statements of purposes and goals for the districts. The plans  
7 shall also include the specific statements of improvement or  
8 strategic initiatives designed to improve quality learning for  
9 every student.

10           In addition to the minigrants granted for the development  
11 of strategic school improvement plans, school districts with annual  
12 budget expenditures of three hundred fifty thousand dollars or less  
13 are eligible for minigrants from the funds allocated by the  
14 Governor for the purposes allowed in subdivisions (2)(a) through  
15 (q) of this section. The amount of this type of minigrant shall  
16 not exceed five thousand dollars. The school district shall  
17 present a curriculum support plan with its application for the  
18 grant. The curriculum support plan must show how the district is  
19 working to achieve one or more of the allowed purposes and how the  
20 grant will be used to directly advance the plan to achieve one or  
21 more of these purposes. The plan must be signed by the school  
22 administrator and a school board representative. The application  
23 for the grant shall be brief. The Excellence in Education Council  
24 shall select the recipients of this type of minigrant and shall  
25 administer such minigrants.

26           From the funds allocated by the Governor, major  
27 competitive grants shall be available to support innovative  
28 programs which are directly related to the strategic school

1 improvement plans. The development of a strategic school  
2 improvement plan by a school district shall be required before a  
3 grant is awarded. Annual reports shall be made by program  
4 recipients documenting the effectiveness of the program in  
5 improving the quality of education as designed in the strategic  
6 school improvement plans. Special consideration shall be given to  
7 plans which contain public or private matching funds and  
8 cooperative agreements, including agreements for in-kind services.  
9 Purposes for which such major competitive grants would be offered  
10 shall include:

11 (a) Professional staff development programs to provide  
12 funds for teacher and administrator training and continuing  
13 education to upgrade teaching and administrative skills;

14 (b) The development of strategic school improvement plans  
15 by school districts;

16 (c) Educational technology assistance to public schools  
17 for the purchase and operation of computers, telecommunications  
18 equipment and services, and other forms of technological innovation  
19 which may enhance classroom teaching, instructional management, and  
20 districtwide administration pursuant to the state's goal of  
21 ensuring that all kindergarten through grade twelve public school  
22 districts or affiliated school systems have a direct connection to  
23 a statewide public computer information network by June 30, 2000.  
24 The telecomputing equipment and services needed to meet this goal  
25 may be funded under this subsection, sections 79-1241.01, 79-1243,  
26 and 79-1310, or any combination of such subsection and sections.  
27 Such telecommunications equipment, services, and forms of technical  
28 innovation shall be approved by the State Department of Education

1 only after review by the technical panel created in section  
2 86-1511;

3 (d) An educational accountability program to develop an  
4 educational indicators system to measure the performance and  
5 outcomes of public schools and to ensure efficiency in operations;

6 (e) Alternative programs for students, including  
7 underrepresented groups, at-risk students, and dropouts;

8 (f) Programs that demonstrate improvement of student  
9 performance against valid national and international achievement  
10 standards;

11 (g) Early childhood and parent education which emphasizes  
12 child development;

13 (h) Programs using decisionmaking models that increase  
14 involvement of parents, teachers, and students in school  
15 management;

16 (i) Increased involvement of the community in order to  
17 achieve increased confidence in and satisfaction with its schools;

18 (j) Development of magnet or model programs designed to  
19 facilitate desegregation;

20 (k) Programs that address family and social issues  
21 impairing the learning productivity of students;

22 (l) Programs enhancing critical and higher-order thinking  
23 capabilities;

24 (m) Programs which produce the quality of education  
25 necessary to guarantee a competitive work force;

26 (n) Programs designed to increase productivity of staff  
27 and students through innovative use of time;

28 (o) Training programs designed to benefit teachers at all

1 levels of education by increasing their ability to work with  
2 educational technology in the classroom;

3 (p) Approved accelerated or differentiated curriculum  
4 programs under sections 79-1106 to 79-1108.03; and

5 (q) Programs for students with disabilities receiving  
6 special education under the Special Education Act and students  
7 needing support services as defined in section 79-1125.01, which  
8 programs demonstrate improved outcomes for students through  
9 emphasis on prevention and collaborative planning.

10 The Governor shall establish the Excellence in Education  
11 Council. The Governor shall appoint eleven members to the council  
12 including representatives of educational organizations,  
13 postsecondary educational institutions, the business community, and  
14 the general public, members of school boards and parent education  
15 associations, school administrators, and at least four teachers who  
16 are engaged in classroom teaching. The State Department of  
17 Education shall provide staff support for the council to administer  
18 the Education Innovation Fund, including the Quality Education  
19 Accountability Act. The council shall have the following powers  
20 and duties:

21 (i) In consultation with the State Department of  
22 Education, develop and publish criteria for the awarding of  
23 incentive grants allocated by the Governor for programs pursuant to  
24 this subsection, including minigrants;

25 (ii) Provide recommendations to the Governor regarding  
26 the selection of projects to be funded and the distribution and  
27 duration of project funding. For projects recommended under  
28 subdivision (2)(c) of this section, the council shall also provide

1 recommendations to the Nebraska Information Technology Commission  
2 for its review and recommendations to the Governor;

3 (iii) Establish standards, formats, procedures, and  
4 timelines for the successful implementation of approved programs  
5 funded by incentive grants allocated by the Governor from the  
6 Education Innovation Fund;

7 (iv) Assist school districts in determining the  
8 effectiveness of the innovations in programs and practices and  
9 measure the subsequent degree of improvement in the quality of  
10 education;

11 (v) Consider the reasonable distribution of funds across  
12 the state and all classes of school districts;

13 (vi) Carry out its duties pursuant to the Quality  
14 Education Accountability Act; and

15 (vii) Provide annual reports to the Governor concerning  
16 programs funded by the fund. Each report shall include the number  
17 of applicants and approved applicants, an overview of the various  
18 programs, objectives, and anticipated outcomes, and detailed  
19 reports of the cost of each program.

20 To assist the council in carrying out its duties, the  
21 State Board of Education shall, in consultation with the council,  
22 adopt and promulgate rules and regulations establishing criteria,  
23 standards, and procedures regarding the selection and  
24 administration of programs funded from the Education Innovation  
25 Fund, including the Quality Education Accountability Act.

26 (3) Recipients of incentive grants allocated by the  
27 Governor from the Education Innovation Fund shall be required to  
28 provide, upon request, such data relating to the funded programs

1 and initiatives as the Governor deems necessary.

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

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

13           Sec. 2. Original section 9-812, Revised Statutes  
14 Supplement, 1999, is repealed.