
EDUCATION COMMITTEE

LOTTERY STUDY



DECEMBER 31, 2022

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- Staff of the Nebraska Auditor of Public Accounts Office.

RECOMMENDATIONS FOR FUTURE ALLOCATIONS OF LOTTERY FUNDS FOR EDUCATION

The Nebraska Constitution requires that 44.5% of all lottery proceeds after prizes, expenses, and an initial transfer of \$500,000 for compulsive gamblers be used for education as the Legislature may directⁱ. As directed in LB528 (2021)ⁱⁱ, the Education Committee is making its recommendations regarding how the funds should be allocated to best advance the educational priorities of the state for the five-year period beginning with fiscal year 2024-25ⁱⁱⁱ.

Although the Committee is interested in hearing other proposals that may be introduced during the 2023 legislative session, the Education Committee generally recommends that the Legislature:

- Continue to allocate lottery funds to provide grants to support innovation that improves education outcomes.
- Continue to support lottery funding of the Nebraska Opportunity Grant for low-income students at all Nebraska higher education institutions.
- Continue to support lottery funding of the Community College Gap Assistance Program Fund for Nebraska students not eligible for Federal Pell Grants or state Nebraska Opportunity Grants
- Create the Door to College Scholarship fund for Nebraska high youth rehabilitation and treatment center (YRTC) graduates
- Create the Access College Early Scholarships for low-income students taking postsecondary educational courses while still being enrolled in high school
- Create the Mental Health Training Cash Fund in order to coordinate and administer mental health first aid training for school districts, as provided by LB 912 (2022)
- Allocate lottery funds to support innovative career-readiness programs that:
 - Encourage high school students to acquire skills and credentials associated with trade occupations experiencing shortages of qualified workers in Nebraska, or
 - Pursue courses that give students a head start in obtaining a postsecondary degree.
- Continue to fund the Excellence in Teaching Program to encourage students to pursue teaching degrees in high-demand teaching positions and to serve in rural areas where there are teacher shortages. The Committee believes the program could be adjusted to add programs that help teachers to become better teachers.
- Create a program to allow lottery funding for each K-12 school to create innovative employee training to address student behavioral issues.

Members of the Education Committee gathered information from research done by committee staff as they considered the future use of lottery proceeds to enhance education in Nebraska. The Committee understands that lottery proceeds are unpredictable and are voluntarily generated from a limited segment of the population without regard to many of the factors that are generally relied upon to direct tax policy. Therefore, the Committee concluded that it is the function of the state

General Fund to support state responsibilities and priorities. The Committee continues to agree with the Legislature's past decision to allocate the lottery funds by percentage, again due to the unpredictable nature of lottery proceeds.

The Committee proposes distributing the 44.5% of lottery funds allocated for education, for the 5-year period beginning on July 1, 2023, as follows:

- 62% to the Nebraska Opportunity Grant Fund
- 7% to the Community College Gap Assistance Program Fund
- 1% to the Door to College Scholarship
- 2% to Career Readiness and Dual Credit
- 17% to the State Department of Education's three focus areas: Teacher recruitment and retention, school improvement, and reading/math score improvement
- 1.5% to mental health training
- 9.5% to the Behavioral Training Cash Fund

The Committee further proposes that those allocations be distributed directly to the agencies responsible for managing the funds and not unnecessarily funneled through the Department of Education. In an effort to ensure future Education Committees will be able to study and analyze the effectiveness of lottery allocations, the Committee recommends implementing standardized auditing reports to be provided to the Office of the Nebraska Auditor of Public Accounts.

The Committee continues to believe that due to loss of institutional knowledge resulting from turnover in the makeup of the legislative body, a sunset for lottery allocations after 5 years still remains the best policy to allow a future Education Committee access to evaluate the best uses of lottery proceeds for enhancing education in Nebraska.

CHAPTER I: CURRENT LAW

The following constitutional and statutory provisions reflect the current law as it relates to education funding from the Nebraska Lottery.

Constitutional Provision

Neb. Const. art. III, § 24. Games of chance, lotteries, and gift enterprises; restrictions; parimutuel wagering on horseraces; bingo games; use of state lottery proceeds.¹

(1) Except as provided in this section, the Legislature shall not authorize any game of chance or any lottery or gift enterprise when the consideration for a chance to participate involves the payment of money for the purchase of property, services, or a chance or admission ticket or requires an expenditure of substantial effort or time.

(2) The Legislature may authorize and regulate a state lottery pursuant to subsection (3) of this section and other lotteries, raffles, and gift enterprises which are intended solely as business promotions or the proceeds of which are to be used solely for charitable or community betterment purposes without profit to the promoter of such lotteries, raffles, or gift enterprises.

(3)(a) The Legislature may establish a lottery to be operated and regulated by the State of Nebraska. The proceeds of the lottery shall be appropriated by the Legislature for the costs of establishing and maintaining the lottery and for the following purposes, as directed by the Legislature:

(i) The first five hundred thousand dollars after the payment of prizes and operating expenses shall be transferred to the Compulsive Gamblers Assistance Fund;

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

(iii) Forty-four and one-half percent of the money remaining after the payment of prizes and operating expenses and the initial transfer to the Compulsive Gamblers Assistance Fund shall be used for education as the Legislature may direct;

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

(v) One percent of the money remaining after the payment of prizes and operating expenses and the initial transfer to the Compulsive Gamblers Assistance Fund shall be transferred to the Compulsive Gamblers Assistance Fund.

(b) No lottery game shall be conducted as part of the lottery unless the type of game has been approved by a majority of the members of the Legislature.

(4) Nothing in this section shall be construed to prohibit (a) the enactment of laws providing for the licensing and regulation of wagering on the results of horseraces, wherever run, either within or outside of the state, by the parimutuel method, when such wagering is conducted by licensees within a licensed racetrack enclosure or (b) the enactment of laws providing for the licensing and regulation of bingo games conducted by nonprofit associations which have been in existence for a period of five years immediately preceding the application for license, except that bingo games cannot be conducted by agents or lessees of such associations on a percentage basis.

Statutory Provision

Neb. Rev. Stat. § 9-812. State Lottery Operation Trust Fund; State Lottery Operation Cash Fund; State Lottery Prize Trust Fund; created; transfers; Nebraska Education Improvement Fund; created; use; investment; unclaimed prize money; use.²

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

(2) A portion of the dollar amount of the lottery tickets which have been sold on an annualized basis shall be transferred from the State Lottery Operation Trust Fund to the Education Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska Education Improvement Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair Board, and the Compulsive Gamblers Assistance Fund as provided in subsection (3) of this section. The dollar amount transferred pursuant to this subsection shall equal the greater of (a) the dollar amount transferred to the funds in fiscal year 2002-03 or (b) any amount which constitutes at least twenty-two percent and no more than twenty-five percent of the dollar amount of the lottery tickets which have been sold on an annualized basis. To the extent that funds are available, the Tax Commissioner and director may authorize a transfer exceeding twenty-five percent of the dollar amount of the lottery tickets sold on an annualized basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Legislative History

The following is a 30-year snapshot of law changes related to education funding from lottery.

1991

LR24CA (Speaker Dennis Baack at the request of Governor Ben Nelson)

- Adopted by the Legislature for submission to voters at the November 1992 general election
- Authorized the Legislature to establish a lottery
- Proceeds to be appropriated for the cost of the lottery and such other purposes as the Legislature may direct
- Legislature authorized to direct proceeds to compensate depositors of bankrupt industrial loan and investment companies until July 1, 1997

LB849 (Speaker Dennis Baack at the request of Governor Ben Nelson)

- Implementing legislation for LR24CA to be operative following approval by the voters
- 49.5% of proceeds after prizes and expenses to be deposited into the Education Innovation Fund, 49.5% to the Legislative Assistance Fund, and 1% to Gamblers Assistance Fund. The Legislative Assistance Fund was to be used for one-time expenditures, not to supplement an existing budget, or to finance long-term or ongoing projects
- Governor to award incentive grants from the Education Innovation Fund

- Mini-grants to school districts to support the development of local strategic plans
- Major competitive grants for innovative programs directly related to local strategic plans
 - Recipients could include school districts, teachers or groups of teachers, educational foundations, educational service units, or cooperatives
 - Purposes could include:
 - Development of local strategic plans
 - Educational technology
 - Professional staff development programs
 - Educational accountability programs
 - Alternative programs for students
 - Programs that demonstrate improvement of student performance
 - Early childhood education and parent education
 - Programs using decision-making models that increase involvement of parents, teachers, and students in school management
 - Increased involvement of the community
 - Development of magnet or model programs designed to facilitate desegregation
 - Programs that address family and social issues that impair learning
 - Programs enhancing critical and higher-order thinking
 - Programs which produce the quality of education necessary to guarantee a competitive workforce
 - Programs designed to increase productivity of staff and students through innovative use of time
- Excellence in Education Council to be established by the Governor to make recommendations regarding the selection of projects to be funded

1992

LB1257 (Senator Spencer Morrissey)

- The Legislative Assistance Fund is replaced in the implementing provisions
 - Through July 1, 1997, 24.5% of proceeds after prizes and expenses allocated to Solid Waste Landfill Closure Assistance Fund and 25% to Environmental Trust Fund
 - After July 1, 1997, 49.5% to Environmental Trust Fund

LR24CA (1991, Speaker Dennis Baack at the request of Governor Ben Nelson)

- Approved by the voters in November

1993

LB138 (Senator Eric Will at the request of Governor Ben Nelson)

- Changed and reenacted provisions of LB849 (1991), as amended by LB1257 (1992), following the approval of LR24CA by the voters
- Required school districts to have a strategic plan in place prior to receiving a major competitive grant

- Special consideration for plans including public or private matching funds and cooperative agreements
- Membership defined for the Excellence in Education Council

LB563 (Senator Stan Schellpeper)

- Replaced “local strategic plans” with “strategic school improvement plans”
- Added training for teachers to work with technology to the allowable purposes for major competitive grants
- Required the Excellence in Education Council to consult with the Nebraska Department of Education (NDE) and required the Department to staff the Council

1994

LB647 (Senator Janis McKenzie)

- Added programs to serve the educational needs of learners with high ability to the purposes for major competitive grants
 - The measure provided for approved programs for learners with high ability and required the identification of such students

LB694 (Senator Eric Will)

- Required rules and regulations to be adopted by the State Board of Education with regard to the selection and administration of grants

LB1066 (Senator Ernie Chambers)

- Technical change with regard to investment of lottery funds

1995

LB275 (Senator Dwite Pedersen)

- Changes regarding compulsive gambler funds

LB860 (Senator Bud Robinson)

- Clarification was added for major competitive grants related to technology
 - A goal was stated for all K-12 systems to have a direct connection to a statewide public computer information network by June 30, 2000
 - Additional funding was provided by crediting repayment of loans from the School Weatherization Fund to a new School Technology Fund
 - Educational Service Units (ESU) were required to develop a plan to meet the goal, authorized to use 50% of their 0.5¢ technology levy for the purpose and collect network fees from districts

1996

LB900 (Senator Ardyce Bohlke)

- Harmonized existing provisions with the recodification of the education statutes

LB1069 (General Affairs Committee: Senator Stan Schellpeper, Chair)

- Technical changes regarding the operation of the lottery

1997

LB118 (Senator Ray Janssen)

- Mini-grants of up to \$5,000 allowed for same purposes as major competitive grants for districts with budgets of \$350,000 or less with a curriculum support plan related to the grant

LB347 (Senator Ardyce Bohlke)

- Harmonized lottery provisions with a change in a cross-reference

LB710 (Senator Ardyce Bohlke)

- Harmonized lottery provisions with a change in a cross-reference

LB865 (Education Committee: Senator Ardyce Bohlke, Chair)

- Added to the purposes for major competitive grants:
 - Programs demonstrating improved outcomes through emphasis on prevention, and;
 - Collaborative planning for students with disabilities who receive special education and need support services

1998

LB924 (Senator Joyce Hillman at the request of Governor Ben Nelson)

- Created the Nebraska Information Technology Commission (NITC) and required review by the NITC prior to the awarding of major competitive grants for technology

LB1228 (Senator Ardyce Bohlke)

- Created the Quality Education Accountability Act
 - Incentives for school districts to meet quality factors
 - Primary factors
- Adopting academic standards
- Alternative education for expelled students
- Average score on standard college admission test above the statewide average with at least 60% of seniors taking the test
 - Premier factors
 - Teacher with national certification
 - 30% of teachers with advanced degrees
 - Mentoring for all 1st-year teachers
 - Improves drop-out rate or maintains a rate of 4% or less
 - Approved program for high-ability learners
 - All primary factors required for incentive and increasing number of premier factors for successive incentives
 - Reduced incentive if 40% or more of the students in poverty and only primary factor not met was the college admission test score
 - \$50 per adjusted formula student or \$100 if in the very sparse cost group
 - Used only for pilot projects or model programs for the same purposes as major competitive grants

- Feasibility study for statewide financial reporting system was required
- Direction was given to begin a statewide assessment program
- Guidelines and funding for mentor teacher programs was established
- Administered by the Excellence in Education Council
- Revised the allocation of the Education Innovation Fund as follows:
 - Up to 10% for mentor teacher programs
 - Up to 70% for quality education incentives
 - Up to 20% for major competitive grants and mini-grants awarded by the Governor

LB1229 (Senator Ardyce Bohlke)

- Harmonized lottery provisions with terminology changes regarding high-ability learners

1999

LB386 (Senator Ardyce Bohlke)

- Recognized the addition of a General Fund appropriation of \$6 million over two years to assist ESU's with infrastructure and technology training to meet the goal for all K-12 systems to have a direct connection to a statewide computer information network by June 30, 2000

2000

LB659 (Senator Daniel Lynch)

- Added an initial transfer of \$500,000 to the Compulsive Gamblers Assistance Fund to precede the percentage allocations of lottery distributions
- The existing 1% allocation to the Compulsive Gamblers Assistance Fund remains intact

LB1243 (Senator Ardyce Bohlke)

- Clarified that special education programs include children from birth to 21 for purposes of major competitive grants

2001

LB797 (Education Committee: Senator Ron Raikes, Chair)

- Technical language improvements to the lottery provisions without substantive changes

LB833 (Senator Curt Bromm)

- Up to \$1.5 million each year for two years from the Governor's grants allocation diverted to distance education network completion grants
- Language regarding the goal of connecting all districts by June 30, 2000 eliminated

Spec. Sess., LB3 (Speaker Doug Kristensen at the request of Governor Mike Johanns)

- First-time allocation of the Education Innovation Fund is changed in response to economic circumstances

- For 2001-02 and 2002-03, \$1.5 million each year for distance education network completion grants is maintained while all other uses are eliminated for those two years and the remainder of available funds are allocated to the state General Fund
- Beginning with 2003-04:
 - Funds for quality education incentives reduced from 70% to 60%
 - Governor's grants allocation reduced from 20% to 10%
 - Attracting Excellence to Teaching forgivable loan program to receive a new allocation of 20%
 - Mentor teacher allocation continues at 10%

2002

LB1105 (Transportation & Telecommunications Committee: Senator Curt Bromm, Chair)

- Harmonized cross-reference changes in the recodification of telecommunications and technology statutes

LB1310 (Speaker Doug Kristensen at the request of Governor Mike Johanns)

- Transferred an additional \$1.6 million from the Education Innovation Fund to the General Fund in July 2002

Second Spec. Sess., LB1 (Speaker Curt Bromm at the request of Governor Mike Johanns)

- Transferred another addition of \$2,018,199 from the Education Innovation Fund to the General Fund in August 2002
- For 2003-04 and 2004-05, all educational uses are eliminated and the available funds in the Education Innovation Fund are allocated to the state General Fund

2003

LB367 (Senator Ray Janssen)

- Modified lottery operations

LB574 (Senator Ron Raikes)

- Combined three existing need-based aid programs into the Nebraska Scholarship Act
- Eliminated quality education incentives
- Split the 49.5% allocation to the Education Innovation Fund in half and allocated the other 24.75% to the Nebraska Scholarship Fund
 - This also reduced the amount available to be transferred to the General Fund
- Beginning in 2005-06, allocations from the Education Innovation Fund were modified:
 - Mentor teacher programs went up from 10% to 20% and Attracting Excellence went up from 20% to 40%, which kept both programs at the same level in light of the reduction in the Education Innovation Fund
 - The allocation for the Governor's grants went up from 10% to 40%, which approximately doubled the amount that would be available for the grants
- Note that none of these programs had received lottery funds since 2000-01

2004

LB1083 (Senator Jim Jensen)

- Harmonized modifications regarding compulsive gamblers

LB1091 (Speaker Curt Bromm at the request of Governor Mike Johanns)

- New school district reorganization incentives created for reorganizations between June 1, 2005 and May 31, 2007
- New allocation of \$1 million to the School District Reorganization Fund each year for 2005-06 and 2006-07
- Other allocations for education purposes suspended for two more years and the remainder to be transferred to the state General Fund
- All unobligated balances in the Education Innovation Fund transferred to the state General Fund on July 15, 2005

LR209CA (Senator Dave Landis)

- Adopted by the Legislature for submission to the voters at the November 2004 general election and approved by the voters at that election
- Established a constitutional allocation of lottery proceeds after prizes and expenses of:
 - First \$500,000 to the Compulsive Gamblers Assistance Fund
 - 1% to the Compulsive Gamblers Assistance Fund in addition to the \$500,000
 - 44.5% to the Nebraska Environmental Trust Fund
 - 44.5% for education as the Legislature may direct
 - 10% to the Nebraska State Fair Board upon meeting specified conditions

2006 (*Note: There were no changes in 2005.*)

LB1208 (Senator Ron Raikes)

- Statutory provisions harmonized with the new constitutional language
- Education Innovation Fund allocation reduced from 24.75% to 19.75%
 - Nebraska Scholarship Fund maintained its 24.75% allocation
- For the Education Innovation Fund:
 - The previous direction for \$1 million to the School District Reorganization Fund allocation for 2006-07 is retained
 - The transfer of the remainder from the Education Innovation Fund to the state General Fund for 2006-07 was replaced with the following allocations:
 - \$250,000 to Attracting Excellence to Teaching
 - The remainder to distance education equipment and incentives
 - The allocations for 2007-08 through 2015-16 remained the same except:
 - The transfer to the School District Reorganization Fund did not continue past 2006-07
 - The Attracting Excellence to Teaching allocation increased to \$500,000 for 2007-08, \$750,000 for 2008-09, and \$1 million thereafter
 - The Education Innovation Fund allocations terminated at the end of 2015-16 and the funds were to be allocated for education purposes as provided by the Legislature
 - Provisions regarding the Governor's grants and the Excellence in Education Council were eliminated

2007

LB638 (General Affairs Committee: Senator Vickie McDonald, Chair)

- Modified lottery operations

2009 (*Note: There were no changes in 2008.*)

LB286 (General Affairs Committee: Senator Russ Karpisek, Chair)

- Modified lottery operations

LB545 (Senator Greg Adams)

- Funding transferred to the Education Innovation Fund from the School District Reorganization Fund transferred back to the School District Reorganization Fund for a new round of reorganization incentives for reorganizations between June 1, 2009 and May 31, 2011 (\$456,912)

LB547 (Senator Greg Adams)

- The Attracting Excellence to Teaching forgivable loan program for teacher candidates included with a new Enhancing Excellence in Teaching forgivable loan program for existing teachers under the Excellence in Teaching Act
- The \$1 million allocation of lottery funds modified to include both programs

First Spec. Sess., LB2 (Speaker Mike Flood at the request of the Governor Dave Heineman)

- \$10 million transferred from the Education Innovation Fund to the University Cash Fund on December 31, 2009

2010

LB956 (Senator Greg Adams)

- Lottery provisions harmonized with the renaming of the Nebraska Scholarship Act as the Nebraska Opportunity Grant Act

2011

LB333 (Education Committee: Senator Greg Adams, Chair)

- Implemented budget cutting recommendations from the LR542 process
- Continued the Attracting Excellence to Teaching program for existing loan recipients, but eliminated funding for new applicants and completely eliminated funding for the Enhancing Excellence in Teaching program for 2011-12 and 2012-13
 - Reduced the allocation for the Excellence in Teaching program from \$1 million to \$225,000 for 2011-12 and \$45,000 for 2012-13
 - Restored the \$1 million per year allocation beginning with 2013-14
- Transferred funding for programs from the General Fund to the lottery for 2011-12 through 2015-16 as follows:
 - \$3,365,962 for early childhood education grants for 2011-12 and 2012-13 only
 - \$2,175,673 for accelerated or differentiated curriculum programs for 2011-12 and 2012-13, adding basic allowable growth for the remaining years

- \$491,541 for the student data system for 2011-12, and \$108,136 for 2012-13 adding basic allowable growth for the remaining years
- \$450,000 for the Center for Student Leadership and Extended Learning for 2011-12 and 2012-13, adding basic allowable growth for the remaining years
- \$114,629 for multicultural education for 2011-12 and 2012-13, adding basic allowable growth for the remaining years
- \$123,468 for a teacher certification investigator for 2011-12 and 2012-13, adding basic allowable growth for the remaining years
- The remainder continued to be allocated for distanced education equipment and incentives
- Transferred balance of the School District Reorganization Fund back to the Education Innovation Fund on July 1, 2011 (estimated \$277,700)
- Measure also eliminated the student achievement coordinator

LB575 (Senator Scott Price)

- Adopted the Interstate Compact on Educational Opportunity for Military Children
- Allocated \$27,200 of lottery funds for the Compact for 2012-13

LB637 (Senator Greg Adams)

- Allocated \$160,000 for the 2011-12 through 2013-14 college admissions test pilot project

2012

LB1079 (Senator Heath Mello)

- Established bridge programs for adult learners to earn postsecondary education credentials in an expedited manner
- Allocated \$200,000 of lottery funds per year for 2012-13 through 2014-15 for such programs

2013

LB6 (Senator Bob Krist)

- Modified compulsive gambler provisions

LB366 (Senator Tanya Cook)

- Created the Diploma of High School Equivalency Assistance Act
- One time allocation of \$85,550 in lottery funds for 2013-14 to carry out the Act

LB495 (Senator Kate Sullivan)

- Stated an intent to move programs back to General Fund appropriations and eliminated lottery allocations beginning with 2013-14 for:
 - Student information system
 - Center for Student Leadership and Extended Learning
 - Multicultural Education Program
 - Teacher certification investigator
- Allocated \$1,750,000 to early childhood education grants for 2013-14, \$1,850,000 for 2014-15, and \$1,950,000 for 2015-16
- Allocated \$1 million each year for 2013-14, 2014-15, and 2015-16 to the Early Childhood Education Endowment Cash Fund

- Allocated \$10,000 each year for the Interstate Compact on Educational Opportunity for Military Children for 2013-14, 2014-15, and 2015-16
- *Programs were successfully moved back to General Fund appropriations and there was an appropriation for early childhood education grant in addition to the lottery funding*

LB497 (Senator Kate Sullivan)

- Directed all lottery distributions for education to the new Nebraska Education Improvement Fund beginning July 1, 2016, replacing allocations to the Education Innovation Fund and the Nebraska Opportunity Grant Fund and terminating such funds on June 30, 2016
- Prohibited funds received as allocations from the Education Innovation Fund from being obligated for payments to be made after June 30, 2016
- Required the Education Committee to study potential uses of lottery funds and to report by December 31, 2014
 - Required factors to include in the study:
 - Educational priorities of the state
 - Types of educational activities suited to lottery funding
 - Whether funds should be used for temporary or ongoing funding
 - Whether periodic reviews should be scheduled

2014

LB967 (Education Committee: Senator Kate Sullivan, Chair)

- Increased the Excellence in Teaching forgivable loan allocation from \$1.0 to \$1.2 million for 2014-15 and 2015-16
- Reduced the allocation for distance education incentives and equipment from the remainder to \$2 million for 2014-15 and \$2.5 million for 2015-16 based on estimates
- Added a \$1 million allocation for reorganization support payments for both years
- Continued the college admissions test pilot project that would have otherwise expired for both years, but reduced the allocation from \$160,000 to \$145,000 per year
- New allocation of \$335,000 for career education alignment for 2014-15 and any remaining funds for 2015-16
- Clarified that, except for reorganization support and early childhood education funds, any funds that have not been used for their designated purpose on June 30, 2016 will revert to the Nebraska Education Improvement Fund
- Retained \$3 million as the beginning balance in the Nebraska Education Improvement Fund

2015

LB519 (Senator Kate Sullivan)

- Allocated the Nebraska Education Improvement Fund, after actual and necessary administrative expenses, for fiscal year 2016-17 through 2020-21, as follows:
 - 1% Expanded Learning Opportunity Grant Fund
 - 17% Department of Education Innovative Grant Fund
 - 9% Community College Gap Assistance Program Fund
 - 8% Excellence in Teaching Cash Fund

- 62% Nebraska Opportunity Grant Fund
- 3% to fund distance education incentives
- Specified that a portion of each allocation may be retained by the agency to which it is made, or that is administering the fund, for actual and necessary expenses (prior language was for “administrative expenses”)
 - Actual and necessary expenses are defined as those incurred by the agency for administration, evaluation, and technical assistance related to the purpose of the allocation
 - Except that no amount of the allocation to the Nebraska Opportunity Grant Fund may be used for such purpose
- Required that an amount equal to 10% of the prior fiscal year’s education distribution be retained in the Nebraska Education Improvement Fund
- Required that the Education Committee of the Legislature conduct a study of postsecondary education affordability in Nebraska and alternatives for supporting students and families with the cost and, on or before December 31, 2015, electronically submit its recommendations to the Clerk of the Legislature
- Required that on or before December 31, 2019, the Education Committee of the Legislature shall electronically submit its recommendations to the Clerk of the Legislature regarding how the fund should be allocated to best advance the educational priorities of the state for the five-year period beginning with fiscal year 2021-22

Department of Education Innovative Grant Fund

- Directed the State Board of Education to establish a competitive innovation grant program with lottery funds
 - Grantees shall be a school district, an ESU, or a combination of entities that includes at least one school district or ESU with the district or ESU serving as the fiscal agent
 - Only applications that the State Board deems to be sufficiently innovative and having a high chance of success shall be awarded a grant
 - A grant application shall describe:
 - Specific measurable objectives for improving education outcomes for PK-12 students or improving the transition between stages of education or between education and the workforce;
 - Method for annual evaluation;
 - Potential for the project to be both scalable and replicable; and
 - Any cost savings that could be achieved by reductions in other programs if the funded program is successful
 - Based on evaluations received on or before July 1, 2019, for each grant, the State Board shall recommend the grant project as:
 - Representing a best practice;
 - A model for a state-supported program; or
 - A local issue for further study
 - Created a best practice allowance within the Tax Equity and Educational Opportunities Support Act (TEEOSA) formula beginning with 2021-22
 - Requires the State Board of Education to submit a report electronically to the Legislature on or before December 1, 2017, and by December 1 every year thereafter

- Gives the State Board authority to adopt and promulgate rules and regulations
- Creates the Education Innovative Grant Fund

Excellence in Teaching Cash Fund

- Modified the purposes of the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program to include retaining teachers in an accredited ESU
- Expanded the eligibility criterion for the Enhancing Excellence in Teaching Program to include students enrolled in a course of study leading to an endorsement in a shortage area specified by the State Board of Education
- Changed the forgivable loan provisions for the Enhancing Excellence in Teaching Program effective July 1, 2016
 - Payment forgiveness amounts, in general, reduced from \$3000 to \$1500 per year
 - Added to the list of eligible teachers those teaching in an accredited ESU in Nebraska in which at least 40% of the enrolled students qualified for free lunches
 - Payment forgiveness amounts for those teaching in an accredited private school or ESU or an approved private school in Nebraska in which at least 40% of the enrolled students qualified for free lunches reduced from \$6000 annually to \$1500 for the first year and \$3000 for each year thereafter
- Specified that, in addition to the up to \$400,000 to be distributed annually for the Attracting Excellence to Teaching Program, that up to \$800,000 shall annually be distributed to the Enhancing Excellence in Teaching Program, and that annual funding amounts in excess of \$1.2 million shall be evenly divided between the two programs
- Changed the transfer date for any remaining funds to the Education Improvement Fund from August 1, 2016 to August 1, 2021

Expanded Learning Opportunity Grant Fund

- Created the Expanded Learning Opportunity Grant Program Act, administered by NDE
 - To provide grants to community-based organizations defined the same as in federal statute for the 21st Century Community Learning Center program
 - The first priority of the new state program is to continue existing federally funded 21st Century Community Learning Centers
 - The second priority is to support new expanded learning opportunities in areas of the state with a high percentage of at-risk children not currently served by a federal 21st Century Community Learning Center
 - Working in partnership with schools in high-need school districts, which are defined as a school in which 40% or more qualify for free and reduced-price meals
 - To provide expanded learning opportunity programs, which means a school-community partnership that provides participating K-12 students and their families with programming and other support activities/services:
 - That complement but do not duplicate school-day learning
 - That create opportunities to strengthen school-community partnerships to provide support to be successful in school
 - That are provided after school and on weekends, holidays, and other hours when school is not in session
- Outlined the requisite components of each grant proposal, as well as the evaluation of grant recipient programs

- Required NDE to provide an electronic report evaluating the expanded learning opportunity programs to the Legislature by January 1 of each odd-numbered year

Distance Education Incentives

- Expanded the funding of distance education incentives to school districts and educational service units from 2015-16 until 2020-21 and switched the source of funding from the Education Innovation Fund to the Education Improvement Fund for those five years

Community College Gap Assistance Program Fund

- Created the Community College Gap Assistance Program Act
- Defined an eligible program as one offered by a community college that:
 - Is not offered for credit but is aligned with training programs with stackable credentials that lead to a program awarding college credit, an associate's degree, a diploma or a certificate in an in-demand occupation,
 - In-demand occupations defined as:
 - Financial services;
 - Transportation, warehousing, and distribution logistics;
 - Precision metals manufacturing;
 - Biosciences;
 - Renewable energy;
 - Agriculture and food processing;
 - Business management and administrative services;
 - Software and computer services;
 - Research, development, and engineering services;
 - Health services;
 - Hospitality and tourism; and
 - Any other industry designated as an in-demand occupation by the Committee
 - Has a duration of not less than sixteen contact hours in length, and
 - Does any of the following:
 - Offers a state, national, or locally recognized certificate;
 - Offers preparation for a professional examination or licensure;
 - Provides endorsement for an existing credential or license;
 - Represents recognized skill standards defined by an industrial sector; or
 - Offers a similar credential or training
- Placed the direction of the Gap Assistance Program with the Nebraska Community College Student Performance and Occupational Education Grant Committee and administration under the Coordinating Commission for Postsecondary Education (CCPE)
- Defined eligibility for an applicant as:
 - Family income at or below 250% of poverty; and
 - Resident of Nebraska
- Set the application procedure for the program to be made by the community college in which the applicant is enrolled or intends to enroll
- Required that an applicant shall not receive community college gap assistance for more than one eligible program
 - Defined the outcomes that an applicant must demonstrate they are able to achieve as:

- Ability to be accepted to and complete an eligible program;
 - Ability to be accepted into and complete a postsecondary certificate, diploma, or degree program for credit;
 - Ability to obtain full-time employment; and
 - Ability to maintain full-time employment over time
 - Defined eligible costs for which assistance can be awarded to include, but not be limited to:
 - Tuition;
 - Direct training costs;
 - Required books and equipment; and
 - Fees, including, but not limited to, fees for industry testing services and background check services
 - Limited the total amount of gap assistance awarded during any fiscal year to \$1.5 million
 - Allowed for money in the fund to be used for administrative costs
- Nebraska Opportunity Grant Fund
- Provided that money in the fund shall include transfers from the Nebraska Education Improvement Fund until June 30, 2021

2016

LB930 (Senator Jim Scheer)

- New allocation within the 17% for the Education Innovative Grant Fund for 2017-18 to carry out the administration of a standard college admission test to eleventh grade public school students

LB1067 (Senator Kate Sullivan)

- New allocation for learning community transition aid for 2016-17 and 2017-18

2017

LB512 (Education Committee: Senator Mike Groene, Chair)

- Removed the 2017-18 sunset provision that allowed NDE to pay for the administration of the standard college admission test to eleventh grade public school students from the Education Innovative Grant Fund allocation
- Repealed the best practice allowance from the TEEOSA formula that was set to begin in 2021-22

2019 (*Note: There were no changes in 2018.*)

LB180 (Senator Kate Bolz)

- Expanded eligible programs to include those offered for credit but are of insufficient clock, semester, or quarter hours to be eligible for Federal Pell Grants

LB252 (Senator Suzanne Geist)

- Made changes relating to odds of winning disclosures in Nebraska Lottery advertisements

2021 (*Note: There were no changes in 2020.*)

LB 528 (Senator Lynne Walz)

- Extended the sunset date to school year 2020-21 for a grant program meant to improve teacher effectiveness, expanded the list of programs eligible for the Community College Gap Assistance Program, and changed eligibility requirements for the Access College Early Scholarship Program.
- Extended the current allocation of state lottery funds to several education-related programs, including need-based college scholarships for Nebraska students, through fiscal year 2023-24.

Introduced Bills Aimed to Revise Current Education Lottery Statute

The Committee has taken a position to honor the legislative intent that lottery distributions shall be studied and, if needed, adjusted in a five-year period, maintaining its commitment to beneficiaries. Recent legislative bills that have been introduced to modify the current allocations are reported here for reference to senators. This list is not meant to be exhaustive; however, of all ideas and proposals explored by current or former senators. Nor is it meant to infer approval or disapproval of the ideas presented.

2017 (*Note: There were no bills in 2016.*)

LB525 (Senator Adam Morfeld)^{iv}

- Proposed reducing the allocation to Innovative Grant Funds from 17% to 16% beginning with fiscal year 2017-18
- Proposed reallocating the 1% to the Master Teacher Program Fund

2019 (*Note: There were no bills in 2018.*)

LB104 (Senator Lou Ann Linehan)^v

- Proposed changing the allocations for the six-year period following the current statutory allocation (beginning with 2021-22), as follows:
 - 62% to the Nebraska Opportunity Grant, in conjunction with General Fund appropriations
 - 38% to remain in the Nebraska Improvement Fund until the Legislature directs otherwise
- Proposed extending the sunset provision for the Nebraska Opportunity Grant Fund from June 30, 2021 until June 30, 2027

LB563 (Senator Kate Bolz)^{vi}

- Proposed establishing the Access College Early (ACE) Tech Promise Program to be administered by the Coordinating Commission for Postsecondary Education
- Proposed that the new program provide a scholarship to low-income students who have successfully participated in the ACE Program at the high school level who are pursuing a certificate, diploma or associate’s degree full-time at a community college or the Nebraska College of Technical Agriculture^{vii}
- AM143, submitted to the Education Committee at the February 5, 2019 bill hearing, proposed changing the Education Improvement Fund allocations for 2019-20 and 2020-21 as follows:^{viii}
 - Community College Gap Assistance Program reduced from 9% to 6.5%
 - ACE Tech Promise Program 2.5%

LB568 (Senator Adam Morfeld)^{ix}

- Proposed removing the sunset provisions for the education lottery distributions
- Proposed removing the required Education Committee report regarding how funds should be allocated for the five-year period beginning with fiscal year 2021-22
- Proposed removing the word “competitive” from innovation grants pursuant to the allocated funds for the Department of Education Innovative Grant Fund
- Proposed that NDE establish a mental health first aid training program for teachers and other personnel employed by a school district or ESU participating in a grant from the Department of Education Innovative Grant Fund
- Mental health first aid training was to be delivered by properly certified trainers
- Mental health first aid training was to include training on:
 - The skills, resources, and knowledge necessary to assist students in crisis connect with appropriate local mental health care services;
 - Mental health resources, including the location of local community mental health centers; and
 - Action plans and protocols for referral to such resources
 - Recipients of mental health first aid training were also to receive instruction preparing him or her to:
 - Safely de-escalate crisis situations;
 - Recognize the signs and symptoms of mental illness, including such psychiatric conditions as schizophrenia, bipolar disorder, major clinical depression, and anxiety disorders; and
 - Timely refer a student to mental health services in the early stages of the development of a mental disorder to avoid subsequent behavioral health care and to enhance the effectiveness of mental health services
- Proposed defining the innovation grant programs in areas including, but not limited to,
 - Mental health first aid;
 - Early literacy;
 - Quality instructional materials;

- Personalized learning through digital education; or
- Other innovation areas identified by the State Board of Education

LB650 (Senator Justin Wayne)^x

- Proposed creating the Teach for Nebraska Summer Program, the Teach for Nebraska Scholarship Program and the Teach for Nebraska Fund
- Proposed appropriating \$1 million in each fiscal year for 2019-20 and 2020-21 from the Excellence in Teaching Cash Fund to the Teach for Nebraska Fund, and change Neb. Rev. Stat. § 9-812(4)(d) to specify the allocation to include the Teach for Nebraska Program Act
- For fiscal years 2021-22 through 2029-30, proposed appropriating \$500,000 from the General Fund

CHAPTER II: FUND DESCRIPTIONS

Since the 2014 Education Committee Lottery Study, education lottery funds have been distributed for eight purposes, each of which is described below. Financial and data analysis for each fund is available in Chapter III.

Learning Community Transition Aid

In 2016, the Legislature eliminated the Learning Community of Douglas and Sarpy Counties' common levy and provided two years of transition aid to member districts (2017-18 and 2018-19).^{xi}

Expanded Learning Opportunity Grant Fund

The Expanded Learning Opportunity Grant Program Act was signed into law in 2015. Expanded learning opportunity programs (ELO programs) are school-community partnerships in districts determined to be high-needs,^{xiii} based on 40% or more of enrolled students qualifying for free and reduced meals.^{xiii} The Expanded Learning Opportunity Grant Fund is administered by NDE. It consists of one percent of education lottery funds and interest earned.^{xiv} Funding provided by the ELO programs shall be matched on a one-to-one basis by community or partner contributions.^{xv} NDE is required to provide a report to the Legislature by January 1 of each odd-numbered year.^{xvi}

NDE began administering the ELO programs by establishing two-year opportunity grants to partnerships that provide out-of-school time after school and during summer break. Eligible afterschool sites must be receiving funds from a 21st Century Community Learning Center Continuation Grant.^{xvii} In addition, at least 40% of applicants' student population must be eligible for free or reduced meals; their sites must be in good standing and in operation at least five years.^{xviii}

In May 2017, NDE awarded the first cohort of grants, but due to a low applicant pool they did a second cohort of grant awards in July of that year.^{xix} In total for the 2017-18 and 2018-19 school years, NDE awarded 13 grants to 12 recipients for programs at 43 sites totaling \$293,841.^{xx} In the 2017-18 school year, 2,043 students were served statewide; 84% were eligible for free or reduced meals, 72% were an ethnic minority, 16% were English learners and 1% were migrant students. In June 2019, NDE awarded a new cohort of 13 two-year grants to nine recipients for programs at 48 sites totaling \$310,738. The 2019 grant awards are listed below.^{xxi}

2019 TWO-YEAR GRANT RECIPIENTS	Amount	No. of Sites
Collective for Youth (Omaha)		
Grant # 1	\$30,000	8
Grant # 2	\$26,893	7
Grant # 3	\$25,175	7

Garden County Schools	\$18,154	1
Kearney Public Schools		
Grant # 1	\$30,000	1
Grant # 2	\$30,000	1
Lexington Public Schools	\$30,000	4
Lincoln CLC/Lincoln Community Foundation	\$25,024	4
North Platte Public Schools		
Grant # 1	\$15,600	1
Grant # 2	\$30,000	4
Ogallala Public Schools	\$10,000	1
Partnership for a Healthy Lincoln	\$29,892	7
Police Athletics for Community Engagement (P.A.C.E. Omaha)	\$10,000	2
Total	\$310,738	48

Both the two-year and one-year cohorts were impacted by the COVID pandemic beginning in March 2020 and throughout the 2020-21 school year. Safety protocols and local restrictions on attendance directly impacted afterschool and summer programs during this time, which resulted in unspent grant funds. Some grantees declined the award due to the ongoing pandemic conditions.^{xxii}

In 2022, 16 new two-year grants were awarded for a total amount of \$1,158,991. Note that the ending balance was large enough to cover all the new grants and administrative expenses for the next two years. The 2022 grant awards are listed below.^{xxiii}

2022 TWO-YEAR GRANT RECIPIENTS	Amount
Beatrice Educational Foundation	\$12,655.00
Bancroft-Rosalie Community Schools	\$40,000.00
Collective for Youth (Omaha)	\$117,200.00
Collective for Youth (Omaha)	\$227,720.00
Future Kids	\$178,800.00
Health Partners Initiative DBA Partnership for a Healthy Lincoln	\$69,610.00
Kearney Public Schools	\$50,790.00
Kearney Public Schools	\$61,107.00
Lee G. Simmons Wildlife Safari and Conservation Park	\$54,898.00
Lincoln CLC/Lincoln Community Foundation	\$11,637.00
Lincoln CLC/Lincoln Community Foundation	\$77,683.00
Nebraska Farm Bureau	\$89,720.00
Nebraska Statewide Arboretum, Inc.	\$67,828.00
North Platte Public Schools	\$34,304.00
Ogallala Public Schools	\$10,000.00
School District of Columbus Foundation, Inc.	\$55,039.00
Total	\$1,158,991.00

Department of Education Innovative Grant Fund

Legislative Bill 519, introduced by Senator Kate Sullivan in 2015, created the Innovation Grant Program that delegated authority to the State Board of Education for establishing a competitive innovation grant program. Per statute, grantees shall be a school district, an educational service unit (ESU), or a combination of entities that that includes at least one school district or ESU. In the event a grantee is a combination of entities, a participating school district or ESU is required to act as the fiscal agent and administer the program funded by the grant. Only grant applications deemed sufficiently innovative and to have a high chance of success are to be awarded.^{xxiv}

The competitive grant program provides funding to support the development, expansion, and investment in innovative best practices to improve education outcomes for students in kindergarten through twelfth grade “while helping them to pave their paths towards successive education and subsequent assimilation into the workforce.”^{xxv} In January 2017, NDE awarded innovation grants to five entities as listed below.^{xxvi}

30-MONTH GRANT RECIPIENTS - 2017	Board Approved Amount
Plattsmouth Community School District	\$107,089
Scottsbluff Public School District	\$827,913
Expanded Learning Opportunities Design Challenge	\$893,565
Westside Community Schools	\$896,993
Education Service Unit Coordinating Council	\$1,640,839
Total	\$4,366,399

Further details about each grantee are as follows:

Plattsmouth Community School District: Plattsmouth High School uses the Wall-to-Wall Career and College Readiness project to refine its academy program into a model for Nebraska’s schools. This model is based on student interests, learning preferences and career goals. It involves extensive partnerships with community businesses and educational programs.^{xxvii}

Scottsbluff Public School District: Scottsbluff Public Schools’ Wall-to-Wall Career Academy model includes six career academies. As students progress through middle school and their freshman/sophomore years, they are provided with instruction and experiences that help them determine areas that interest them. Then, as juniors and seniors, they select and refine their focus in Foundational Academies.^{xxviii}

Expanded Learning Opportunities Design Challenge: This is a partnership that provides a statewide coalition of districts, community partners, and key education and community stakeholders with

opportunities to design and test new models of ELO curriculum that support Nebraska Career Readiness Standards.^{xxxix} Beatrice Public Schools was the fiscal agent for this grant.^{xxx}

Westside Community Schools: The Personalized 21st Century Learning Initiative uses instruction tailored to meet each individual student’s needs, skills, knowledge and learning interests. The project includes an overarching goal of promoting the academic performance of all students in the district through personalized learning opportunities with particular emphasis on those experiences which leverage technology.^{xxxi}

Educational Service Unit Coordinating Council (ESUCC): The Data-driven Ecosystem Enhancing Teaching and Improving Learning for Students (DETAILS) project enables the ESUCC to incorporate multiple online educational and data-collection systems into one statewide, secure, single sign-on portal. The system develops, implements and sustains an integrated ecosystem to allow relevant teaching and learning applications and tools to integrate sharing data elements for the improvement of student learning and reporting.^{xxxii}

These first grant awards ended June 30, 2019.^{xxxiii}

One requirement of the grant process is a third-party evaluator, tasked with capturing processes and outcomes of the Innovation Grant. These evaluations will be utilized to create a menu of options for schools wishing to attain improved student achievement. This emphasis on “scaling up” effective practices sets this grant apart from other such investments. The Innovation Grant Manager is routinely responsible for supporting the grant recipients, managing grant financial requests, ensuring strong evaluative practices, and assisting other schools in scaling up and replicating innovative initiatives to improve student achievement. This individual also reports on progress to diverse stakeholders throughout the project.^{xxxiv}

The grant program has evolved and to achieve an intended outcome of scaling innovations statewide, NDE built from innovation grant results to establish Education Innovation Networks.^{xxxv} The Education Innovation Networks are a new approach by NDE for using the Innovative Grant Fund.

The primary goal of the Education Innovation Networks is to take the innovative work and subsequent efforts and scale, or engage, a broader set of districts and ESU’s. The theory of action is essentially to move the local innovation to more districts, locations, and experiences. Providing a competitive application process to participate in the variety of Networks ensures an opportunity for school districts and ESU’s. It also allows for the Networks to provide stability and explore sustainability approaches for carrying forth the innovation work in Nebraska. Five Innovation Networks have been created to move forward original innovation grant findings and align to the priorities of the Legislature and the State Board of Education.^{xxxvi} The five Networks, and the Board-approved amount are below.^{xxxvii}

TWO-YEAR EDUCATION INNOVATION NETWORKS - 2019	Total Board-Approved Network Amount Organization	Network Lead	Network Lead Contract Amount
Data Visualization and Use Network	\$750,000	Don't Panic Labs	\$393,510
Instructional Materials Network	\$500,000	Teaching Labs	\$452,000
Equitable Access and Digital Resources Innovation Network	\$1,500,000	ESCUCC	\$1,500,000
Nebraska ELO Innovation Network	\$800,000	Beyond School Bells	\$800,000
Asynchronous Professional Learning (APL)	\$650,000	Vivayic	\$514,670
Total	\$4,200,000		\$3,660,180

The Networks, as illustrated above, have private partners serving as contractors. NDE is facilitating the use of aid, support contracts and grant awards collectively to enable the Networks on a statewide basis. The approach of contracting directly for services (contractors, experts, network managers, etc.) is on behalf of and for all participants in an Innovation Network. This approach ensures the aid to school districts and ESU's is maintained. Private entities receive remuneration for any specific services or work provided to the Network members that is a specific part of its contract.^{xxxviii}

Further details about each Network are as follows:

Data Visualization and Use Network: Supporting the secure, effective use of data and providing appropriate, useful visualization tools essential to inform educators (e.g., teachers, counselors, administrators, and others) is the primary focus of this Network. Offers the opportunity to identify needs, test models and tools, as well as provide a longer-term prioritization of enhancements and directions for the resources and training necessary for districts and ESU's.^{xxxix}

This Network is operational and will be seeking applications for team members soon.^{xl}

Instructional Materials Network: Supporting aspects of personalized learning and focused career academies in the initial innovation grants, this Network formalizes an approach that begins to scale the concepts, resources, and activities occurring around High-Quality Instructional Materials and developing a process for districts and ESU's to evaluate, procure, and implement curriculum review and adoption in districts.^{xli}

This Network is operational, has over 90 people engaged, and has awarded grants to the following teams.^{xlii}

Instructional Materials Network Teams		
Arthur County Public Schools (+ESU 16)	Kearney Public Schools	Omaha Public Schools
Brady Public Schools (+ESU 16)	Leigh Community Schools (+ESU 7)	Palmer Public Schools (+ESU 16)
ESU 3	Lexington Public Schools (+ESU 13)	Schuyler Community Schools (+ESU 7)

Gothenburg Public Schools (+ESU 10)	Lincoln Public Schools	Shelby-Rising City Public Schools (+ESU 7)
Grand Island Public Schools	Morrill Public Schools (+ESU 13)	Tekamah-Herman Schools (+ESU 2)
Hyannis Area Schools (+ESU 16)	Northwest Public Schools (+ESU 10)	

Equitable Access and Digital Resources Innovation Network: Building from the work of data ecosystem development, this Network focuses on developing the process for prioritizing, deploying, and evaluating the use and impact of software and tools for school districts and ESU’s, as well as creating the sustainability of the systems. Considerations will focus on collaborative software development, using open-source software and tools, evaluating statewide licensing options, and aligning the priorities with sustainability of providing access to digital resources and tools. Primary drivers of the Network will be to focus on meeting Nebraska-specific needs and use cases at a lower, sustainable cost with equitable statewide access all while raising the level of data privacy and security protections.^{xliii}

This Network is just in the beginning stages; the contract with ESUCC, one of the partners, and NDE was signed on November 5, 2019.^{xliv}

Nebraska ELO Innovation Network: Building on the culmination of a successful collaboration in the NDE Innovation Grant-funded Expanded Learning Opportunity (ELO) Design Challenge, Beyond School Bells, together with a group of key partners, will create Nebraska’s ELO Innovation Network for the two-year period starting in January 2020. This two-year, \$800,000 total public investment request (\$400,000 annually in Innovation grant funds) will generate a 2:1 private sector match, creating a total, two-year pool of \$2.4 million to launch and grow a Network supporting 1) an ELO Design Studio, developing and disseminating low-cost, high-quality, ELO programming, staffing and evaluation innovations, 2) new ELO incubator program supporting underserved rural and NDE priority districts and 3) ELO Centers of Excellence promoting and sharing ELO Innovations.^{xlv}

This Network is moving forward with a time schedule for rollout of a grant application process in January 2020. They will be including two different types of mini-grants as part of their process, which includes one for rural districts that do not currently have an afterschool program and one focusing on Centers of Excellence.^{xlvi}

The \$800,000 approved amount for this Network is in addition to the 3% of Education Improvement Fund allocation to Expanded Learning Opportunity Grants.

Asynchronous Professional Learning (APL): Building on the successful innovation and supports of personalized learning, this Network will build the quality standards, skills, knowledge and processes for quality digital professional learning in Nebraska. The Network will bring together educators, districts, ESU’s and NDE personnel to establish a process and develop skills to develop and deploy

asynchronous online courses and training. The APL utilizes already available software resources and delivery tools to create a high-quality and consistently-applied process for digital learning, course development and delivery, as well as ongoing sustainability and evaluation of the course offerings. After the two-year Network, over 40 districts, ESU's and NDE staff will have the capacity, tools, resources and processes to continue building capacity with additional cohorts.^{xlvii}

Standard College Admission Testing

In 2011, the Legislature enacted a three-year pilot project that NDE could implement for the districtwide administration of a standard college admission test to eleventh grade students; participation by school districts was to be voluntary and subject to the approval of the State Board of Education. The project was required to be paid for by the Education Innovation Fund (lottery).^{xlviii} The goal of the project was an increase in college-going among Nebraska high school students; 13 public high schools were selected for the pilot.^{xlix} In 2014, the pilot program was extended through the 2015-16 school year; annual reports were required to be submitted to the Governor, Clerk of the Legislature and the chairperson of the Education Committee.¹

In 2016, the Legislature replaced the pilot project with a requirement that, no later than the 2017-18 school year, NDE shall administer a standardized college admission test to students in the eleventh grade attending a public school in lieu of the assessment for that grade level. NDE was mandated to pay for the expenses and allowed to use funds from the Nebraska Education Improvement Fund.^{li}

In 2021, LB 528^{lii} deleted the portion of 79-759 that allowed the Department to use funds from the Nebraska Education Improvement Fund in order to support Standard College Admission Testing. Since this amendment to the statute, the Standard College Admission Testing has drawn its financial sources from the General Fund.^{liii}

Community College Gap Assistance Program Fund

The Community College Gap Assistance Program Act was signed into law in 2015 and amended in 2019^{liv} and 2021.^{lv} It establishes a form of financial aid to be awarded by community colleges for specific programs related to in-demand occupations to cover tuition, fees, direct training costs, required books and equipment.^{lvi} CCPE disburses funds quarterly to community colleges as they are received.

The program's name "gap" refers both to the gap in financial aid that is typically available for noncredit courses and credit courses not eligible for federal Pell grant funding, as well as to the fact that it strives to produce workers in fields that have a labor shortage.^{lvii} These students are not eligible for Federal Pell Grants or state Nebraska Opportunity Grants.^{lviii} Nebraska residency is a requirement for gap assistance.^{lix}

The Coordinating Commission may adopt and promulgate rules and regulations to carry out the Act;^{lx} however, thus far they have only issued guidelines that govern the administration of the Gap Assistance Program.^{lxi} CCPE issues an annual report for the program.^{lxii}

Per statute, community colleges may use a portion of their allocation to defray the costs of direct staff support services, including but not limited to, marketing, outreach, applications, interviews, and assessment. These administrative costs are limited to 10% of any amount allocated for each community college.^{lxiii}

Excellence in Teaching Cash Fund

Legislative Bill 547, introduced by Senator Greg Adams in 2009, revised the Attracting Excellence to Teaching Program created in 2006 to become the Excellence in Teaching Act, which now includes both the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program. The first \$400,000 goes to the Attracting Excellence to Teaching Program, the next \$800,000 goes to the Enhancing Excellence in Teaching Program, and the remainder is split 50/50.^{lxiv}

The Attracting Excellence to Teaching Program funds are allocated as loans to eligible students who (a) graduate in the top quarter of their high school class or have at least a 3.0 GPA; (b) complete a teacher education program at an eligible institution; and (c) commit to teach in an accredited public or private school in the state. Up to \$3,000 per year may be loaned to a student for up to five years. Priorities for loans are to students majoring in subject shortage areas. Loans are forgiven, after the first two years of teaching in the state, in the amount of \$3,000 per year. Loans are forgiven in the amount of \$6,000 for each year of teaching in a very sparse or high poverty school. Loans must be repaid if a person opts not to teach in the state.^{lxv}

The Enhancing Excellence in Teaching Program funds are awarded to eligible students who (a) are certified teachers; (b) enrolled in eligible graduate programs; and (c) majoring in a subject shortage area. Loans of up to \$175 per credit hour may be authorized for up to five years. After the first two years of full-time teaching following graduation with the degree for which the loan was received, the loan is forgiven for each year taught in the amount of \$3,000 or \$6,000 if the person teaches in a very sparse or high poverty school. Loans must be repaid if a person opts not to teach in the state.^{lxvi}

Teacher shortage areas are determined annually by NDE based on an annual teacher supply survey of accredited and approved Nebraska school systems.^{lxvii} Shortage areas as defined by the U.S. Department of Education under the Teach Education Assistance for College and Higher Education (TEACH) Grant will also be considered as qualifying shortage areas.^{lxviii} Eligible shortage areas for a particular student are based on areas identified by NDE at the time the borrower first receives

funds pursuant to the Enhancing Excellence in Teaching Program. Teacher shortage areas identified by NDE for the 2022-23 school year are below.^{lxxix}

Teacher Shortage Areas in Nebraska for 2022-23	
Art	Music - Instrumental/Vocal
Business, Marketing or Information Technology	School Counselor
Career and Technical Education	School Library
Early Childhood Education	School Psychologist
Elementary Education	Sciences
English as a Second Language/English Language Learners	Social Studies/Social Science
Health and/or Physical Education	Special Education
Language Arts	Speech-Language Pathology
Mathematics	World Language

Nebraska Opportunity Grant Fund

Originally known as the Nebraska Scholarship Act, the enacting statute for this fund was created in 2003 and was renamed the Nebraska Opportunity Grant Act in 2010.^{lxxx} The Nebraska Opportunity Grant (NOG) receives both lottery dollars and General Fund appropriations.^{lxxxi}

The NOG program provides financial aid to students who are residents of Nebraska; have not earned a bachelor's, graduate, or professional degree; have high financial need (defined as having an expected family contribution equal to or less than 110% of the maximum family contribution that qualifies students for a Federal Pell Grant); and who are attending eligible Nebraska colleges and universities to earn an undergraduate degree or credential. The NOG program uses information from the federal Free Application for Federal Student Aid (FAFSA) as the basis for determining eligibility; there is no separate application.^{lxxxii}

As of the 2020-21 report, Nebraska ranks 30th in the country for need-based undergraduate grant dollars per undergraduate enrollment with an estimated \$319.88 per FTE.^{lxxxiii} The nationwide average is \$743.94.^{lxxxiv} NOG is the source of these grant dollars. In the same academic year, the average NOG award was \$1,608.60 and 42.7% of eligible students received a grant.^{lxxxv}

Distance Education Incentives

The current statute allowing for funding of distance education incentives from lottery funds was enacted in 2006.^{lxxxvi} It allows for NDE to provide the incentives to school districts and educational service units for qualified distance education courses coordinated through the Educational Service Unit Coordinating Council for school fiscal years 2007-08 through 2023-24.^{lxxxvii} The original bill also

allowed for reimbursement of distance education equipment reimbursement; however, those provisions expired after school fiscal year 2013-14.^{lxxviii}

Reimbursement of distance education incentives are based upon a set rate per distance education unit (DEU), which are calculated as follows:^{lxxix}

- One DEU for each qualified, two-way interactive video course received by students in a school district by a teacher not employed in said district
- One DEU for each qualified course sent by an educational entity (school district or ESU) to students in another educational entity if none of the receiving students were members of a sparse or very sparse school district
- One DEU for each qualified, non-interactive video distance education course sent by an educational entity to students in another educational entity and at least one receiving student was a member of a sparse or very sparse school district
- Two DEUs for each qualified, two-way interactive video distance education course sent by an educational entity to students in another educational entity if at least one receiving student was a member of a sparse or very sparse school district

The reimbursement amount per DEU shall be calculated by the amount available for distribution distance education incentives on August 1 of each year divided by the number of eligible DEUs, but shall not exceed \$1000.^{lxxx} If additional funds are available, the statute allows for additional incentives for elementary distance education courses.^{lxxxi}

According to NDE, the distance education incentives created in 2006 to encourage school district innovation in designing, using, and sharing educational courses using existing technology of the time have largely met intended goals. Since that time, advances in technology, access to open digital resources, online courses, and other mediums have emerged, creating an opportunity to consider options for modernizing the use of the funds to address and support equitable access to new and emerging innovations (e.g., broadband access, statewide systems, additional networks, etc.).

CHAPTER III: FINANCIAL & DATA ANALYSIS

Lottery Distributions 1993-94 through 2021-22

The Nebraska Lottery began operating on September 11, 1993.^{lxxxii} Through June 2019, \$740,485,378 was distributed to beneficiaries including a \$5 million transfer to the General Fund in July 2004.^{lxxxiii}

Initially the lottery proceeds, after prizes and operating expenses, were distributed as follows:^{lxxxiv}

- 49.5% Education Innovation Fund
- 24.5% Solid Waste Landfill Closure Assistance Fund
- 25% Nebraska Environmental Trust Fund
- 1% Compulsive Gamblers Assistance Fund

As indicated in Chapter I, distribution changes were approved by voters in 2004.^{lxxxv} After an initial \$500,000 to the Compulsive Gamblers Assistance Fund, current distributions are as follows:^{lxxxvi}

- 44.5% Nebraska Environmental Trust Fund
- 44.5% Education as the Legislature directs
- 10% Nebraska State Fair Board
- 1% Compulsive Gamblers Assistance Fund

Total distributions, broken down by fund, are below.^{lxxxvii}

Fiscal Year	General Fund Transfer	Compulsive Gamblers	Total Education Related	Total Environment Related	State Fair Board	Total Distribution
1993-94	-	\$109,318	\$5,411,246	\$5,411,247	-	\$10,931,811
1994-95	-	\$193,081	\$9,557,545	\$9,557,544	-	\$19,308,170
1995-96	-	\$204,864	\$10,140,720	\$10,140,720	-	\$20,486,304
1996-97	-	\$233,634	\$11,564,877	\$11,564,876	-	\$23,363,387
1997-98	-	\$187,404	\$9,276,529	\$9,276,530	-	\$18,740,463
1998-99	-	\$175,811	\$8,702,608	\$8,702,607	-	\$17,581,026
1999-00	-	\$ 178,875	\$8,854,331	\$8,854,332	-	\$17,887,538

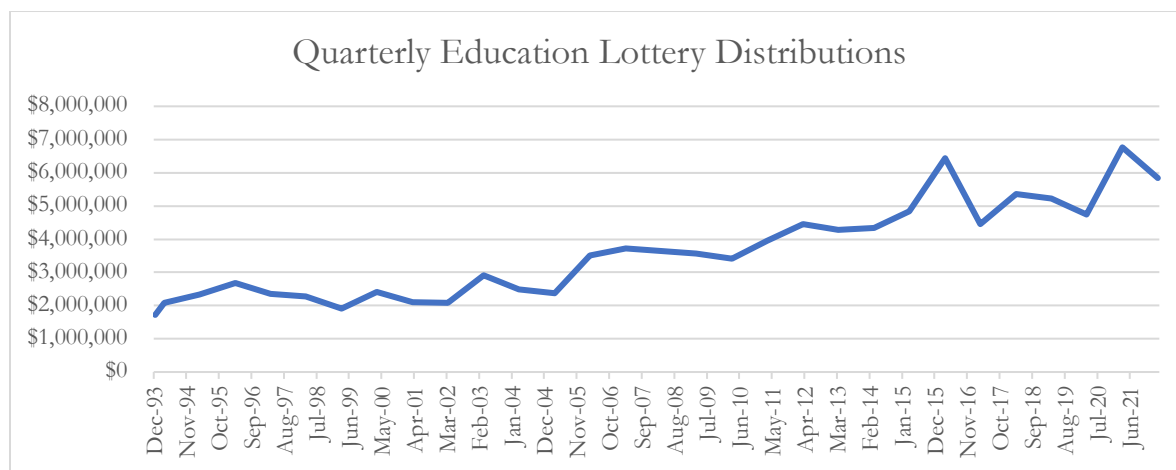
2000-01	-	\$ 660,964	\$7,967,717	\$7,967,716	-	\$16,596,397
2001-02	-	\$ 677,360	\$8,779,297	\$8,779,296	-	\$18,235,953
2002-03	-	\$695,986	\$9,701,339	\$9,701,339	-	\$20,098,664
2003-04	-	\$ 703,080	\$10,052,433	\$10,052,433	-	\$20,807,946
2004-05	\$5,000,000	\$716,956	\$10,201,366	\$10,201,368	\$1,075,788	\$27,195,478
2005-06	-	\$ 771,018	\$12,060,344	\$12,060,343	\$2,710,190	\$27,601,895
2006-07	-	\$787,663	\$12,800,968	\$12,800,967	\$2,876,621	\$29,266,219
2007-08	-	\$805,082	\$13,576,186	\$13,576,185	\$3,050,828	\$31,008,281
2008-09	-	\$ 797,451	\$13,236,579	\$13,236,577	\$2,974,511	\$30,245,118
2009-10	-	\$815,004	\$14,017,621	\$14,017,621	\$3,150,028	\$32,000,274
2010-11	-	\$815,553	\$14,042,120	\$14,042,121	\$3,155,534	\$32,055,328
2011-12	-	\$855,750	\$15,830,903	\$15,830,904	\$3,557,507	\$36,075,064
2012-13	-	\$895,146	\$17,584,042	\$17,584,042	\$3,951,471	\$40,014,701
2013-14	-	\$875,001	\$16,687,541	\$16,687,541	\$3,750,009	\$38,000,092
2014-15	-	\$866,070	\$16,290,107	\$16,290,107	\$3,660,699	\$37,106,983
2015-16	-	\$922,830	\$18,815,900	\$18,815,901	\$4,228,292	\$42,782,923
2016-17	-	\$907,777	\$18,146,057	\$18,146,057	\$4,077,766	\$41,277,657
2017-18	-	\$947,501	\$19,913,801	\$19,913,801	\$4,475,011	\$45,250,114
2018-19	-	\$960,677	\$20,500,078	\$20,500,078	\$4,606,759	\$46,567,592
2019-20	-	\$919,057	\$18,648,007	\$18,648,007	\$4,190,564	\$42,405,635
2020-21	-	\$976,789	\$21,217,127	\$21,217,127	\$4,707,845	\$48,118,938
2021-22	-	\$989,300	\$21,773,822	\$21,773,822	\$4,892,994	\$49,429,938
TOTAL	\$5,000,000	\$19,645,002	\$395,351,209	\$395,351,209	\$65,092,417	\$740,485,378

Allocations to education through 2021-22 totaled \$395,351,209 and were distributed as follows:^{lxxxviii}

Fiscal Year	Education Innovation Fund	Nebraska Scholarship Fund	Nebraska Opportunity Grant	Education Improvement Fund	Total Education Money
1993-94	\$5,411,246	-	-	-	\$5,411,246
1994-95	\$9,557,545	-	-	-	\$9,557,545
1995-96	\$10,140,720	-	-	-	\$10,140,720
1996-97	\$11,564,877	-	-	-	\$11,564,877
1997-98	\$9,276,529	-	-	-	\$9,276,529
1998-99	\$8,702,608	-	-	-	\$8,702,608
1999-00	\$8,854,331	-	-	-	\$8,854,331
2000-01	\$7,967,717	-	-	-	\$7,967,717
2001-02	\$8,779,297	-	-	-	\$8,779,297
2002-03	\$9,701,339	-	-	-	\$9,701,339
2003-04	\$5,283,669	\$4,768,764	-	-	\$10,052,433
2004-05	\$5,100,683	\$5,100,683	-	-	\$10,201,366
2005-06	\$6,030,172	\$6,030,172	-	-	\$12,060,344
2006-07	\$5,681,329	\$7,119,639	-	-	\$12,800,968
2007-08	\$6,025,386	\$7,550,800	-	-	\$13,576,186

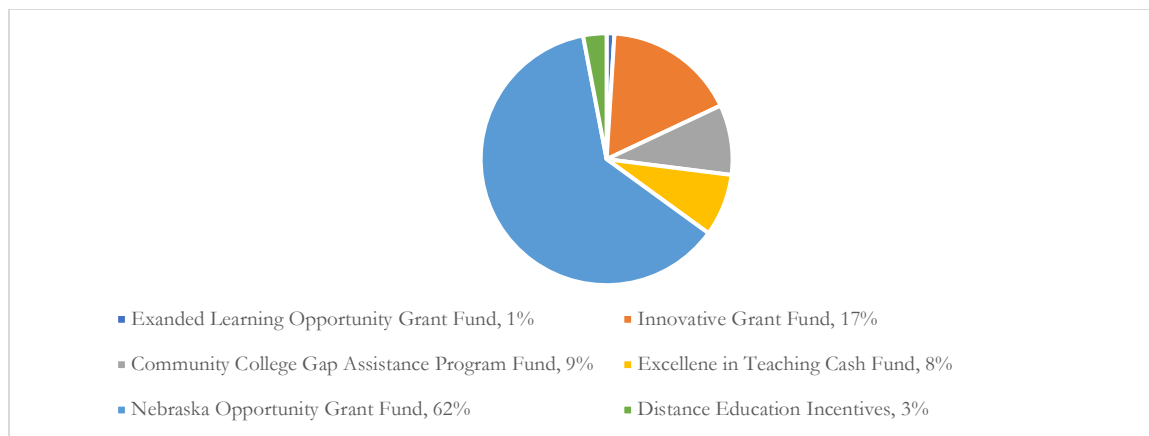
2008-09	\$5,874,662	\$7,361,917	-	-	\$13,236,579
2009-10	\$6,221,304	\$5,394,808	\$2,401,509	-	\$14,017,621
2010-11	\$6,232,177	-	\$7,809,943	-	\$14,042,120
2011-12	\$7,026,075	-	\$8,804,828	-	\$15,830,903
2012-13	\$7,804,154	-	\$9,779,888	-	\$17,584,042
2013-14	\$7,406,268	-	\$9,281,273	-	\$16,687,541
2014-15	\$7,229,879	-	\$9,060,228	-	\$16,290,107
2015-16	\$8,350,876	-	\$10,465,024	-	\$18,815,900
2016-17	-	-	-	\$18,146,057	\$18,146,057
2017-18	-	-	-	\$19,913,801	\$19,913,801
2018-19	-	-	-	\$20,500,078	\$20,500,078
2019-20	-	-	-	\$18,648,007	\$18,648,007
2020-21	-	-	-	\$21,217,127	\$21,217,127
2021-22	-	-	-	\$21,773,822	\$21,773,822
TOTAL	\$174,222,843	\$43,326,783	\$57,602,693	\$120,198,892	\$395,351,209

Lottery revenues have steadily risen over time, but as the following chart indicates, they have varied by quarter. See Chapter IV for details on game changes that have impacted this. Over the last four years, lottery distributions to education have averaged \$20.5 million.^{lxxxix} The following page details Education Improvement Fund allocations for 2016-17 through 2021-22.



Education Fund Allocations 2016-17 through 2021-22

The Legislature has changed the education distributions over time. Current statute provides that lottery distributions be credited to the Education Improvement Fund and then allocated as follows:^{xc}



Education Improvement Fund financials for the first three fiscal years since the enactment of LB519 (2015), which set the framework for the current allocations, are reflected below.^{xcii}

EDUCATION IMPROVEMENT FUND	2016-17	2017-18	2018-19	
BEGINNING BALANCE	-	\$2,025,386	\$1,362,281	
INCOME				TOTAL
Transfer from Education Innovation Fund (terminated June 30, 2016)	\$2,800,278	-	-	\$2,800,278
Lottery Distributions	\$18,146,057	\$19,913,801	\$20,500,078	\$58,559,936
School District Reorganization Funds (reimbursement of unused funds)	-	\$1,000,000	-	\$1,000,000
Interest	\$58,918	\$44,718	\$29,125	\$132,761
TOTAL	\$21,005,253	\$20,958,519	\$20,529,203	\$62,492,975
RETAINER BASED ON PRIOR FISCAL YEAR'S LOTTERY DISTRIBUTIONS				
Statutorily Required Retainer (10%) <i>technically this remains in the fund</i>	\$1,881,590	\$1,814,606	\$1,991,380	
TOTAL	\$1,881,590	\$1,814,606	\$1,991,380	
ADJUSTMENTS FROM PRIOR YEAR'S REMAINING BALANCE AFTER RETAINER				TOTAL
Expanded Learning Opportunity Grant Fund (1%)	\$9,187	\$2,108	\$(6,291)	\$5,004
Department of Education Innovative Grant Fund (17%)	\$156,177	\$35,833	\$(106,947)	\$85,063
Community College Gap Assistance Program Fund (9%)	\$82,682	\$18,970	\$(56,619)	\$45,033
Excellence in Teaching Cash Fund (8%)	\$73,495	\$16,862	\$(50,328)	\$40,030
Nebraska Opportunity Grant Fund (62%)	\$569,569	\$130,684	\$(390,041)	\$310,211
Distance Education Incentives (3%) <i>technically this remains in the fund</i>	\$27,561	\$6,323	\$(18,873)	\$15,011
TOTAL	\$918,670	\$210,780	\$(629,099)	\$500,352
ALLOCATIONS OF CURRENT YEAR LOTTERY DISTRIBUTIONS				TOTAL
Learning Community Transition Aid (2017-18 and 2018-19 only; paid first)	-	\$473,345	\$906,222	\$1,379,567

Expanded Learning Opportunity Grant Fund (1%)	\$181,461	\$209,138	\$205,001	\$595,599
Department of Education Innovative Grant Fund (17%)	\$3,084,830	\$2,231,129	\$1,971,411	\$7,287,369
including Standard College Admission Testing (starting 2017-18)	-	\$1,324,218	\$1,513,602	\$2,837,820
Community College Gap Assistance Program Fund (9%)	\$1,633,145	\$1,882,242	\$1,845,007	\$5,360,394
Excellence in Teaching Cash Fund (8%)	\$1,451,685	\$1,673,104	\$1,640,006	\$4,764,795
Nebraska Opportunity Grant Fund (62%)	\$11,250,573	\$12,966,557	\$12,710,048	\$36,927,178
Distance Education Incentives (3%) <i>technically this remains in the fund</i>	\$459,504	\$651,111	\$580,367	\$1,690,982
TOTAL	\$18,061,197	\$21,410,843	\$21,371,665	\$60,843,705
ENDING BALANCE (INCLUDING RETAINER AMOUNT)	\$2,025,386	\$1,362,281	\$1,148,918	

Additional financial and data analysis on the various beneficiaries are provided below. It is important to note that the timing of distributions and payments, coupled with varying accounting methods used by NDE and CCPE (cash versus accrual), have posed challenges in the reporting of data for this chapter. Every effort has been made to ensure accuracy of reporting.

Learning Community Transition Aid

Learning Community Transition Aid was allocated for two years only (2017-18 and 2018-19) after the elimination of the common levy for Douglas and Sarpy County School districts based on a statutory calculation.^{xcii} It was distributed as follows:^{xciii}

Name	District Name	2017-18	2018-19	Total
28-0001	Omaha Public Schools	-	-	-
28-0010	Elkhorn Public Schools	-	-	-
28-0015	Douglas County West Community Schools	-	-	-
28-0017	Millard Public Schools	\$141,670	\$808,059	\$949,729
28-0054	Ralston Public Schools	\$205,859	\$98,163	\$304,022
28-0059	Bennington Public Schools	-	-	-
28-0066	Westside Public Schools	\$125,816	-	\$125,816
77-0001	Bellevue Public Schools	-	-	-
77-0027	Papillion-La Vista Public Schools	-	-	-
77-0037	Gretna Public Schools	-	-	-
77-0046	Springfield Platteview Community Schools	-	-	-
	Total	\$473,345	\$906,222	\$1,379,567

Expanded Learning Opportunity Grant Fund

Thirteen two-year grants were awarded in 2017 as follows.^{xciv}

EXPANDED LEARNING 2017 GRANT RECIPIENT AWARD INFORMATION	Awarded	Paid	Unspent	Matching Funds
<u>First Round Cohort May 5, 2017 - August 31, 2019</u>				
Board of Regents of the University of Nebraska for UNL	\$30,000	\$10,729	\$19,271	\$30,640
Chadron Public Schools	\$10,000	\$10,000	-	\$12,796
Collective for Youth (Omaha) <i>two grants</i>	\$51,575	\$51,575	-	\$72,576
Kearney Public Schools	\$17,800	\$17,800	-	\$17,844
Lincoln CLC/Lincoln Community Foundation	\$22,140	\$22,118	\$22	\$23,891
North Platte Public Schools	\$22,280	\$22,280	-	\$22,772
Partnership for a Healthy Lincoln	\$29,322	\$29,322	-	\$29,322
<u>Second Round Cohort July 15, 2017 - August 31, 2019</u>				
Crete Public Schools <i>final expenditures & data to be submitted</i>	\$30,000	\$30,000	-	\$31,803
Garden County Schools <i>final expenditures & data to be submitted</i>	\$16,443	\$16,443	-	\$18,147
Lexington Public Schools <i>final expenditures & data to be submitted</i>	\$30,000	\$30,000	-	\$33,333
Lincoln Housing Authority	\$12,080	\$4,194	\$7,886	\$6,454
Police Athletics for Community Engagement (P.A.C.E. Omaha)	\$14,481	\$14,481	-	\$14,481
TOTAL	\$286,121	\$258,942	\$27,179	\$314,058

Thirteen two-year grants were awarded in 2019 and nine one-year grants were awarded in 2020 as follows.^{xv}

EXPANDED LEARNING GRANT RECIPIENTS	Awarded	Paid	Unspent	Matching Funds
<u>Two-Year Cohort June 7, 2019 – June 30, 2021</u>				
Collective for Youth	\$30,000.00	\$27,410.00	\$2,590.00	\$29,892.00
Collective for Youth	\$26,893.00	\$19,045.00	\$7,848.00	\$64,738.00
Collective for Youth	\$25,175.00	\$20,947.70	\$4,227.30	\$41,874.00
Garden County Schools	\$18,154.00	\$11,555.00	\$6,599.00	\$66,626.00
Kearney Public Schools	\$30,000.00	\$2,225.00	\$27,775.00	\$11,555.00
Kearney Public Schools	\$30,000.00	\$13,275.00	\$16,725.00	\$2,225.00
Lexington Public School	\$30,000.00	\$16,831.13	\$13,168.87	\$13,275.00
Lincoln CLC/Lincoln Community Foundation	\$25,024.00	\$5,210.76	\$19,813.24	\$19,911.00
North Platte Public Schools	\$15,600.00	\$2,867.14	\$12,732.86	\$25,024.00
North Platte Public Schools (<i>declined grant</i>)	\$30,000.00	-	\$30,000.00	\$3,956.50
Ogallala Public Schools	\$10,000.00	\$6,122.71	\$3,877.29	-
Partnership for a Healthy Lincoln	\$29,892.00	\$29,892.00	-	\$6,122.71
Police Athletics for Community Engagement	\$10,000.00	\$2,389.20	\$7,610.80	\$2,434.95
<u>One-Year Cohort June 5, 2020-June 30, 2021</u>				
Bayard Public Schools	\$15,842.00	\$9,652.66	\$6,189.34	\$10,007.25
Cedar Bluffs Public Schools	\$7,192.00	\$6,914.00	\$278.00	\$6,914.00
Columbus Public Schools	\$17,590.00	\$9,892.49	\$7,697.51	\$9,925.89
Lexington Public School	\$20,000.00	\$8,090.08	\$11,909.92	\$19,639.00
Crete Public School	\$19,642.00	\$9,310.68	\$10,331.32	\$11,143.43
Norfolk Public Schools	\$18,000.00	-	\$18,000.00	\$7,142.76
North Platte Public Schools	\$30,000.00	-	\$30,000.00	-
Wood River Public Schools	\$7,591.00	-	\$7,591.00	-

Police Athletics for Community Engagement	\$28,720.00	\$8,223.20	\$20,496.80	\$8,223.20
TOTAL	310,738.00	\$157,770.64	\$152,967.36	\$287,634.16

Financials for the Expanded Learning Opportunity Grant Fund for the past four years are below.^{xcvi}

EXPANDED LEARNING OPPORTUNITY GRANT FUND	2018-19	2019-20	2020-21	2021-22	Awarded 4/2022		
						To be paid 7/2022-6/2024	
BEGINNING BALANCE	\$351,739.63	\$448,622.67	\$517,667.07	\$697,563.76			
RECEIPTS							TOTAL
Lottery Receipts	\$205,000.78	\$186,480.07	\$212,171.27	\$217,738.22	-		\$1,211,988.92
Retainer Adjustment	-\$6,290.99	-\$9,010.89	-\$3,382.22	-\$2,319.56	-		-\$9,708.98
Investment Income	\$8,681.28	\$9,486.24	\$8,521.42	\$9,638.57	-		\$43,019.18
TOTAL	\$207,391.07	\$186,955.42	\$217,310.47	\$225,057.23	-		\$1,245,299.12
EXPENDITURES							
Actual and Necessary Administrative Expenses	\$4,560	\$3,130.00	\$3,130.00	\$3,130.00	-		\$13,950
Aid 2019-21	-	\$14,057.60	\$25,920.75	\$117,792.29	-		\$157,770.64
Aid 2020-21	-	-	\$8,363.03	\$43,720.08	-		\$52,083.11
Aid 2022-24	-	-	-	-	\$1,158,991.00		\$1,158,991.00
Aid Total	\$105,948.03	\$114,781.02	\$34,283.78	161,512.37	-		\$416,525.20
TOTAL EXPENDITURES	\$110,508.03	\$117,911.02	\$37,413.78	\$164,642.37	-		\$487,320.50
ENDING BALANCE	\$448,622.67	517,667.07	697,563.76	757,978.62			

Department of Education Innovative Grant Fund

As stated above, the Department of Education Innovative Grant Fund and the Innovation Grant Program were created with the passage of LB 519, effective August 30, 2015.^{xcvii} It has been distributed as follows:^{xcviii}

DEPARTMENT OF EDUCATION INNOVATIVE GRANT FUND	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$2,143,560	\$3,245,061	\$1,148,918	\$2,044,240	\$2,496,160	
INCOME							TOTAL
Transfer from Education Innovation Fund (terminated June 30, 2016)	\$2,800,278	-	-	-	-	-	\$2,800,278
Lottery Distributions	\$18,146,057	\$19,913,801	\$20,500,078	\$18,648,007	\$21,217,127	\$21,773,822	\$120,198,892
School District Reorganization Funds (reimbursement of unused funds)	-	\$1,000,000	-	-	-	-	\$1,000,000
Interest	\$58,918	\$44,718	\$29,125	\$32,133	\$24,956	\$40,557	\$230,407
TOTAL	\$21,005,253	\$20,958,519	\$20,529,203	\$18,680,140	\$21,242,083	\$21,814,379	\$124,229,577

RETAINER BASED ON PRIOR FISCAL YEAR'S LOTTEY DISTRIBUTIONS							
Statutorily Required Retainer (10%, technically remains in the fund)	\$1,881,590	\$1,814,606	\$1,991,380	\$2,050,008	\$1,864,800	\$2,121,713	
TOTAL	\$1,881,590	\$1,814,606	\$1,991,380	\$2,050,008	\$1,864,800	\$2,121,713	
ADJUSTMENTS FROM PRIOR YEAR'S REMAINING BALANCE AFTER RETAINER							TOTAL
Expanded Learning Opportunity Grant Fund (1%)	\$9,187	\$2,108	(\$6,291)	(\$9,011)	(\$3,383)	(\$2,320)	(\$9,710)
Department of Education Innovative Grant Fund (17%)	\$156,177	\$35,833	(\$106,947)	(\$153,185)	(\$182,004)	(\$39,432)	(\$289,558)
Community College Gap Assistance Program Fund (9%)	\$82,682	\$18,970	(\$56,619)	(\$81,098)	(\$30,440)	(\$20,876)	(\$87,381)
Excellence in Teaching Cash Fund (8%)	\$73,495	\$16,862	(\$50,328)	(\$72,087)	(\$27,058)	(\$18,556)	(\$77,672)
Nebraska Opportunity Grant (62%)	\$569,569	\$130,684	(\$390,041)	(\$558,675)	(\$209,698)	(\$143,813)	(\$601,974)
Distance Education Incentives (3%, technically remains in the fund)	\$27,561	\$6,323	(\$18,873)	(\$27,033)	\$5,383	(\$6,959)	(\$13,598)
TOTAL	\$918,671	\$210,780	(\$629,099)	(\$901,089)	(\$447,200)	(\$231,956)	(\$1,079,893)
ALLOCATIONS OF CURRENT YEAR LOTTERY DISTRIBUTIONS							TOTAL
Learning Community Transition Aid (2017-18 and 2018-19 only; paid first)	-	\$473,345	\$906,222	-	-	-	\$1,379,567
Expanded Learning Opportunity Grant Fund (1%)	\$181,461	\$209,138	\$205,001	\$186,480	\$212,171	\$217,738	\$1,211,989
Department of Education Innovative Grant Fund (17%)	\$3,084,830	\$2,231,129	\$1,971,411	\$3,170,161	\$3,606,912	\$3,701,550	\$17,765,993
Standard College Admission Testing (starting 2017-18)	-	\$1,324,218	\$1,513,602	-	-	-	\$2,837,820
Community College Assistance Program Fund (9%)	\$1,633,145	\$1,882,242	\$1,845,007	\$1,678,321	\$1,909,541	\$1,959,644	\$10,907,900
Excellence in Teaching Cash Fund (8%)	\$1,451,685	\$1,673,104	\$1,640,006	\$1,491,841	\$1,697,370	\$1,741,906	\$9,695,912
Nebraska Opportunity Grant Fund (62%)	\$11,250,573	\$12,966,557	\$12,710,048	\$11,561,764	\$13,154,619	\$13,499,770	\$75,143,331
Distance Education Incentives (3%, technically remains in the fund)	\$459,504	\$651,111	\$580,367	\$597,342	\$656,749	\$618,220	\$3,563,293
TOTAL	\$18,061,198	\$21,410,844	\$21,371,664	\$18,685,909	\$21,237,362	\$21,738,828	\$122,505,805
ENDING BALANCE (INCLUDING RETAINER AMOUNT)	\$2,025,386	\$1,362,281	\$1,148,918	\$2,044,240	\$2,496,160	\$2,803,668	

Standard College Admission Testing

As stated above, LB 528 (2021) deleted the portion of 79-759 that allowed the Department to use funds from the Nebraska Education Improvement Fund. Since then, the Standard College

Admission Testing has drawn its financial sources from the General Fund. Therefore, this portion no longer applies.^{xcix}

Community College Gap Assistance Program Fund

Allocations to this fund were further distributed to the six community colleges as follows:^c

COMMUNITY COLLEGE GAP ASSISTANCE PROGRAM FUND	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$253,861	\$699,750	\$1,334,203	\$1,569,248	\$2,638,343	
REVENUE							TOTAL
Education Improvement Fund Transfers:							
Adjustment from Prior Year's Remaining Balance After Retainer	\$82,682	\$18,970	(\$56,619)	\$(81,098)	(\$46,590)	(\$20,876)	(\$148,564)
Allocation of Current Year Lottery Distributions	\$1,633,145	\$1,882,242	\$1,845,007	\$1,678,320	\$1,925,691	\$1,959,644	\$5,563,655
Interest	\$1,281	\$7,835	\$18,902	\$23,719	\$24,169	\$38,373	\$86,261
TOTAL	\$1,717,108	\$1,909,047	\$1,807,290	\$1,620,941	\$1,903,270	\$1,977,141	\$5,501,352
EXPENDITURES							TOTAL
Actual and Necessary Administrative Expenses	\$49,651	\$17,158	\$9,137	\$11,395	\$5,964	\$5,284	\$98,589
Central Community College	\$188,856	\$196,365	\$201,261	\$189,795	\$51,372	\$233,027	\$1,060,676
Metropolitan Community College	\$483,733	\$496,239	\$512,309	\$491,835	\$589,988	\$739,934	\$3,314,038
Mid-Plains Community College	\$87,077	\$86,633	\$77,183	\$71,316	\$19,195	-	\$341,404
Northeast Community College	\$154,789	\$159,781	\$163,537	\$154,787	\$41,938	-	\$674,832
Southeast Community College	\$411,357	\$418,160	\$415,995	\$385,907	\$103,983	-	\$1,735,402
Western Nebraska Community College	\$87,784	\$88,822	\$87,915	\$80,860	\$21,736	-	\$367,117
TOTAL	\$1,463,247	\$1,463,158	\$1,467,337	\$1,385,895	\$834,176	\$978,245	\$7,592,058
ENDING BALANCE	\$253,861	\$699,750	\$1,039,704	\$1,569,249	\$2,638,343	\$3,637,239	\$9,838,146

A provision in statute limits the total amount of community college gap assistance allowed to be award during any fiscal year to \$1.5 million.^{ci} Gap Assistance Program financials for each of the community colleges are below.^{cii}

CENTRAL COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$115,979	\$137,432	\$199,617	\$335,182	\$145,779	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$188,856	\$196,365	\$201,261	\$200,520	-	\$233,027	\$1,020,029
TOTAL	\$188,856	\$196,365	\$201,261	\$200,520	-	\$233,027	\$1,020,029
EXPENDITURES							TOTAL
Tuition	-	-	-	-	-	\$169,686	\$169,686

Direct Training	\$44,700	\$145,468	\$124,435	\$42,590	\$178,955	-	\$536,148
Books and Equipment	-	-	-	-	-	-	-
Fees	-	-	-	-	-	-	-
Staff Support and Administration	\$28,177	\$29,444	\$27,616	\$22,365	\$10,448	\$23,303	\$141,353
TOTAL	\$72,877	\$174,912	\$152,051	\$64,955	\$189,403	\$192,989	\$847,187
ENDING BALANCE	\$115,979	\$137,432	\$186,642	\$335,182	\$145,779	\$185,817	\$1,106,831

METROPOLITAN COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$ 379,430	\$697,091	\$691,486	\$606,317	\$626,749	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$483,733	\$496,239	\$512,309	\$522,136	\$608,293	\$587,861	\$3,210,571
TOTAL	\$483,733	\$496,239	\$512,309	\$522,136	\$608,293	\$587,861	\$3,210,571
EXPENDITURES							TOTAL
Tuition	\$50,078	\$114,681	\$485,029	\$555,091	\$527,032	\$410,751	\$2,142,662
Direct Training	-	-	\$776	-	-	-	\$776
Books and Equipment	\$12,645	\$19,381	\$6,595	-	-	-	\$38,621
Fees	-	-	-	-	-	-	-
Staff Support and Administration	\$41,580	\$44,516	\$51,335	\$52,214	\$60,829	\$58,786	\$309,260
TOTAL	\$104,303	\$178,578	\$543,735	\$607,305	\$587,861	\$469,537	\$2,491,319
ENDING BALANCE	\$379,430	\$697,091	\$665,665	\$606,317	\$626,749	\$745,073	\$3,720,325

MID-PLAINS COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$71,927	\$144,419	\$176,899	\$225,150	\$186,723	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$87,077	\$86,633	\$77,183	\$74,923	-	-	\$325,816
TOTAL	\$87,077	\$86,633	\$77,183	\$74,923	-	-	\$325,816
EXPENDITURES							TOTAL
Tuition	\$9,174	\$8,011	\$30,207	\$16,401	\$25,054	\$56,939	\$145,786
Direct Training	-	-	\$2,210	\$805	-	\$466	\$3,481
Books and Equipment	\$2,437	\$1,962	\$5,068	\$2,971	\$7,133	\$1,068	\$20,639
Fees	-	-	-	\$115	-	\$3,925	\$4,040
Staff Support and Administration	\$3,539	\$4,168	\$7,218	\$6,380	\$6,240	\$4,107	\$31,652
TOTAL	\$15,150	\$14,141	\$44,703	\$26,672	\$38,427	\$66,505	\$205,598
ENDING BALANCE	\$71,927	\$144,419	\$176,899	\$225,150	\$186,723	\$120,218	\$925,336

NORTHEAST COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$116,251	\$235,915	\$363,129	\$482,444	\$443,013	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$154,789	\$159,781	\$163,537	\$163,698	-	-	\$641,805
TOTAL	\$154,789	\$159,781	\$163,537	\$163,698	-	-	\$641,805
EXPENDITURES							TOTAL
Tuition	\$26,935	\$35,640	\$31,805	\$38,352	\$32,415	\$59,740	\$224,887
Direct Training	\$1,316	-	-	-	-	-	\$1,316
Books and Equipment	\$2,305	\$1,552	\$2,536	\$3,148	\$4,312	\$4,694	\$18,547

Fees	\$2,479	\$488	\$999	\$1,022	\$2,557	\$2,489	\$10,034
Staff Support and Administration	\$5,503	\$2,437	\$1,078	\$1,861	\$147	\$296	\$11,322
TOTAL	\$38,538	\$40,117	\$36,418	\$44,383	\$39,431	\$67,219	\$266,106
ENDING BALANCE	\$116,251	\$235,915	\$363,034	\$482,444	\$443,013	\$375,794	2,016,451

SOUTHEAST COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$379,618	\$700,111	\$1,057,242	\$1,418,501	\$1,277,330	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$411,357	\$418,160	\$415,995	\$405,875	-	-	\$1,651,387
TOTAL	\$411,357	\$418,160	\$415,995	\$405,875	-	-	\$1,651,387
EXPENDITURES							TOTAL
Tuition	\$15,865	\$49,817	\$26,645	\$19,660	\$114,322	\$234,325	\$460,634
Direct Training	\$5,763	\$22,229	\$6,950	-	-	-	\$34,942
Books and Equipment	\$448	\$1,836	\$1,097	\$1,864	\$4,087	\$10,913	\$20,245
Fees	-	-	-	-	-	-	-
Staff Support and Administration	\$9,663	\$23,785	\$23,939	\$23,092	\$22,762	\$22,548	\$125,789
TOTAL	\$31,739	\$97,667	\$58,631	\$44,616	\$141,171	\$267,786	\$641,610
ENDING BALANCE	\$379,618	\$700,111	\$1,057,475	\$1,418,501	\$1,277,330	\$1,009,544	\$5,842,579

WESTERN NEBRASKA COMMUNITY COLLEGE GAP ASSISTANCE	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	\$85,171	\$136,811	\$205,556	\$276,680	\$241,880	
REVENUE							TOTAL
Allocation of Gap Assistance Funds	\$87,784	\$88,822	\$87,915	\$84,840	-	-	\$349,361
TOTAL	\$87,784	\$88,822	\$87,915	\$84,840	-	-	\$349,361
EXPENDITURES							TOTAL
Tuition	\$950	\$33,778	\$20,994	\$11,487	\$34,800	\$47,854	\$149,863
Direct Training	-	-	-	-	-	-	-
Books and Equipment	\$257	\$601	\$1,222	\$1,436	-	\$485	\$4,001
Fees	\$25	-	-	-	-	-	\$25
Staff Support and Administration	\$1,381	\$2,803	\$743	\$793	-	-	\$5,720
TOTAL	\$2,613	\$37,182	\$22,959	\$13,716	\$34,800	\$48,339	\$159,609
ENDING BALANCE	\$85,171	\$136,811	\$201,767	\$276,680	\$241,880	\$193,541	\$1,135,850

Legislative Bill 180, introduced by Senator Kate Bolz in 2019, changed the definition of “eligible program” so that a program which is offered for credit, but is not enough clock, semester, or quarter hours to qualify for Federal Pell Grants, qualifies for the Gap Assistance Program. Prior to the bill’s September 1, 2019 effective date, only programs that were not offered for credit and were at least sixteen contact hours in length were eligible programs.^{ciii} Two examples of programs that are now eligible under the revised definitions are Certified Nursing Assistant (CNA) and Commercial Driver’s License (CDL).^{civ} Additionally, the Program Guidelines for the Gap Assistance Program allows community colleges to be asked to return any unused funds in order to reallocate them.^{cv}

Excellence in Teaching Cash Fund

The financials for the Excellence in Teaching Cash Fund, including an expenditure breakdown by scholarship program and postsecondary institution, is provided below.^{cvi}

EXCELLENCE IN TEACHING CASH FUND	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	\$47,937	\$434,831	\$825,226	1,142,690	1,443,777	1,988,427	
REVENUE							TOTAL
Education Improvement Fund Transfers:							
Adjustment from Prior Year's Remaining Balance After Retainer	\$73,495.07	\$16,862.42	(\$50,327.92)	(\$72,087.15)	(\$27,057.80)	(\$18,556.45)	(\$77,671.83)
Allocation of Current Year Lottery Distributions	\$1,451,684.56	\$1,673,104.08	\$1,640,006.24	\$1,491,840.56	\$1,697,370.16	\$1,741,905.76	\$9,695,911.36
Loan Repayments - Principal	\$104,024.86	\$119,239.81	\$112,231.34	\$143,477.70	\$67,429.51	\$96,505.09	\$642,908.31
Loan Repayments - Interest	\$9,097.60	\$10,255.11	\$11,305	\$13,616.49	\$2,583.43	\$13,634.40	\$60,492.03
Non-Government Revenue	\$120	\$1.70	\$20	-	-	-	\$141.70
Interest	\$12,178.26	\$8,365.26	\$17,846.36	\$22,334.04	\$22,882.35	\$27,835.31	\$111,441.58
TOTAL	\$1,650,600.35	\$1,827,828.38	\$1,731,081.02	\$1,599,181.64	\$1,763,207.65	\$1,861,324.11	\$10,433,223.15
EXPENDITURES							TOTAL
AETP- Scholarship/Loan Payments	\$356,750	\$439,168	\$439,832	\$480,000	\$390,000	\$499,500	\$2,605,250
EETP- Scholarship/Loan Payments	\$842,800	\$932,337.50	\$910,312.50	\$770,575	\$787,375	\$854,740.75	\$5,098,140.75
Operating Expenses	\$64,155.59	\$65,928.12	\$63,472.10	\$47,520.24	\$41,182.02	\$37,455.71	\$319,713.78
TOTAL	\$1,263,705.59	\$1,437,433.62	\$1,413,616.60	\$1,298,095.24	\$1,218,557.02	\$1,391,696.46	\$8,023,104.53
ENDING BALANCE	\$434,831.49	\$825,226.25	\$1,142,690.67	\$1,443,777.07	\$1,988,427.70	\$2,458,055.35	\$2,458,055.35

Nebraska Opportunity Grant Fund

The Nebraska Opportunity Grant (NOG) Program historically has been supported by appropriations from the Nebraska Opportunity Grant (NOG) Fund, as well as General Fund appropriations. Financial analysis of NOG Program funding from these two sources of funds is below.^{cvii}

NEBRASKA OPPORTUNITY GRANT PROGRAM	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	\$12,020,805	\$14,076,100	\$16,796,940	\$18,236,542	\$17,405,663	\$17,110,761	
REVENUE							TOTAL
Education Improvement Fund Allocation	-	-	-	-	-	-	-
Adjustment from Prior Year's Remaining Balance After Retainer	\$569,569	\$130,684	(\$390,041)	(\$558,675)	(\$320,950)	(\$143,813)	(\$713,226)

Allocation of Current Year Lottery Distributions	\$11,250,573	\$12,966,557	\$12,710,048	\$11,561,764	\$13,265,871	\$13,499,769	\$75,254,582
Interest on Education Improvement Fund Allocation	\$256,746	\$283,817	\$368,790	\$385,337	\$233,184	\$196,116	\$1,723,990
General Fund Appropriation	\$6,868,156	\$6,730,793	\$6,593,430	\$6,593,430	\$7,593,430	\$7,593,430	\$41,972,669
Miscellaneous Adjustment	-	\$1,487	-	(\$11,988)	-	-	(\$10,501)
TOTAL	\$18,945,044	\$20,113,337	\$19,282,227	\$17,969,868	\$20,771,535	\$21,145,502	\$118,227,513
EXPENDITURES							TOTAL
University of Nebraska (<i>Five campuses</i>)	\$8,424,993	\$9,008,975	\$9,467,798	\$10,294,910	\$11,563,559	\$13,405,332	\$62,165,567
State Colleges (<i>Chadron, Peru and Wayne</i>)	\$1,278,525	\$1,288,630	\$1,383,314	\$1,538,512	\$1,752,168	\$1,905,179	\$9,146,328
Community Colleges (<i>Six colleges</i>)	\$2,928,628	\$2,615,351	\$3,067,929	\$2,965,586	\$3,149,109	\$3,093,556	\$17,820,159
Private Career & Other Public Colleges (<i>Eight colleges</i>)	\$866,711	\$1,107,057	\$717,134	\$407,222	\$399,719	\$484,469	\$3,982,312
Independent Colleges and Universities (<i>Seventeen institutions</i>)	\$3,390,892	\$3,372,485	\$3,368,199	\$3,594,517	\$4,201,882	\$3,786,379	\$21,714,354
TOTAL	\$16,889,749	\$17,392,498	\$18,004,374	\$18,800,747	\$21,066,437	\$22,674,915	\$114,828,720
ENDING BALANCE	\$14,076,100	\$16,796,940	\$18,074,792	\$17,405,663	\$17,110,761	\$15,581,348	\$99,045,604

The NOG fund is the only education lottery allocation that is not statutorily allowed to assess actual and necessary administrative expenses.^{cvi} Due to the nature of the funds (postsecondary financial aid to students), lottery funds are collected for an entire fiscal year before being available for awards at the institution level; therefore, the size of the ending account balance can be somewhat misleading. The Coordinating Commission for Postsecondary Education has provided a proposed plan to gradually spend down any excess in the account while still maintaining a consistent level of financial aid to students, year over year.^{cix} That plan spans through 2036-37.

NEBRASKA OPPORTUNITY GRANT PROGRAM <i>estimated</i>	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
BEGINNING BALANCE	\$18,074,792	\$17,903,745	\$17,494,138	\$15,581,348	\$13,094,399	\$10,761,055
REVENUE						
Education Improvement Fund Allocation	-	-	-	-	-	-
Adjustment from Prior Year's Remaining Balance After Retainer	\$(558,675)	-	-	-	-	-
Allocation of Current Year Lottery Distributions	\$12,468,200	\$12,666,600	\$12,856,599	\$13,556,296	\$13,759,640	\$13,966,035
Interest on Education Improvement Fund Allocation	\$274,300	\$278,665	\$282,845	\$311,627	\$261,888	\$215,221
General Fund Appropriation	\$6,593,430	\$6,593,430	\$6,593,430	\$7,593,430	\$7,593,430	\$7,593,430
TOTAL	\$18,777,255	\$19,538,695	\$19,732,874	\$21,461,353	\$21,614,958	\$21,774,686
EXPENDITURES						
	\$1 million increased spending authority	\$1 million increased spending authority	\$2 million increased spending authority	\$1 million increased spending authority	\$1 million increased spending authority	\$2 million increased spending authority
University of Nebraska (<i>Five campuses</i>)	\$10,294,910	-	-	\$13,615,173	-	-
State Colleges (<i>Chadron, Peru and Wayne</i>)	\$1,495,400	-	-	\$2,162,749	-	-
Community Colleges (<i>Six colleges</i>)	\$2,968,686	-	-	\$3,293,383	-	-

Private Career & Other Public Colleges (<i>Eight colleges</i>)	\$442,081	-	-	\$604,631	-	-
Independent Colleges and Universities (<i>Seventeen institutions</i>)	\$3,747,225	-	-	\$4,272,366	-	-
Total Aid Expenditures (<i>colleges yet to be determined</i>)	-	\$19,948,302	\$21,948,302	-	\$23,948,302	\$23,948,302
TOTAL	\$18,948,302	\$19,948,302	\$21,948,302	\$23,948,302	\$23,948,302	\$23,948,302
ENDING BALANCE	\$17,903,745	\$17,494,138	\$15,278,710	\$23,948,302	\$23,948,302	\$23,948,302

NEBRASKA OPPORTUNITY GRANT PROGRAM <i>estimated</i>	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
BEGINNING BALANCE	\$15,278,710	\$13,260,374	\$11,442,086	\$9,826,847	\$7,579,842	\$6,764,726	\$6,149,130
REVENUE							
Education Improvement Fund Allocation	-	-	-	-	-	-	-
Adjustment from Prior Year's Remaining Balance After Retainer	-	-	-	-	-	-	-
Allocation of Current Year Lottery Distributions	\$13,049,448	\$13,245,190	\$13,443,868	\$13,645,526	\$14,388,159	\$14,603,981	\$14,823,041
Interest on Education Improvement Fund Allocation	\$287,088	\$291,394	\$295,765	\$300,202	\$151,597	\$135,295	\$122,983
General Fund Appropriation	\$6,593,430	\$6,593,430	\$6,593,430	\$6,593,430	\$7,593,430	\$7,593,430	\$7,593,430
TOTAL	\$19,929,966	\$20,130,014	\$20,333,063	\$20,539,158	\$22,133,186	\$22,332,706	\$22,539,454
EXPENDITURES							
University of Nebraska (<i>Five campuses</i>)	-	-	-	-	-	-	-
State Colleges (<i>Chadron, Peru and Wayne</i>)	-	-	-	-	-	-	-
Community Colleges (<i>Six colleges</i>)	-	-	-	-	-	-	-
Private Career & Other Public Colleges (<i>Eight colleges</i>)	-	-	-	-	-	-	-
Independent Colleges and Universities (<i>Seventeen institutions</i>)	-	-	-	-	-	-	-
Total Aid Expenditures (<i>colleges yet to be determined</i>)	\$21,948,302	\$21,948,302	\$21,948,302	\$22,948,302	\$22,948,302	\$22,948,302	\$22,948,302
TOTAL	\$21,948,302	\$21,948,302	\$21,948,302	\$22,948,302	\$23,948,302	\$23,948,302	\$23,948,302
ENDING BALANCE	\$13,260,374	\$11,442,086	\$9,826,847	\$7,579,842	\$23,948,302	\$23,948,302	\$23,948,302

Distance Education Incentives

The three percent allocation for distance education incentives remains in the Education Improvement Fund unlike all other allocations that are transferred to their respective funds. The financials for the distance education incentive allocations, when isolated, are reflected below.^{cx} Because this remains in the Education Improvement Fund along with the retainer, there was not ever an actual negative account balance.

DISTANCE EDUCATION INCENTIVES	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
BEGINNING BALANCE	-	(\$169,251)	(\$78,641)	(\$78,639)	(\$58,952.05)	(\$24,727.27)	
REVENUE							TOTAL
Education Improvement Fund Allocation <i>(spent directly from fund)</i> :							
Adjustment from Prior Year's Remaining Balance After Retainer	\$27,561	\$6,323	(\$18,873)	(\$27,033.00)	\$5,383	(\$6,959)	(\$28,609)
Allocation of Current Year Lottery Distributions	\$459,504	\$651,111	\$580,367	\$632,020	\$599,444.53	\$640,944.78	\$1,872,409.31
TOTAL	\$487,065	\$657,435	\$561,494	\$604,987	\$604,827.53	\$633,985.78	\$1,843,800.31
EXPENDITURES							TOTAL
Actual and Necessary Administrative Expenses	\$27,317	\$28,436	\$23,106	\$31,923.00	\$30,116.00	\$11,822.00	\$73,861
Distance Education Incentives Awarded	\$628,999	\$538,389	\$538,386	\$632,016.05	\$599,438.80	\$640,941.12	\$1,872,395.97
TOTAL	\$656,316	\$566,825	\$561,492	\$663,939.05	\$629,554.80	\$652,763.12	\$1,946,256.97
ENDING BALANCE	(\$169,251)	(\$78,641)	(\$78,639)	\$58,952.05	\$24,727.27	\$18,777.34	

A breakdown of the distance education units by subject area are as follows.^{cxii}

Distance Education Units by Subject Area	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Agriculture	37	21	19	8	18	22
Arts	28	30	32	45	44	48
Business	35	20	25	15	27	28
Drivers Education	1	1	1	0	0	0
English	169	150	142	147	175	180
Family & Consumer Science	32	22	17	18	22	23
Foreign Language	148	114	158	128	197	217
Math	116	95	98	84	104	103
Other	139	150	37	0	6	8
Physical Education	6	5	6	1	12	4
Science	48	40	32	145	28	54
Social Studies	92	75	47	44	47	39
Speech	17	13	9	10	16	15
Technology	13	13	14	10	14	12
Total	881	749	637	655	710	744
Value per DEU	\$13.96	\$718.81	\$845.19	\$964.91	\$844.28	\$861.48
Total Award Amount	\$628,998.76	\$538,388.69	\$538,386.03	\$632,016.05	\$599,438.80	\$640,941.12
School Districts Reimbursed	126	105	88	89	104	99

CHAPTER IV: ADDITIONAL FINDINGS

Financial Data Transparency

There are currently no statutory requirements related to the reporting of financial data by the Education Improvement Fund nor by allocation recipients. The process of compiling data for this report at a level that provided both formatting consistency and a drilled-down level of transparency became a laborious and time-consuming process for NDE, CCPE, the Legislative Fiscal Office and the Education Committee staff.

The end result is an accurate snapshot of the financial data, adjusted as best as possible, for cash versus accrual reporting, timing delays of financial transfers and other anomalies. Adding reporting requirements to statute would provide greater transparency to the citizens of Nebraska, as well as future Legislatures as they contemplate the effectiveness of lottery dollar allocations.^{cxiii}

Recent Nebraska Gaming Changes

Lucky For Life: Previously only holding drawings on Mondays and Tuesday, the multi-state Lucky for Life game began daily drawings on July 19, 2021.^{cxiii} The change to daily drawings increased sales with an increase of 89% over the previous fiscal year.^{cxiv} Three \$25,000 a Year For Life winning tickets were additionally sold in FY-22, bringing the total to four \$25,000 a Year For Life winners since Nebraska joined the game in August 2017.^{cxv}

Powerball: Powerball made changes to its drawing schedule by adding Monday drawings starting on August 23, 2021.^{cxvi} No changes were made to the game odds or prize amounts. Nebraska Powerball sales increased 19% in FY22 due in part to the additional drawings.^{cxvii}

Terminal System Conversion: A major initiative undertaken during the 2021 fiscal year was the conversion of retailer equipment and systems that would underpin the Lottery's operations for the next several years. In August 2020, a new contract was awarded to International Game Technology (IGT) to continue as the provider of Instant and Online games and related services.

Shortly afterwards, the Lottery and IGT began working on the new system. The conversion process was split into two parts, with the emulation phase beginning in June 2021 when Retailer Pro terminals and peripherals were installed at all Nebraska Lottery retailers. The second phase occurred in October 2021, when the retailer terminals and backend system were converted to the new Aurora system. The Lottery anticipates the system conversion will bring increased efficiency and cost savings while providing new features for players and retailers.^{cxviii}

Game Partnerships: Brew Bucks and Nebraska State Parks Centennial: Two new partnerships with Nebraska organizations began in 2021. The \$2 Brew Bucks Scratch game launched on April 14, 2021. The game was developed in partnership with the Nebraska Craft Brewers Guild, an industry organization representing Nebraska brewers. The NCBG logo was prominently featured on each Brew Bucks ticket, and the Guild provided Enthusiast Memberships for special offers and discounts at participating breweries. Ten memberships were given away in a social media promotion April 20 – 27 which had 1,058 entries.^{cxxix}

2021 also marked the 100th anniversary of the Nebraska state parks system. To celebrate, the Nebraska Lottery partnered with the Nebraska Game & Parks Commission to produce the \$5 Nebraska State Parks Centennial Scratch game. Players could win thousands of cash prizes up to \$40,000. 9,670 entries were received for the promotion, and 9.9% of entrants joined the Lottery's MVP Club specifically to enter the promotion.^{cxxx}

Mobile App Ticket Scanning: An update to the Nebraska Lottery mobile app in May 2020 added one feature often requested by players: ticket scanning. Post-update, Scratch and Lotto tickets could be scanned in the app to determine if they have won prizes and display any prize amounts under \$500. The ticket scanner feature was promoted via email, on nelottery.com, and on the Lottery's social media channels. The number of tickets scanned has averaged around 55,000 per week since launch.^{cxxxi}

Top Prize Odds on Lottery Advertisements: LB 252 was introduced during the 106th session of the Nebraska Legislature and signed into law in May 2019. The law requires that all Lottery advertisements contain the odds of winning the top prize for any games shown in a clear and conspicuous manner. Only advertisements produced after the law went into effect in September 2019 are covered.^{cxxxii}

ENDNOTES

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- ⁱNe. Const. Art. III, § 24
- ⁱⁱ2021 LB528, § 2
- ⁱⁱⁱ*Id.*, Neb. Rev. Stat. Ann § 9-812
- ^{iv}2019 LB525
- ^v2019 LB104
- ^{vi}2019 LB563
- ^{vii}Education Committee: Hearings on LB563 (2019, February 5) [fact sheet submitted into the record by and referred to in the testimony of Senator Kate Bolz; transcript page 67].
- ^{viii}Education Committee: Hearings on LB563 (2019, February 5) [AM143 submitted into the record by and referred to in the testimony of Senator Kate Bolz; transcript page 67].
- ^{ix}2019 LB568
- ^x2019 LB650
- ^{xi}2016 LB1067. See also, Neb. Rev. Stat. § 79-10,145; and Learning community common levy eliminated. (2016, April 13).
- ^{xii}Neb. Rev. Stat. § 79-2504.
- ^{xiii}Neb. Rev. Stat. § 79-2503(4).
- ^{xiv}Neb. Rev. Stat. § 9-812(4)(a).
- ^{xv}*Id.*
- ^{xvi}Neb. Rev. Stat. § 79-2509.
- ^{xvii}Two-Year opportunity grant. (2019, February 25). Retrieved September 9, 2019, from Nebraska Department of Education website: <https://www.education.ne.gov/elo/two-year-opportunity-grant/>
- ^{xviii}Nebraska Department of Education. (2018, December 27). Report on Expanded Learning Opportunity Grant Program.
- ^{xix}*Id.*
- ^{xx}Two-Year opportunity grant 2017-2018 and 2018-2019 school years. (2019, February 25). Retrieved September 9, 2019, from Nebraska Department of Education website: <https://www.education.ne.gov/21stcccl/two-year-opportunity-grant-2017-2018-and-2018-2019-school-years/>
- ^{xxi}Nebraska Department of Education. Expanded Learning Opportunity Grant Fund: 2019 two-year opportunity grant proposals recommended for funding [PDF].
- ^{xxii}Nebraska Department of Education. (2022, November 16). Expanded Learning Opportunity Grant Report. [Email to Education Committee staff].
- ^{xxiii}*Id.*
- ^{xxiv}Neb. Rev. Stat. § 79-1054.
- ^{xxv}Nebraska Department of Education. (2018, December). Innovation grant annual progress report.
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- ^{xxvii}*Id.*
- ^{xxviii}*Id.*
- ^{xxix}*Id.*
- ^{xxx}*Id.*
- ^{xxxi}*Id.*
- ^{xxxii}*Id.*
- ^{xxxiii}Nebraska Department of Education. (2019, October 24). Innovation Grant Breakdown [E-mail to Education Committee staff].
- ^{xxxiv}Nebraska Department of Education. (2019, November 5). Innovation Grant Program to Innovation Networks [E-mail to Education Committee staff].
- ^{xxxv}*Id.*
- ^{xxxvi}*Id.*
- ^{xxxvii}Nebraska Department of Education. (2019, November 1). Education Innovation Networks [Email to Education Committee staff].
- ^{xxxviii}Nebraska Department of Education. (2019, November 3). Innovative Grant Fund [E-mail to Education Committee staff].
- ^{xxxix}*Id.*
- ^{xl}Nebraska Department of Education. (2019, November 5). Phone call with Education Committee staff.
- ^{xli}*Supra*, note xxxviii.
- ^{xlii}Nebraska Department of Education, *supra* note 42. See also, Nebraska Department of Education (2019, November 5). Innovative Grant Fund [E-mail to Education Committee staff].
- ^{xliii}*Supra*, note xxxviii.
- ^{xliv}*Supra*, note xl.
- ^{xlv}*Supra*, note xxxviii.
- ^{xlvi}*Supra*, note xl.
- ^{xlvii}*Supra*, note xxxviii.
- ^{xlviii}2011 LB637

^{xlix}Nebraska Department of Education. (2016, September). Investigating the impact of the Nebraska ACT pilot project on student college-going behavior.
^l2014 LB967
^{li}2016 LB930
^{lii}2021 LB528
^{liii}Nebraska Department of Education. (2022, December 1). [Email to Education Committee staff].
^{liv}2019 LB 180, § 1
^{lv}2021 LB 528, § 57
^{lvi}2015 LB 519, § 28
^{lvii}Ruggles, R. (2019, July 23). 'Hell yeah,' it will fly: Metro Community College students build an airplane, learn sheet metal work. Omaha World-Herald. Retrieved from https://www.omaha.com/news/plus/hell-yeah-it-will-fly-metro-community-college-studentsbuild/article_e1d89b5b-59b4-5ebd-876c-28c11bb01d86.html
^{lviii}Coordinating Commission for Postsecondary Education. Community college gap assistance program, 2021-22 annual report
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^{lx}Neb. Rev. Stat. § 85-2011
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^{lxiii}Neb. Rev. Stat. § 85-2009
^{lxiv}Nebraska Department of Education. (2018, December). Programs of the Excellence in Teaching Act. See also, The Excellence in Teaching Act, Neb. Rev. Stat. §§ 79-8,132 to 79-8,140.
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^{lxviii}*Id.*
^{lxix}Teacher shortage survey. (2022, January 3). Retrieved November 22, 2022, from Nebraska Department of Education website: <https://www.education.ne.gov/educatorprep/teacher-shortagesurvey/>
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^{lxxi}LB294, One Hundred Sixth Legislature, First Session (Neb. 2019)
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^{lxxiii}National Association of State Student Grant and Aid Programs. (2020-2021). Annual survey report on state-sponsored student financial aid, Table 12, page 23 (Report No. 52). Retrieved from https://www.nassgapsurvey.com/survey_reports/2020-2021-52nd.pdf
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^{lxxviii}2006 LB1208
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^{lxxxi}*Id.*
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^{lxxxvii}*Supra*, note lxxxii.
^{lxxxviii}*Id.*
^{lxxxix}*Id.*
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^{xciii}Nebraska Department of Education, School Finance & Organization Services: A1 2017/18 State Aid Calculated by System; See also, Nebraska Department of Education, School Finance & Organization Services: A1 2018/19 State Aid Calculated by System.
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- ^{cvi}Nebraska Department of Education. (2022, December 8.) Requested Data [Email to Education Committee Staff].
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- ^{cx}*Id.*
- ^{cxxi}*Id.*
- ^{cxii}*Id.*