

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1020**

Introduced by Nordquist, 7; Ashford, 20; Campbell, 25; Council, 11;  
Howard, 9; Mello, 5.

Read first time January 17, 2012

Committee: Education

A BILL

1 FOR AN ACT relating to public health and welfare; to amend section  
2 9-836.01, Revised Statutes Cumulative Supplement, 2010,  
3 and section 9-812, Revised Statutes Supplement, 2011; to  
4 adopt the Nebraska Coordinated School Health Act; to  
5 change allocation provisions relating to the Education  
6 Innovation Fund; to harmonize provisions; to repeal the  
7 original sections; and to declare an emergency.  
8 Be it enacted by the people of the State of Nebraska,

1           Section 1. This act shall be known and may be cited as  
2 the Nebraska Coordinated School Health Act.

3           Sec. 2. (1) The Nebraska Coordinated School Health Fund  
4 is created. The fund shall be under the control of and administered  
5 by the State Department of Education. The fund shall be used for  
6 administration of and grants pursuant to the Coordinated School  
7 Health Program under section 3 of this act. The fund shall consist of  
8 transfers authorized by the Legislature and any additional public or  
9 private funds. Any money in the fund available for investment shall  
10 be invested by the state investment officer pursuant to the Nebraska  
11 Capital Expansion Act and the Nebraska State Funds Investment Act.  
12 Interest earned shall be credited back to the Nebraska Coordinated  
13 School Health Fund.

14           (2) On July 1, 2012, and on July 1 of each subsequent  
15 fiscal year, or the first working day thereafter, the State Treasurer  
16 shall transfer two hundred thousand dollars from the Education  
17 Innovation Fund to the Nebraska Coordinated School Health Fund. All  
18 unspent money in the fund at the end of the fiscal year shall remain  
19 in the fund and be available for grants awarded in subsequent fiscal  
20 years.

21           Sec. 3. (1) The State Department of Education shall award  
22 grants under the Coordinated School Health Program from the Nebraska  
23 Coordinated School Health Fund as provided in this section to any  
24 school district that applies for the grant and:

25           (a) Is seeking funding to support the establishment of a

1 school-based health center as defined in section 68-907;

2 (b) Is able to demonstrate a relationship with a  
3 sponsoring facility as defined in such section; and

4 (c) Is able to demonstrate long-term financial  
5 sustainability of the school-based health center.

6 (2) The department shall award grants up to the amount  
7 credited to the fund as follows:

8 (a) Not less than ninety percent of the money in the fund  
9 shall be awarded as grants to school districts in a manner to be  
10 determined by the department, with preference given to school  
11 districts that meet either of the following criteria:

12 (i) Location in an area that has been designated as a  
13 health profession shortage area pursuant to section 71-5665 or  
14 federal law or as a medically underserved area or population pursuant  
15 to Nebraska or federal law; or

16 (ii) The majority of the district's students are eligible  
17 for free or reduced-price lunches; and

18 (b) Up to ten percent of the fund may be used by the  
19 department to administer the Coordinated School Health Program.

20 (3) To be eligible to receive a grant under the program,  
21 a school district shall provide fifty percent matching funds for the  
22 establishment of the school-based health center. The funds may be  
23 obtained from any source available to the school district, including  
24 in-kind contributions, community or foundation grants, individual  
25 contributions, and local governmental agency operating funds.

1           (4) Funds from a grant received under the program may  
2 only be used for capital construction and startup costs for school-  
3 based health centers and may not be used for ongoing operations,  
4 administration, or service delivery costs.

5           (5) A school district is not eligible to receive a grant  
6 under the program more than once for the same school-based health  
7 center. A district may apply for and receive a grant for multiple  
8 school-based health centers within the same district but may receive  
9 only one such grant in any fiscal year.

10           Sec. 4. (1) The State Department of Education shall  
11 establish an application process for grants under the Nebraska  
12 Coordinated School Health Act and shall provide the following  
13 information to potential applicants:

14           (a) Application procedures and deadlines;

15           (b) Required information;

16           (c) Criteria for selection and evaluation of  
17 applications;

18           (d) Criteria for determining the amount and duration of  
19 the grants;

20           (e) Reporting requirements for grant recipients; and

21           (f) Any other information the department deems necessary.

22           (2) Grant recipients shall submit a report to the  
23 department upon completion of the project for which the grant is  
24 awarded, summarizing the use of the grant money according to the  
25 requirements established by the department under subdivision (1)(e)

1 of this section.

2           Sec. 5. If within the five years following receipt of a  
3 grant for a school-based health center project pursuant to the  
4 Nebraska Coordinated School Health Act a school district receiving  
5 such grant uses the facility purchased, constructed, or remodeled  
6 with grant funds for purposes other than those stated to qualify for  
7 the grant, the school district shall repay the grant to the Nebraska  
8 Coordinated School Health Fund with interest at the rate prescribed  
9 in section 45-104.02 accruing from the last date the facility was  
10 used as a school-based health center as determined by the State  
11 Department of Education or the date that the department determines  
12 that the facility will not be used as a school-based health center or  
13 that such facility will not be purchased, constructed, or remodeled  
14 for such purpose. Interest shall continue to accrue on outstanding  
15 balances until the repayment has been completed. The remaining terms  
16 of repayment shall be determined by the department.

17           Sec. 6. The State Department of Education may adopt and  
18 promulgate rules and regulations to carry out the Nebraska  
19 Coordinated School Health Act.

20           Sec. 7. Section 9-812, Revised Statutes Supplement, 2011,  
21 is amended to read:

22           9-812 (1) All money received from the operation of  
23 lottery games conducted pursuant to the State Lottery Act in Nebraska  
24 shall be credited to the State Lottery Operation Trust Fund, which  
25 fund is hereby created. All payments of the costs of establishing and

1 maintaining the lottery games shall be made from the State Lottery  
2 Operation Cash Fund. In accordance with legislative appropriations,  
3 money for payments for expenses of the division shall be transferred  
4 from the State Lottery Operation Trust Fund to the State Lottery  
5 Operation Cash Fund, which fund is hereby created. All money  
6 necessary for the payment of lottery prizes shall be transferred from  
7 the State Lottery Operation Trust Fund to the State Lottery Prize  
8 Trust Fund, which fund is hereby created. The amount used for the  
9 payment of lottery prizes shall not be less than forty percent of the  
10 dollar amount of the lottery tickets which have been sold.

11 (2) Beginning October 1, 2003, a portion of the dollar  
12 amount of the lottery tickets which have been sold on an annualized  
13 basis shall be transferred from the State Lottery Operation Trust  
14 Fund to the Education Innovation Fund, the Nebraska Opportunity Grant  
15 Fund, the Nebraska Environmental Trust Fund, the Nebraska State Fair  
16 Board, and the Compulsive Gamblers Assistance Fund. The dollar amount  
17 transferred pursuant to this subsection shall equal the greater of  
18 (a) the dollar amount transferred to the funds in fiscal year 2002-03  
19 or (b) any amount which constitutes at least twenty-two percent and  
20 no more than twenty-five percent of the dollar amount of the lottery  
21 tickets which have been sold on an annualized basis. To the extent  
22 that funds are available, the Tax Commissioner and director may  
23 authorize a transfer exceeding twenty-five percent of the dollar  
24 amount of the lottery tickets sold on an annualized basis.

25 (3) Of the money available to be transferred to the

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

4 (a) The first five hundred thousand dollars shall be  
5 transferred to the Compulsive Gamblers Assistance Fund to be used as  
6 provided in section 71-817;

7 (b) Nineteen and three-fourths percent of the money  
8 remaining after the payment of prizes and operating expenses and the  
9 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
10 transferred to the Education Innovation Fund;

11 (c) Twenty-four and three-fourths percent of the money  
12 remaining after the payment of prizes and operating expenses and the  
13 initial transfer to the Compulsive Gamblers Assistance Fund shall be  
14 transferred to the Nebraska Opportunity Grant Fund;

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

20 (e) Ten percent of the money remaining after the payment  
21 of prizes and operating expenses and the initial transfer to the  
22 Compulsive Gamblers Assistance Fund shall be transferred to the  
23 Nebraska State Fair Board if the most populous city within the county  
24 in which the fair is located provides matching funds equivalent to  
25 ten percent of the funds available for transfer. Such matching funds

1 may be obtained from the city and any other private or public entity,  
2 except that no portion of such matching funds shall be provided by  
3 the state. If the Nebraska State Fair ceases operations, ten percent  
4 of the money remaining after the payment of prizes and operating  
5 expenses and the initial transfer to the Compulsive Gamblers  
6 Assistance Fund shall be transferred to the General Fund; and

7 (f) One percent of the money remaining after the payment  
8 of prizes and operating expenses and the initial transfer to the  
9 Compulsive Gamblers Assistance Fund shall be transferred to the  
10 Compulsive Gamblers Assistance Fund to be used as provided in section  
11 71-817.

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

15 (b) For fiscal year 2010-11, the Education Innovation  
16 Fund shall be allocated as follows: The first one million dollars  
17 shall be transferred to the Excellence in Teaching Cash Fund to fund  
18 the Excellence in Teaching Act, and the amount remaining in the  
19 Education Innovation Fund shall be allocated, after administrative  
20 expenses, for distance education equipment and incentives pursuant to  
21 sections 79-1336 and 79-1337.

22 (c) For fiscal year 2011-12, the Education Innovation  
23 Fund shall be allocated as follows: (i) The first two hundred twenty-  
24 five thousand dollars shall be transferred to the Excellence in  
25 Teaching Cash Fund to fund the Attracting Excellence to Teaching

1 Program; (ii) the next three million three hundred sixty-five  
2 thousand nine hundred sixty-two dollars shall be distributed to  
3 school districts as grants pursuant to the Early Childhood Education  
4 Grant Program; (iii) the next two million one hundred seventy-five  
5 thousand six hundred seventy-three dollars shall be distributed to  
6 local systems as grants for approved accelerated or differentiated  
7 curriculum programs for students identified as learners with high  
8 ability pursuant to section 79-1108.02; (iv) the next four hundred  
9 ninety-one thousand five hundred forty-one dollars shall be used by  
10 the State Department of Education for the development of an  
11 integrated early childhood, elementary, secondary, and postsecondary  
12 student information system; (v) the next four hundred fifty thousand  
13 dollars shall fund the Center for Student Leadership and Extended  
14 Learning Act; (vi) the next one hundred fourteen thousand six hundred  
15 twenty-nine dollars shall fund the multicultural education program  
16 created under section 79-720; (vii) the next one hundred twenty-three  
17 thousand four hundred sixty-eight dollars shall be used by the  
18 department to employ persons to investigate and prosecute alleged  
19 violations as provided in section 79-868; (viii) up to the next one  
20 hundred sixty thousand dollars shall be used by the department to  
21 implement section 79-759; and (ix) the amount remaining shall be  
22 allocated, after administrative expenses, for distance education  
23 equipment and incentives pursuant to sections 79-1336 and 79-1337.

24 (d) For fiscal year 2012-13, the Education Innovation  
25 Fund shall be allocated as follows: (i) The first forty-five thousand

1 dollars shall be transferred to the Excellence in Teaching Cash Fund  
2 to fund the Attracting Excellence to Teaching Program; (ii) the next  
3 three million three hundred sixty-five thousand nine hundred sixty-  
4 two dollars shall be distributed to school districts as grants  
5 pursuant to the Early Childhood Education Grant Program; (iii) the  
6 next two million one hundred seventy-five thousand six hundred  
7 seventy-three dollars shall be distributed to local systems as grants  
8 for approved accelerated or differentiated curriculum programs for  
9 students identified as learners with high ability pursuant to section  
10 79-1108.02; (iv) the next one hundred eight thousand one hundred  
11 thirty-six dollars shall be used by the department for the  
12 development of an integrated early childhood, elementary, secondary,  
13 and postsecondary student information system; (v) the next four  
14 hundred fifty thousand dollars shall fund the Center for Student  
15 Leadership and Extended Learning Act; (vi) the next one hundred  
16 fourteen thousand six hundred twenty-nine dollars shall be used by  
17 the department to fund the multicultural education program created  
18 under section 79-720; (vii) the next one hundred twenty-three  
19 thousand four hundred sixty-eight dollars shall be used by the  
20 department to employ persons to investigate and prosecute alleged  
21 violations as provided in section 79-868; (viii) up to the next one  
22 hundred sixty thousand dollars shall be used by the department to  
23 implement section 79-759; (ix) the next twenty-seven thousand two  
24 hundred dollars shall be used to fund the Interstate Compact on  
25 Educational Opportunity for Military Children; ~~and~~-(x) the next two

1 hundred thousand dollars shall be transferred to the Nebraska  
2 Coordinated School Health Fund pursuant to section 2 of this act; and  
3 (xi) the amount remaining shall be allocated, after administrative  
4 expenses, for distance education equipment and incentives pursuant to  
5 sections 79-1336 and 79-1337.

6 (e) For fiscal year 2013-14, the Education Innovation  
7 Fund shall be allocated as follows: (i) The first one million dollars  
8 shall be transferred to the Excellence in Teaching Cash Fund to fund  
9 the Excellence in Teaching Act; (ii) the next two hundred thousand  
10 dollars shall be transferred to the Nebraska Coordinated School  
11 Health Fund pursuant to section 2 of this act; (iii) the next  
12 allocation shall be distributed to local systems as grants for  
13 approved accelerated or differentiated curriculum programs for  
14 students identified as learners with high ability pursuant to section  
15 79-1108.02 in an aggregated amount up to the amount distributed in  
16 the prior fiscal year for such purposes increased by the basic  
17 allowable growth rate pursuant to section 79-1025; ~~(iii)~~ (iv) the  
18 next allocation shall be used by the State Department of Education  
19 for the integrated early childhood, elementary, secondary, and  
20 postsecondary student information system in an aggregated amount up  
21 to the amount used in the prior fiscal year for such purposes  
22 increased by the basic allowable growth rate pursuant to section  
23 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for  
24 Student Leadership and Extended Learning Act in an aggregated amount  
25 up to the amount used in the prior fiscal year for such purposes

1 increased by the basic allowable growth rate pursuant to section  
2 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department  
3 to fund the multicultural education program created under section  
4 79-720 in an aggregated amount up to the amount used in the prior  
5 fiscal year for such purposes increased by the basic allowable growth  
6 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation  
7 shall be used by the department to employ persons to investigate and  
8 prosecute alleged violations as provided in section 79-868 in an  
9 aggregated amount up to the amount used in the prior fiscal year for  
10 such purposes increased by the basic allowable growth rate pursuant  
11 to section 79-1025; ~~(vii)~~ (viii) up to the next one hundred sixty  
12 thousand dollars shall be used by the department to implement section  
13 79-759; and ~~(viii)~~ (ix) the amount remaining shall be allocated,  
14 after administrative expenses, for distance education equipment and  
15 incentives pursuant to sections 79-1336 and 79-1337.

16 (f) For fiscal years 2014-15 and 2015-16, the Education  
17 Innovation Fund shall be allocated as follows: (i) The first one  
18 million dollars shall be transferred to the Excellence in Teaching  
19 Cash Fund to fund the Excellence in Teaching Act; (ii) the next two  
20 hundred thousand dollars shall be transferred to the Nebraska  
21 Coordinated School Health Fund pursuant to section 2 of this act;  
22 (iii) the next allocation shall be distributed to local systems as  
23 grants for approved accelerated or differentiated curriculum programs  
24 for students identified as learners with high ability pursuant to  
25 section 79-1108.02 in an aggregated amount up to the amount

1 distributed in the prior fiscal year for such purposes increased by  
2 the basic allowable growth rate pursuant to section 79-1025; ~~(iii)~~  
3 (iv) the next allocation shall be used by the State Department of  
4 Education for the integrated early childhood, elementary, secondary,  
5 and postsecondary student information system in an aggregated amount  
6 up to the amount used in the prior fiscal year for such purposes  
7 increased by the basic allowable growth rate pursuant to section  
8 79-1025; ~~(iv)~~ (v) the next allocation shall fund the Center for  
9 Student Leadership and Extended Learning Act in an aggregated amount  
10 up to the amount used in the prior fiscal year for such purposes  
11 increased by the basic allowable growth rate pursuant to section  
12 79-1025; ~~(v)~~ (vi) the next allocation shall be used by the department  
13 to fund the multicultural education program created under section  
14 79-720 in an aggregated amount up to the amount used in the prior  
15 fiscal year for such purposes increased by the basic allowable growth  
16 rate pursuant to section 79-1025; ~~(vi)~~ (vii) the next allocation  
17 shall be used by the department to employ persons to investigate and  
18 prosecute alleged violations as provided in section 79-868 in an  
19 aggregated amount up to the amount used in the prior fiscal year for  
20 such purposes increased by the basic allowable growth rate pursuant  
21 to section 79-1025; and ~~(vii)~~ (viii) the amount remaining shall be  
22 allocated, after administrative expenses, for distance education  
23 equipment and incentives pursuant to sections 79-1336 and 79-1337.

24 (g) For fiscal year 2016-17 and each fiscal year  
25 thereafter, the first two hundred fifty thousand dollars shall be

1 transferred to the Nebraska Coordinated School Health Fund pursuant  
2 to section 2 of this act and the money remaining in the Education  
3 Innovation Fund shall be allocated, after administrative expenses,  
4 for education purposes as provided by the Legislature.

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

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

15 Sec. 8. Section 9-836.01, Revised Statutes Cumulative  
16 Supplement, 2010, is amended to read:

17 9-836.01 The division may endorse and sell for profit  
18 tangible personal property related to the lottery. Any money received  
19 as profit by the division pursuant to this section shall be remitted  
20 to the State Treasurer for credit to the State Lottery Operation  
21 Trust Fund to be distributed to the Education Innovation Fund, the  
22 Nebraska Opportunity Grant Fund, the Nebraska Environmental Trust  
23 Fund, ~~and the Compulsive Gamblers Assistance Fund,~~ and the Nebraska  
24 Coordinated School Health Fund pursuant to the requirements of  
25 section 9-812.

1                   Sec. 9. Original section 9-836.01, Revised Statutes  
2 Cumulative Supplement, 2010, and section 9-812, Revised Statutes  
3 Supplement, 2011, are repealed.

4                   Sec. 10. Since an emergency exists, this act takes effect  
5 when passed and approved according to law.