

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 104**

Introduced by Linehan, 39.

Read first time January 10, 2019

Committee: Education

- 1 A BILL FOR AN ACT relating to the Nebraska Education Improvement Fund; to
- 2 amend sections 9-812 and 85-1920, Revised Statutes Cumulative
- 3 Supplement, 2018; to change the distribution of funds as prescribed;
- 4 to harmonize provisions; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

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

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

30 (3) Of the money available to be transferred to the Education  
31 Innovation Fund, the Nebraska Opportunity Grant Fund, the Nebraska

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

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

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

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

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

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

31 (4) The Nebraska Education Improvement Fund is created. The fund

1 shall consist of money transferred pursuant to subsection (3) of this  
2 section, money transferred pursuant to section 85-1920, and any other  
3 funds appropriated by the Legislature. The fund shall be allocated, after  
4 actual and necessary administrative expenses, as provided in this section  
5 for fiscal years 2016-17 through 2026-27 ~~2020-21~~. A portion of each  
6 allocation may be retained by the agency to which the allocation is made  
7 or the agency administering the fund to which the allocation is made for  
8 actual and necessary expenses incurred by such agency for administration,  
9 evaluation, and technical assistance related to the purposes of the  
10 allocation, except that no amount of the allocation to the Nebraska  
11 Opportunity Grant Fund may be used for such purposes. On or before  
12 December 31, 2019, the Education Committee of the Legislature shall  
13 electronically submit recommendations to the Clerk of the Legislature  
14 regarding how the fund should be allocated to best advance the  
15 educational priorities of the state for the five-year period beginning  
16 with fiscal year 2021-22. For fiscal year 2016-17, an amount equal to ten  
17 percent of the revenue allocated to the Education Innovation Fund and to  
18 the Nebraska Opportunity Grant Fund for fiscal year 2015-16 shall be  
19 retained in the Nebraska Education Improvement Fund. For fiscal years  
20 2017-18 through 2020-21, an amount equal to ten percent of the revenue  
21 received by the Nebraska Education Improvement Fund in the prior fiscal  
22 year shall be retained in the fund. For fiscal years 2016-17 through  
23 2020-21, the remainder of the fund, after payment of any learning  
24 community transition aid pursuant to section 79-10,145, shall be  
25 allocated as follows:

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

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

1 section 79-759;

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

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

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

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

12 For fiscal years 2021-22 through 2026-27, sixty-two percent of the  
13 revenue received by the Nebraska Education Improvement Fund shall be  
14 allocated to the Nebraska Opportunity Grant Fund to carry out the  
15 Nebraska Opportunity Grant Act in conjunction with appropriations from  
16 the General Fund. The remainder of such revenue shall be retained in the  
17 Nebraska Education Improvement Fund until such time as the Legislature  
18 otherwise directs.

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

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

30 Sec. 2. Section 85-1920, Revised Statutes Cumulative Supplement,  
31 2018, is amended to read:

1           85-1920 The Nebraska Opportunity Grant Fund is created. Money in the  
2 fund shall include amounts transferred from the ~~State Lottery Operation~~  
3 ~~Trust Fund pursuant to section 9-812 until June 30, 2016, or the Nebraska~~  
4 Education Improvement Fund pursuant to section 9-812 until June 30, 2027  
5 ~~2021~~. All amounts accruing to the Nebraska Opportunity Grant Fund shall  
6 be used to carry out the Nebraska Opportunity Grant Act. Any money in the  
7 fund available for investment shall be invested by the state investment  
8 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
9 State Funds Investment Act.

10           The Nebraska Opportunity Grant Fund terminates on June 30, 2027  
11 ~~2021~~. Any money in the fund on such date shall be transferred to the  
12 Nebraska Education Improvement Fund on such date.

13           Sec. 3.   Original sections 9-812 and 85-1920, Revised Statutes  
14 Cumulative Supplement, 2018, are repealed.