

## LEGISLATIVE BILL 1218

Approved by the Governor April 19, 2022

Introduced by Education Committee: Walz, 15, Chairperson; Day, 49; McKinney, 11; Morfeld, 46; Pansing Brooks, 28.

A BILL FOR AN ACT relating to education; to amend sections 79-806, 79-810, and 79-811, Reissue Revised Statutes of Nebraska, sections 79-318, 79-807, and 79-8,137, Revised Statutes Cumulative Supplement, 2020, and sections 77-2716 and 79-813, Revised Statutes Supplement, 2021; to adopt the Teach in Nebraska Today Act; to provide for income tax adjustments; to change provisions relating to certification of qualified educators and the Attracting Excellence to Teaching Program; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 8 of this act shall be known and may be cited as the Teach in Nebraska Today Act.

Sec. 2. For purposes of the Teach in Nebraska Today Act:

(1) Default has the same meaning as in 20 U.S.C. 1085, as such section existed on January 1, 2022;

(2) Department means the State Department of Education;

(3) Program means the Teach in Nebraska Today Program created in section 3 of this act; and

(4) Teaching full-time means (a) teaching an average of at least four hours per contract day performing instructional duties as a full-time employee of an approved or accredited public, private, denominational, or parochial school in this state or (b) teaching an average of at least four hours per contract day performing dual-credit instructional duties for students of approved or accredited public, private, denominational, or parochial schools in this state while employed full-time at an accredited public or private nonprofit college or university in this state.

Sec. 3. The Teach in Nebraska Today Program is created. The department shall administer the program. The purpose of the program is to attract individuals to the teaching profession who have expressed an interest in teaching and to support the employment of those individuals as classroom teachers by providing student loan repayment assistance for service as a classroom teacher in this state.

Sec. 4. (1) Student loan repayment assistance under the program shall be available to an individual who applies for the assistance and who:

(a) Is a resident of the State of Nebraska; and

(b) Is teaching full-time or has a contract to teach full-time at the time of application for the program.

(2) The amount of repayment assistance awarded to an eligible applicant pursuant to this section shall be limited to five thousand dollars per year. An eligible applicant may be awarded repayment assistance for up to five years. The five years of awards are not required to be consecutive but shall not extend beyond eight years in total.

(3) If the funds available for repayment assistance in any year are insufficient to provide assistance to all eligible applicants described in subsection (1) of this section, the department shall establish priorities for awarding repayment assistance with renewal applications given priority over initial applications. For initial applications, priority shall be given to applicants who demonstrate financial need.

(4) An eligible applicant may receive repayment assistance under the program for the repayment of a student loan received through any lender which was incurred in the applicant's own name for his or her own educational expenses at any accredited public or private nonprofit college or university in this state or any other state. If the loan is not a state or federal guaranteed student loan, the note or other writing governing the terms of the loan must require the loan proceeds to be used for expenses incurred by the applicant to attend an accredited public or private nonprofit college or university in this state or any other state.

Sec. 5. Applications for student loan repayment assistance must be submitted no later than June 10, 2023, and no later than June 10 of each year thereafter, on a form developed by the department. The department shall determine whether to approve or deny each application and shall notify each applicant of such determination no later than September 10, 2023, and no later than September 10 of each year thereafter. Repayment assistance awarded under the program shall be paid, in whole or in part as provided in section 6 of this act, no later than November 10, 2023, and no later than November 10 of each year thereafter.

Sec. 6. (1) Student loan repayment assistance awarded under the program may be applied to the principal amount of the loan and to interest that accrues. The repayment assistance shall be paid in one of the following three ways as directed by the applicant on his or her application:

(a) Directly to the lender or loan servicer that holds the outstanding balance of the student loan in one lump-sum payment;

(b) Directly to the lender or loan servicer that holds the outstanding balance of the student loan in monthly payments. Such monthly payments shall be made:

(i) In twelve equal payments; or

(ii) If requested by the applicant, in smaller amounts over a longer period of time, not to exceed twenty-four months. In such case, payments shall be equal for the first twelve months or until such time as the applicant's payment amount is recalculated by the lender or loan servicer and then, if adjusted, shall be equal for the next twelve-month period. Any unpaid funds at the end of twenty-four months may be requested to be paid in a lump-sum payment to the lender or loan servicer or shall be considered forfeited by the applicant. Applicants who are awarded repayment assistance in more than one year may have their awards divided across no more than one hundred twenty monthly payments under the program; or

(c) Directly to the applicant for the purpose of making the applicant's student loan payments. This subdivision shall only be available if the applicant is not in default on any student loan at the time of application. Any individual receiving repayment assistance under this subdivision must provide documentation that the full award was used for student loan payments when (i) applying for repayment assistance under the program in subsequent years and (ii) claiming an adjustment to federal adjusted gross income pursuant to section 77-2716. Such documentation shall be provided using a form prescribed by the department.

(2) The department may contract with a third-party vendor to administer the repayment assistance provided pursuant to the program.

Sec. 7. The total amount of student loan repayment assistance awarded pursuant to the program shall not exceed five million dollars in any fiscal year.

Sec. 8. The State Board of Education may adopt and promulgate rules and regulations to carry out the Teach in Nebraska Today Act.

Sec. 9. Section 77-2716, Revised Statutes Supplement, 2021, is amended to read:

77-2716 (1) The following adjustments to federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be made for interest or dividends received:

(a)(i) There shall be subtracted interest or dividends received by the owner of obligations of the United States and its territories and possessions or of any authority, commission, or instrumentality of the United States to the extent includable in gross income for federal income tax purposes but exempt from state income taxes under the laws of the United States; and

(ii) There shall be subtracted interest received by the owner of obligations of the State of Nebraska or its political subdivisions or authorities which are Build America Bonds to the extent includable in gross income for federal income tax purposes;

(b) There shall be subtracted that portion of the total dividends and other income received from a regulated investment company which is attributable to obligations described in subdivision (a) of this subsection as reported to the recipient by the regulated investment company;

(c) There shall be added interest or dividends received by the owner of obligations of the District of Columbia, other states of the United States, or their political subdivisions, authorities, commissions, or instrumentalities to the extent excluded in the computation of gross income for federal income tax purposes except that such interest or dividends shall not be added if received by a corporation which is a regulated investment company;

(d) There shall be added that portion of the total dividends and other income received from a regulated investment company which is attributable to obligations described in subdivision (c) of this subsection and excluded for federal income tax purposes as reported to the recipient by the regulated investment company; and

(e)(i) Any amount subtracted under this subsection shall be reduced by any interest on indebtedness incurred to carry the obligations or securities described in this subsection or the investment in the regulated investment company and by any expenses incurred in the production of interest or dividend income described in this subsection to the extent that such expenses, including amortizable bond premiums, are deductible in determining federal taxable income.

(ii) Any amount added under this subsection shall be reduced by any expenses incurred in the production of such income to the extent disallowed in the computation of federal taxable income.

(2) There shall be allowed a net operating loss derived from or connected with Nebraska sources computed under rules and regulations adopted and promulgated by the Tax Commissioner consistent, to the extent possible under the Nebraska Revenue Act of 1967, with the laws of the United States. For a resident individual, estate, or trust, the net operating loss computed on the federal income tax return shall be adjusted by the modifications contained in this section. For a nonresident individual, estate, or trust or for a partial-year resident individual, the net operating loss computed on the federal return shall be adjusted by the modifications contained in this section and any carryovers or carrybacks shall be limited to the portion of the loss derived from or connected with Nebraska sources.

(3) There shall be subtracted from federal adjusted gross income for all taxable years beginning on or after January 1, 1987, the amount of any state income tax refund to the extent such refund was deducted under the Internal

Revenue Code, was not allowed in the computation of the tax due under the Nebraska Revenue Act of 1967, and is included in federal adjusted gross income.

(4) Federal adjusted gross income, or, for a fiduciary, federal taxable income shall be modified to exclude the portion of the income or loss received from a small business corporation with an election in effect under subchapter S of the Internal Revenue Code or from a limited liability company organized pursuant to the Nebraska Uniform Limited Liability Company Act that is not derived from or connected with Nebraska sources as determined in section 77-2734.01.

(5) There shall be subtracted from federal adjusted gross income or, for corporations and fiduciaries, federal taxable income dividends received or deemed to be received from corporations which are not subject to the Internal Revenue Code.

(6) There shall be subtracted from federal taxable income a portion of the income earned by a corporation subject to the Internal Revenue Code of 1986 that is actually taxed by a foreign country or one of its political subdivisions at a rate in excess of the maximum federal tax rate for corporations. The taxpayer may make the computation for each foreign country or for groups of foreign countries. The portion of the taxes that may be deducted shall be computed in the following manner:

(a) The amount of federal taxable income from operations within a foreign taxing jurisdiction shall be reduced by the amount of taxes actually paid to the foreign jurisdiction that are not deductible solely because the foreign tax credit was elected on the federal income tax return;

(b) The amount of after-tax income shall be divided by one minus the maximum tax rate for corporations in the Internal Revenue Code; and

(c) The result of the calculation in subdivision (b) of this subsection shall be subtracted from the amount of federal taxable income used in subdivision (a) of this subsection. The result of such calculation, if greater than zero, shall be subtracted from federal taxable income.

(7) Federal adjusted gross income shall be modified to exclude any amount repaid by the taxpayer for which a reduction in federal tax is allowed under section 1341(a)(5) of the Internal Revenue Code.

(8)(a) Federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be reduced, to the extent included, by income from interest, earnings, and state contributions received from the Nebraska educational savings plan trust created in sections 85-1801 to 85-1817 and any account established under the achieving a better life experience program as provided in sections 77-1401 to 77-1409.

(b) Federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be reduced by any contributions as a participant in the Nebraska educational savings plan trust or contributions to an account established under the achieving a better life experience program made for the benefit of a beneficiary as provided in sections 77-1401 to 77-1409, to the extent not deducted for federal income tax purposes, but not to exceed five thousand dollars per married filing separate return or ten thousand dollars for any other return. With respect to a qualified rollover within the meaning of section 529 of the Internal Revenue Code from another state's plan, any interest, earnings, and state contributions received from the other state's educational savings plan which is qualified under section 529 of the code shall qualify for the reduction provided in this subdivision. For contributions by a custodian of a custodial account including rollovers from another custodial account, the reduction shall only apply to funds added to the custodial account after January 1, 2014.

(c) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced, to the extent included in the adjusted gross income of an individual, by the amount of any contribution made by the individual's employer into an account under the Nebraska educational savings plan trust owned by the individual, not to exceed five thousand dollars per married filing separate return or ten thousand dollars for any other return.

(d) Federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be increased by:

(i) The amount resulting from the cancellation of a participation agreement refunded to the taxpayer as a participant in the Nebraska educational savings plan trust to the extent previously deducted under subdivision (8)(b) of this section; and

(ii) The amount of any withdrawals by the owner of an account established under the achieving a better life experience program as provided in sections 77-1401 to 77-1409 for nonqualified expenses to the extent previously deducted under subdivision (8)(b) of this section.

(9)(a) For income tax returns filed after September 10, 2001, for taxable years beginning or deemed to begin before January 1, 2006, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be increased by eighty-five percent of any amount of any federal bonus depreciation received under the federal Job Creation and Worker Assistance Act of 2002 or the federal Jobs and Growth Tax Act of 2003, under section 168(k) or section 1400L of the Internal Revenue Code of 1986, as amended, for assets placed in service after September 10, 2001, and before December 31, 2005.

(b) For a partnership, limited liability company, cooperative, including any cooperative exempt from income taxes under section 521 of the Internal Revenue Code of 1986, as amended, limited cooperative association, subchapter S

corporation, or joint venture, the increase shall be distributed to the partners, members, shareholders, patrons, or beneficiaries in the same manner as income is distributed for use against their income tax liabilities.

(c) For a corporation with a unitary business having activity both inside and outside the state, the increase shall be apportioned to Nebraska in the same manner as income is apportioned to the state by section 77-2734.05.

(d) The amount of bonus depreciation added to federal adjusted gross income or, for corporations and fiduciaries, federal taxable income by this subsection shall be subtracted in a later taxable year. Twenty percent of the total amount of bonus depreciation added back by this subsection for tax years beginning or deemed to begin before January 1, 2003, under the Internal Revenue Code of 1986, as amended, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2005, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following taxable years. Twenty percent of the total amount of bonus depreciation added back by this subsection for tax years beginning or deemed to begin on or after January 1, 2003, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following taxable years.

(10) For taxable years beginning or deemed to begin on or after January 1, 2003, and before January 1, 2006, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income shall be increased by the amount of any capital investment that is expensed under section 179 of the Internal Revenue Code of 1986, as amended, that is in excess of twenty-five thousand dollars that is allowed under the federal Jobs and Growth Tax Act of 2003. Twenty percent of the total amount of expensing added back by this subsection for tax years beginning or deemed to begin on or after January 1, 2003, may be subtracted in the first taxable year beginning or deemed to begin on or after January 1, 2006, under the Internal Revenue Code of 1986, as amended, and twenty percent in each of the next four following tax years.

(11)(a) For taxable years beginning or deemed to begin before January 1, 2018, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by contributions, up to two thousand dollars per married filing jointly return or one thousand dollars for any other return, and any investment earnings made as a participant in the Nebraska long-term care savings plan under the Long-Term Care Savings Plan Act, to the extent not deducted for federal income tax purposes.

(b) For taxable years beginning or deemed to begin before January 1, 2018, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be increased by the withdrawals made as a participant in the Nebraska long-term care savings plan under the act by a person who is not a qualified individual or for any reason other than transfer of funds to a spouse, long-term care expenses, long-term care insurance premiums, or death of the participant, including withdrawals made by reason of cancellation of the participation agreement, to the extent previously deducted as a contribution or as investment earnings.

(12) There shall be added to federal adjusted gross income for individuals, estates, and trusts any amount taken as a credit for franchise tax paid by a financial institution under sections 77-3801 to 77-3807 as allowed by subsection (5) of section 77-2715.07.

(13)(a) For taxable years beginning or deemed to begin on or after January 1, 2015, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received as benefits under the federal Social Security Act which are included in the federal adjusted gross income if:

(i) For taxpayers filing a married filing joint return, federal adjusted gross income is fifty-eight thousand dollars or less; or

(ii) For taxpayers filing any other return, federal adjusted gross income is forty-three thousand dollars or less.

(b) For taxable years beginning or deemed to begin on or after January 1, 2020, under the Internal Revenue Code of 1986, as amended, the Tax Commissioner shall adjust the dollar amounts provided in subdivisions (13)(a)(i) and (ii) of this section by the same percentage used to adjust individual income tax brackets under subsection (3) of section 77-2715.03.

(c) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, a taxpayer may claim the reduction to federal adjusted gross income allowed under this subsection or the reduction to federal adjusted gross income allowed under subsection (14) of this section, whichever provides the greater reduction.

(14)(a) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by a percentage of the social security benefits that are received and included in federal adjusted gross income. The pertinent percentage shall be:

(i) Five percent for taxable years beginning or deemed to begin on or after January 1, 2021, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended;

(ii) Twenty percent for taxable years beginning or deemed to begin on or after January 1, 2022, and before January 1, 2023, under the Internal Revenue Code of 1986, as amended;

(iii) Thirty percent for taxable years beginning or deemed to begin on or

after January 1, 2023, and before January 1, 2024, under the Internal Revenue Code of 1986, as amended;

(iv) Forty percent for taxable years beginning or deemed to begin on or after January 1, 2024, and before January 1, 2025, under the Internal Revenue Code of 1986, as amended; and

(v) Fifty percent for taxable years beginning or deemed to begin on or after January 1, 2025, under the Internal Revenue Code of 1986, as amended.

(b) It is the intent of the Legislature to enact legislation within five years after August 28, 2021, to increase the percentage of social security benefits that are excluded under this subsection to (i) sixty percent for taxable years beginning or deemed to begin on or after January 1, 2026, and before January 1, 2027, under the Internal Revenue Code of 1986, as amended, (ii) seventy percent for taxable years beginning or deemed to begin on or after January 1, 2027, and before January 1, 2028, under the Internal Revenue Code of 1986, as amended, (iii) eighty percent for taxable years beginning or deemed to begin on or after January 1, 2028, and before January 1, 2029, under the Internal Revenue Code of 1986, as amended, (iv) ninety percent for taxable years beginning or deemed to begin on or after January 1, 2029, and before January 1, 2030, under the Internal Revenue Code of 1986, as amended, and (v) one hundred percent for taxable years beginning or deemed to begin on or after January 1, 2030, under the Internal Revenue Code of 1986, as amended.

(c) For purposes of this subsection, social security benefits means benefits received under the federal Social Security Act.

(d) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, a taxpayer may claim the reduction to federal adjusted gross income allowed under this subsection or the reduction to federal adjusted gross income allowed under subsection (13) of this section, whichever provides the greater reduction.

(15)(a) For taxable years beginning or deemed to begin on or after January 1, 2015, and before January 1, 2022, under the Internal Revenue Code of 1986, as amended, an individual may make a one-time election within two calendar years after the date of his or her retirement from the military to exclude income received as a military retirement benefit by the individual to the extent included in federal adjusted gross income and as provided in this subdivision. The individual may elect to exclude forty percent of his or her military retirement benefit income for seven consecutive taxable years beginning with the year in which the election is made or may elect to exclude fifteen percent of his or her military retirement benefit income for all taxable years beginning with the year in which he or she turns sixty-seven years of age.

(b) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, an individual may exclude one hundred percent of the military retirement benefit income received by such individual to the extent included in federal adjusted gross income.

(c) For purposes of this subsection, military retirement benefit means retirement benefits that are periodic payments attributable to service in the uniformed services of the United States for personal services performed by an individual prior to his or her retirement. The term includes retirement benefits described in this subdivision that are reported to the individual on either:

(i) An Internal Revenue Service Form 1099-R received from the United States Department of Defense; or

(ii) An Internal Revenue Service Form 1099-R received from the United States Office of Personnel Management.

(16) For taxable years beginning or deemed to begin on or after January 1, 2021, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received as a Segal AmeriCorps Education Award, to the extent such amount is included in federal adjusted gross income.

(17) For taxable years beginning or deemed to begin on or after January 1, 2022, under the Internal Revenue Code of 1986, as amended, federal adjusted gross income shall be reduced by the amount received by or on behalf of a firefighter for cancer benefits under the Firefighter Cancer Benefits Act to the extent included in federal adjusted gross income.

(18) There shall be subtracted from the federal adjusted gross income of individuals any amount received by the individual as student loan repayment assistance under the Teach in Nebraska Today Act, to the extent such amount is included in federal adjusted gross income.

Sec. 10. Section 79-318, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-318 The State Board of Education shall:

(1) Appoint and fix the compensation of the Commissioner of Education;

(2) Remove the commissioner from office at any time for conviction of any crime involving moral turpitude or felonious act, for inefficiency, or for willful and continuous disregard of his or her duties as commissioner or of the directives of the board;

(3) Upon recommendation of the commissioner, appoint and fix the compensation of all new professional positions in the department, including any deputy commissioners;

(4) Organize the State Department of Education into such divisions, branches, or sections as may be necessary or desirable to perform all its proper functions and to render maximum service to the board and to the state school system;

(5) Provide, through the commissioner and his or her professional staff, enlightened professional leadership, guidance, and supervision of the state school system, including educational service units. In order that the commissioner and his or her staff may carry out their duties, the board shall, through the commissioner: (a) Provide supervisory and consultation services to the schools of the state; (b) issue materials helpful in the development, maintenance, and improvement of educational facilities and programs; (c) establish rules and regulations which govern standards and procedures for the approval and legal operation of all schools in the state and for the accreditation of all schools requesting state accreditation. All public, private, denominational, or parochial schools shall either comply with the accreditation or approval requirements prescribed in this section and section 79-703 or, for those schools which elect not to meet accreditation or approval requirements, the requirements prescribed in subsections (2) through (6) of section 79-1601. Standards and procedures for approval and accreditation shall be based upon the program of studies, guidance services, the number and preparation of teachers in relation to the curriculum and enrollment, instructional materials and equipment, science facilities and equipment, library facilities and materials, and health and safety factors in buildings and grounds. Rules and regulations which govern standards and procedures for private, denominational, and parochial schools which elect, pursuant to the procedures prescribed in subsections (2) through (6) of section 79-1601, not to meet state accreditation or approval requirements shall be as described in such section; (d) institute a statewide system of testing to determine the degree of achievement and accomplishment of all the students within the state's school systems if it determines such testing would be advisable; (e) prescribe a uniform system of records and accounting for keeping adequate educational and financial records, for gathering and reporting necessary educational data, and for evaluating educational progress; (f) cause to be published laws, rules, and regulations governing the schools and the school lands and funds with explanatory notes for the guidance of those charged with the administration of the schools of the state; (g) approve teacher education programs conducted in Nebraska postsecondary educational institutions designed for the purpose of certificating teachers and administrators, except that such approval shall not require a statewide examination as an entrance requirement related to basic skills competency; (h) approve certificated-employee evaluation policies and procedures developed by school districts and educational service units; and (i) approve general plans and adopt educational policies, standards, rules, and regulations for carrying out the board's responsibilities and those assigned to the State Department of Education by the Legislature;

(6) Adopt and promulgate rules and regulations for the guidance, supervision, accreditation, and coordination of educational service units. Such rules and regulations for accreditation shall include, but not be limited to, (a) a requirement that programs and services offered to school districts by each educational service unit shall be evaluated on a regular basis, but not less than every seven years, to assure that educational service units remain responsive to school district needs and (b) guidelines for the use and management of funds generated from the property tax levy and from other sources of revenue as may be available to the educational service units, to assure that public funds are used to accomplish the purposes and goals assigned to the educational service units by section 79-1204. The State Board of Education shall establish procedures to encourage the coordination of activities among educational service units and to encourage effective and efficient educational service delivery on a statewide basis;

(7) Prepare and distribute reports designed to acquaint school district officers, teachers, and patrons of the schools with the conditions and needs of the schools;

(8) Provide for consultation with professional educators and lay leaders for the purpose of securing advice deemed necessary in the formulation of policies and in the effectual discharge of its duties;

(9) Make studies, investigations, and reports and assemble information as necessary for the formulation of policies, for making plans, for evaluating the state school program, and for making essential and adequate reports;

(10) Submit to the Governor and the Legislature a budget necessary to finance the state school program under its jurisdiction, including the internal operation and maintenance of the State Department of Education;

(11) Interpret its own policies, standards, rules, and regulations and, upon reasonable request, hear complaints and disputes arising therefrom;

(12) With the advice of the Department of Motor Vehicles, adopt and promulgate rules and regulations containing reasonable standards, not inconsistent with existing statutes, governing: (a) The general design, equipment, color, operation, and maintenance of any vehicle with a manufacturer's rated seating capacity of eleven or more passengers used for the transportation of public, private, denominational, or parochial school students; and (b) the equipment, operation, and maintenance of any vehicle with a capacity of ten or less passengers used for the transportation of public, private, denominational, or parochial school students, when such vehicles are owned, operated, or owned and operated by any public, private, denominational, or parochial school or privately owned or operated under contract with any such school in this state, except for vehicles owned by individuals operating a school which elects pursuant to section 79-1601 not to meet accreditation or approval requirements. Similar rules and regulations shall be adopted and promulgated for operators of such vehicles as provided in section 79-607;

(13) Accept, on behalf of the Nebraska Center for the Education of Children who are Blind or Visually Impaired, devises of real property or donations or bequests of other property, or both, if in its judgment any such devise, donation, or bequest is for the best interest of the center or the students receiving services from the center, or both, and irrigate or otherwise improve any such real estate when in the board's judgment it would be advisable to do so; and

(14) Upon acceptance of any devise, donation, or bequest as provided in this section, administer and carry out such devise, donation, or bequest in accordance with the terms and conditions thereof. If not prohibited by the terms and conditions of any such devise, donation, or bequest, the board may sell, convey, exchange, or lease property so devised, donated, or bequeathed upon such terms and conditions as it deems best and remit all money derived from any such sale or lease to the State Treasurer for credit to the State Department of Education Trust Fund.

None of the duties prescribed in this section shall prevent the board from exercising such other duties as in its judgment may be necessary for the proper and legal exercise of its obligations.

Sec. 11. Section 79-806, Reissue Revised Statutes of Nebraska, is amended to read:

79-806 (1) The Legislature finds and declares:

(a) That there is an educator workforce shortage in this state and that efforts need to be made to recruit, prepare, retain, and support the teaching profession while maintaining high-quality educators in our classrooms around the state;

(b) That the pool of qualified individuals for the teaching profession has been reduced statewide, in part, due to requirements in place as of the effective date of this act for applicants to prove proficiency in basic skills competency by passing a prescribed examination in reading, writing, and mathematics before being accepted into a teacher education program of a standard institution of higher education approved by the State Board of Education pursuant to subdivision (5)(g) of section 79-318 or issued any certificate under sections 79-806 to 79-815 and the rules and regulations adopted and promulgated by the board pursuant to such sections as of the effective date of this act;

(c) That candidates for certification should possess academic competency to teach effectively and that multiple measures can proficiently demonstrate such competency. A demonstration of basic skills competency should not be based solely on a single assessment high-stakes examination because such an examination does not accurately portray a teacher candidate's general knowledge in mathematics, reading, and writing when measured within such a testing environment; and

(d) That candidates for certification, including candidates coming to Nebraska from other states, should be able to use a portfolio of options to demonstrate basic skills competency, such as coursework taken to satisfy college degree requirements and college admissions examinations.

(2) Therefore, it is declared to be the purpose of sections 79-806 to 79-815 to provide more flexibility in the certification of qualified educators for Nebraska schools and not to decrease any requirements for certificates to teach, provide special services, and administer in Nebraska schools.

Sec. 12. Section 79-807, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-807 For purposes of sections 79-806 to 79-815, unless the context otherwise requires:

(1) Basic skills competency means either (a) proficiency in (i) the written use of the English language, (ii) reading, comprehending, and interpreting professional writing and other written materials, and (iii) working with fundamental mathematical computations as demonstrated by successful completion of an examination designated by the board or (b) successful employment experiences;

(2) Board means the State Board of Education;

(3) Certificate means an authorization issued by the commissioner to an individual who meets the qualifications to engage in teaching, providing special services, or administering in prekindergarten through grade twelve in the elementary and secondary schools in this state;

(4) Commissioner means the Commissioner of Education;

(5) Department means the State Department of Education;

(6) Human relations training means course work or employment experiences that lead to (a) an awareness and understanding of the values, lifestyles, contributions, and history of a pluralistic society, (b) the ability to recognize and deal with dehumanizing biases, including, but not limited to, sexism, racism, prejudice, and discrimination, and an awareness of the impact such biases have on interpersonal relations, (c) the ability to translate knowledge of human relations into attitudes, skills, and techniques which result in favorable experiences for students, (d) the ability to recognize the ways in which dehumanizing biases may be reflected in instructional materials, (e) respect for human dignity and individual rights, and (f) the ability to relate effectively to other individuals and to groups in a pluralistic society other than the applicant's own;

(7) Special education training means course work or employment experiences that provide an individual with the knowledge of (a) the exceptional needs of the disabilities defined under the Special Education Act, (b) the major characteristics of each disability in order to recognize its existence in

children, (c) the various alternatives for providing the least restrictive environment for children with disabilities, (d) methods of teaching children with disabilities in the regular classroom, and (e) prereferral alternatives, referral systems, multidisciplinary team responsibilities, the individualized education ~~program plan~~ process, and the placement process;

(8) Special services means supportive services provided to students that do not primarily involve teaching, including, but not limited to, (a) audiology, psychology, and physical or occupational therapy, (b) the coaching of extracurricular activities, and (c) subject areas for which endorsement programs are not offered by a standard institution of higher education; and

(9) Standard institution of higher education means any college or university, the teacher education programs of which are fully approved by the board or approved in another state pursuant to standards which are comparable and equivalent to those set by the board.

Sec. 13. Section 79-810, Reissue Revised Statutes of Nebraska, is amended to read:

79-810 (1) Certificates and permits shall be issued by the commissioner upon application on forms prescribed and provided by him or her which shall include the applicant's social security number.

(2) Each certificate or permit issued by the commissioner shall indicate the area of authorization to teach, provide special services, or administer and any areas of endorsement for which the holder qualifies. During the term of any certificate or permit issued by the commissioner, additional endorsements may be made on the certificate or permit if the holder submits an application, meets the requirements for issuance of the additional endorsements, and pays a nonrefundable fee as set by the commissioner, not to exceed fifty-five of forty dollars.

(3) The Certification Fund is created. Any fee received by the department under sections 79-806 to 79-815 shall be remitted to the State Treasurer for credit to the fund. The fund shall be used by the department in paying the costs of certifying educators pursuant to such sections and to carry out subsection (3) of section 79-808. For issuance of a certificate or permit valid in all schools, the nonrefundable fee shall be set by the commissioner, not to exceed seventy-five fifty-five dollars, except that the commissioner shall designate a portion of the thirteen dollars of the fifty-five dollar fee, not to exceed seventeen dollars, that shall be credited to the Professional Practices Commission Fund which is created for use by the department to pay for the provisions of sections 79-859 to 79-871, except that transfers may be made from the fund to the General Fund at the direction of the Legislature. For issuance of a certificate or permit valid only in nonpublic schools, the nonrefundable fee shall be set by the commissioner, not to exceed fifty-five forty dollars. Any money in the Certification Fund or the Professional Practices Commission 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.

Sec. 14. Section 79-811, Reissue Revised Statutes of Nebraska, is amended to read:

79-811 (1) Except as provided in subsection (2) of this section for applicants who possess a similar certification or permit in another state, all college credits submitted for the purpose of obtaining a certificate or permit shall be earned in or accepted by a standard institution of higher education and shall be certified by the proper authorities of the institution attended, showing the academic and professional preparation of the applicant.

(2) If an applicant possesses a similar certification or permit in another state, such applicant's eligibility for a certificate or permit in this state may be demonstrated by experience as an educator in such other state which shows the academic and professional preparation of the applicant.

Sec. 15. Section 79-813, Revised Statutes Supplement, 2021, is amended to read:

79-813 (1)(a) The board shall authorize the issuance of a certificate or permit to any applicant for such certificate or permit who:

(i) Is a military spouse or has been offered employment to teach, administer, or provide special services by an accredited school district in Nebraska or an approved and accredited private, denominational, or parochial school in Nebraska;

(ii) Holds a valid certificate or permit currently in force in another state to teach, administer, or provide special services;

(iii) Has held such certificate or permit for at least one year;

(iv) Is in good standing in all states where a certificate or permit to teach, administer, or provide special services is held;

(v) Does not have any pending investigations or complaints against any such certificate or permit;

(vi) Meets all residency and background check requirements otherwise required for a Nebraska certificate or permit; and

(vii) Pays any applicable fees.

(b) The commissioner shall verify that the applicant for a certificate or permit under this subsection meets the requirements of subdivisions (a)(iv) and (v) of this subsection. Such applicant shall not be required to meet the human relations training requirement under section 79-808 to obtain such certification or permit. Such certificate or permit shall be valid for at least three years and shall include the same or similar endorsements to teach in all subject areas for which the applicant had been certified to teach in such other state if a similar endorsement is offered in Nebraska.



(c) A preliminary permit shall be issued to an applicant upon submission of the application, payment of the applicable fees, and the successful completion of the criminal history record information check as provided in section 79-814.01. The preliminary permit shall remain in force until the commissioner completes the review of all requirements in subdivision (1)(a) of this section and either issues a certificate or permit or notifies the applicant of the reason such certificate or permit cannot be issued.

(d) The board shall adopt and promulgate rules and regulations to (i) expedite the processing of an application submitted under this subsection by an applicant whose spouse is serving on active duty at the time of such submission and (ii) specify the documentation necessary to establish the applicant's status as a spouse of a person who is serving on active duty at the time of such submission.

(e) For purposes of this subsection:

(i) Active duty means full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. chapters 1209 and 1211; and

(ii) Military spouse has the same meaning as in section 38-118.01.

(2) In addition to certificates and permits issued pursuant to subsection (1) of this section, the board may authorize the issuance of certificates or permits to applicants who hold a valid certificate or permit currently in force in another state if the requirements for the certificate or permit held by the applicant are comparable and equivalent to those required for a similar type of certificate or permit issued under sections 79-806 to 79-815.

Sec. 16. Section 79-8,137, Revised Statutes Cumulative Supplement, 2020, is amended to read:

79-8,137 (1)(a) Prior to receiving any money from a loan pursuant to the Attracting Excellence to Teaching Program, an eligible student shall enter into a contract with the department. Such contract shall be exempt from the requirements of sections 73-501 to 73-510.

(b) For eligible students who applied for the first time prior to April 23, 2009, the contract shall require that if (i) the borrower is not employed as a teacher in Nebraska for a time period equal to the number of years required for loan forgiveness pursuant to subsection (2) of this section and is not enrolled as a full-time student in a graduate program within six months after obtaining an undergraduate degree for which a loan from the program was obtained or (ii) the borrower does not complete the requirements for graduation within five consecutive years after receiving the initial loan under the program, then the loan must be repaid, with interest at the rate fixed pursuant to section 45-103 accruing as of the date the borrower signed the contract, and an appropriate penalty as determined by the department may be assessed. If a borrower fails to remain enrolled at an eligible institution or otherwise fails to meet the requirements of an eligible student, repayment of the loan shall commence within six months after such change in eligibility. The State Board of Education may by rules and regulations provide for exceptions to the conditions of repayment pursuant to this subdivision based upon mitigating circumstances.

(c) For eligible students who apply for the first time on or after April 23, 2009, the contract shall require that if (i) the borrower is not employed as a full-time teacher teaching in an approved or accredited school in Nebraska and teaching at least a portion of the time in the shortage area for which the loan was received for a time period equal to the number of years required for loan forgiveness pursuant to subsection (3) of this section or is not enrolled as a full-time student in a graduate program within six months after obtaining an undergraduate degree for which a loan from the program was obtained or (ii) the borrower does not complete the requirements for graduation within five consecutive years after receiving the initial loan under the program, then the loan shall be repaid with interest at the rate fixed pursuant to section 45-103 accruing as of the date the borrower signed the contract and actual collection costs as determined by the department. If a borrower fails to remain enrolled at an eligible institution or otherwise fails to continue to be an eligible student, repayment of the loan shall commence within six months after such change in eligibility. The State Board of Education may by rule and regulation provide for exceptions to the conditions of repayment pursuant to this subdivision based upon mitigating circumstances.

(2) If the borrower applied for the first time prior to April 23, 2009, and (a) successfully completes the teacher education program and becomes certified pursuant to sections 79-806 to 79-815, (b) becomes employed as a teacher in this state within six months of becoming certified, and (c) otherwise meets the requirements of the contract, payments shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract. For each year that the borrower teaches in Nebraska pursuant to the contract, payments shall be forgiven in an amount equal to the amount borrowed for one year, except that if the borrower teaches in a school district that is in a local system classified as very sparse as defined in section 79-1003 or teaches in a school district in which at least forty percent of the students are poverty students as defined in section 79-1003, payments shall be forgiven each year in an amount equal to the amount borrowed for two years.

(3)(a) If the borrower applies for the first time on or after April 23, 2009, and (i) successfully completes the teacher education program and major for which the borrower is receiving a forgivable loan pursuant to the program and becomes certified pursuant to sections 79-806 to 79-815 with an endorsement in the shortage area for which the loan was received, (ii) becomes employed as

a full-time teacher teaching at least a portion of the time in the shortage area for which the loan was received in an approved or accredited school in this state within six months of becoming certified, and (iii) otherwise meets the requirements of the contract, payments shall be suspended for the number of years that the borrower is required to remain employed as a teacher in this state under the contract.

(b) Beginning after the first two years of teaching full-time in Nebraska following graduation for the degree for which the loan was received, for each year that the borrower teaches full-time in Nebraska pursuant to the contract, the loan shall be forgiven in an amount equal to three thousand dollars, except that if the borrower teaches full-time in a school district that is in a local system classified as very sparse as defined in section 79-1003, teaches in a school building that provides free meals to all students pursuant to the community eligibility provision, teaches in a school building in which at least forty percent of the formula students are poverty students as defined in section 79-1003, or teaches in an accredited or approved private school in Nebraska in which at least forty percent of the enrolled students qualified for free lunches as determined by the most recent data available from the department, payments shall be forgiven each year in an amount equal to six thousand dollars.

(4) Beginning on August 1, 2022, if the borrower provides service as a pre-service teacher intern for a full academic semester as part of a clinical experience within an accredited or approved public, private, denominational, or parochial school in Nebraska and subsequently passes all related semester requirements, then the loan shall be forgiven in an amount equal to one thousand dollars for such borrower.

Sec. 17. Original sections 79-806, 79-810, and 79-811, Reissue Revised Statutes of Nebraska, sections 79-318, 79-807, and 79-8,137, Revised Statutes Cumulative Supplement, 2020, and sections 77-2716 and 79-813, Revised Statutes Supplement, 2021, are repealed.