

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB497

Hearing Date: Tuesday March 19, 2013
Committee On: Education
Introducer: Sullivan
One Liner: Change distribution and provide for a study of the Education Innovation Fund

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:
Aye: 8 Senators Avery, Cook, Davis, Haar, Kolowski, Scheer, Seiler, Sullivan
Nay:
Absent:
Present Not Voting:

Proponents:
Senator Kate Sullivan
John Bonaiuto

Jon Habben
Matt Blomstedt
Jen Goettemoeller
Jay Sears

Representing:
Introducer
Nebraska Association of School Boards and Nebraska
Council School Administrators
Nebraska Rural Community Schools Association
ESU Coordinating Council
First Five Nebraska
Nebraska State Education Association

Opponents:

Neutral:
Tip O'Neill

Ron Withem
Marshall Hill
Jan McKenzie

Representing:

Representing:
Association of Independent Colleges and Universities of
Nebraska
University of Nebraska
Coordinating Commission for Postsecondary Education
Nebraska Association for the Gifted

Summary of purpose and/or changes:

Legislative Bill 497 would require the Education Committee to conduct a study of potential uses of the funds dedicated to education from proceeds of the lottery and would end the current provisions allocating lottery funds to the Nebraska Opportunity Grant Fund on June 30, 2016. All other uses of lottery funds dedicated to education are currently set to expire on the same date. Clarification would be added by prohibiting the obligation of funds from the Education Innovation Fund for payments to be made after June 30, 2016. Notice of the funding expiration would also be required to be included in contracts for loans awarded from the Attracting Excellence to Teaching Program and the Enhancing Excellence in Teaching Program.

Section 9-812 would be amended by ending the current division of lottery funds between the Education Innovation Fund and the Nebraska Opportunity Grant Fund on June 30, 2016 and allocating all lottery funds directed to education (44.5% after prizes, expenses, and the initial transfer to the Compulsive Gamblers Assistance Fund) to the Education Innovation Fund beginning July 1, 2016. Language would be added clarifying that no funds received as allocations in fiscal years

2012-13 through 2015-16 would be allowed to be obligated for payment to be made after June 30, 2016. The current uses of the Education Innovation Fund are currently scheduled to expire at the end of the 2015-16 fiscal year. Obsolete language would be eliminated.

A new section would require the Education Committee of the Legislature to conduct a study of potential uses of the funds dedicated to education from proceeds of the lottery. The Committee would be required to submit a report on the findings and any recommendations to the Clerk of the Legislature on or before December 31, 2013. Factors that would be required in the study would include, but not be limited to:

1. The educational priorities of the state;
2. What types of educational activities are suited to being funded by state lottery funds as opposed to state general funds;
3. Whether state lottery funds should be used for significant projects requiring temporary funding or to sustain ongoing activities; and
4. Whether periodic reviews of the use of lottery funds for education should be scheduled.

Section 79-8,137 would be amended by requiring contracts for loans pursuant to the Attracting Excellence to Teaching Program to provide notice to the eligible student that funding for loans pursuant to the program terminates on June 30, 2016. During 2011-12 and 2012-13, new loans were limited to students who had previously received loans pursuant to the program. For 2013-14, 2014-15, and 2015-16, new students would be eligible to receive loans. Funding for the program currently expires at the end of the 2015-16 fiscal year.

Section 79-8,137.04 would be amended by requiring contracts for loans pursuant to the Enhancing Excellence in Teaching Program to provide notice to the eligible student that funding for loans pursuant to the program terminates on June 30, 2016. The program did not receive funds for new loans for 2011-12 or 2012-13, but will receive funds for new loans for 2013-14, 2014-15, and 2015-16. Funding for the program currently expires at the end of the 2015-16 fiscal year.

Explanation of amendments:

The Committee Amendments to LB 497 would create the Nebraska Education Improvement Fund to receive lottery funds for education beginning July 1, 2016. The Education Innovation Fund and the Nebraska Opportunity Grant Fund would terminate on June 30, 2016 and any remaining funds would be transferred to the Nebraska Education Improvement Fund on that date. An emergency clause would also be added to the measure by the Committee Amendments.

Kate Sullivan, Chairperson