

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 249

Introduced By: Heidemann, 1
Read first time: January 10, 2007
Committee: Appropriations

A BILL

1 FOR AN ACT relating to the Cash Reserve Fund; to amend sections
2 72-730, 79-1104.01, 81-179, 84-612, and 84-613, Revised
3 Statutes Cumulative Supplement, 2006; to change and
4 eliminate provisions relating to the fund; to harmonize
5 provisions; to provide an operative date; to repeal the
6 original sections; and to declare an emergency.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 72-730, Revised Statutes Cumulative
2 Supplement, 2006, is amended to read:

3 72-730. The State Capitol Restoration Fund is created.
4 ~~Money in the fund shall include interest earned by the Cash Reserve~~
5 ~~Fund and transferred to the State Capitol Restoration Fund pursuant to~~
6 ~~section 84-613.~~ Any money in the fund available for investment shall
7 be invested by the state investment officer pursuant to the Nebraska
8 Capital Expansion Act and the Nebraska State Funds Investment Act.

9 Sec. 2. Section 79-1104.01, Revised Statutes Cumulative
10 Supplement, 2006, is amended to read:

11 79-1104.01. (1) Within ninety days after July 14, 2006, the
12 State Department of Education shall request proposals from private
13 endowments with experience in managing public and private funds for
14 the benefit of children and families in multiple locations in Nebraska
15 to be the endowment provider for the Nebraska Early Childhood
16 Education Endowment upon the terms set forth in this section.

17 (2) An endowment seeking to become the endowment provider
18 for the Nebraska Early Childhood Education Endowment shall agree to:

19 (a) Irrevocably commit, subject to subdivision (4)(a) of
20 this section, no less than twenty million dollars in a private
21 endowment to be used solely as part of the Nebraska Early Childhood
22 Education Endowment within five years after the effective date of the
23 endowment agreement, of which no less than five million dollars shall
24 be pledged on the effective date of the endowment agreement. A minimum
25 of one million dollars shall be placed in the private endowment prior
26 to December 31, 2006, and a minimum of five million dollars shall be
27 placed in the private endowment prior to June 30, 2007;

1 (b) Commit all interest, earnings, and proceeds from such
2 private endowment for deposit into the Early Childhood Education
3 Endowment Cash Fund;

4 (c) Permit the board of trustees to determine the allocation
5 of funds from the Early Childhood Education Endowment Cash Fund
6 pursuant to section 79-1104.02; and

7 (d) Submit to the State Department of Education an annual
8 financial statement of the private endowment, audited by an
9 independent auditor and complying with all applicable Internal Revenue
10 Service requirements. The financial statement shall report details on
11 the private endowment, including the current value of the corpus and
12 the annual receipts to the private endowment categorized by donations
13 and interests, together with a report listing the amount and purpose
14 of expenditures from the private endowment.

15 (3) Upon selection of an endowment provider, the State
16 Department of Education and such endowment provider shall enter into
17 an endowment agreement pursuant to which the state and the endowment
18 provider will agree to deposit funds as provided in subsection (4) of
19 this section.

20 (4)(a) Upon the effective date of an endowment agreement,
21 the state shall provide for the Early Childhood Education Endowment
22 Fund, which is hereby created, in accordance with section 79-1104.05.
23 Any money in the fund available for investment shall be invested by
24 the state investment officer pursuant to the Nebraska Capital
25 Expansion Act and the Nebraska State Funds Investment Act. The
26 endowment agreement may provide that the obligations of the endowment
27 provider will terminate if ~~the funds allocated~~ a minimum of forty

1 ~~million dollars is not allocated~~ to the Early Childhood Education
2 Endowment Fund ~~pursuant to subsection (11) of section 84-612~~
3 ~~terminate as set forth in such section and are not replaced by a~~
4 ~~minimum of forty million dollars from another source on and after~~
5 July 1, 2007.

6 (b) All interest, earnings, and proceeds from the Early
7 Childhood Education Endowment Fund shall be deposited in the Early
8 Childhood Education Endowment Cash Fund, which is hereby created. Any
9 money in the fund available for investment shall be invested by the
10 state investment officer pursuant to the Nebraska Capital Expansion
11 Act and the Nebraska State Funds Investment Act. All interest,
12 earnings, and proceeds from the Early Childhood Education Endowment
13 Cash Fund shall be retained in such fund.

14 (c) Upon the effective date of an endowment agreement, the
15 endowment provider shall deposit the amounts set forth in the
16 endowment agreement into a private endowment for the sole benefit of
17 the Early Childhood Education Endowment Fund. Money in the private
18 endowment shall be managed by the endowment provider in accordance
19 with sound, professional, fiduciary practices and in accordance with
20 the endowment agreement.

21 (d) All interest, earnings, and proceeds from the private
22 endowment shall be deposited into the Early Childhood Education
23 Endowment Cash Fund no less than quarterly.

24 Sec. 3. Section 81-179, Revised Statutes Cumulative
25 Supplement, 2006, is amended to read:

26 81-179. (1) There is hereby created under the control of the
27 Governor, for allocation to building renewal projects of the various

1 agencies, a fund to be known as the Building Renewal Allocation Fund.
2 The fund shall contain the revenue from the special privilege tax as
3 provided in section 77-2602, ~~the interest income as provided in~~
4 ~~section 84-613~~, and such other money as is appropriated by the
5 Legislature. Such appropriation is declared to consist of building
6 renewal funds which shall be kept separate and distinct from the
7 program continuation funds and project construction funds.

8 (2) Separate subfunds, subprograms, projects, or accounts
9 shall be established to separately account for any expenditures on
10 state buildings or facilities to comply with the federal Americans
11 with Disabilities Act of 1990. A minimal amount of the funds contained
12 in the subfunds, subprograms, projects, or accounts may be used for
13 planning and evaluation of buildings and facilities.

14 (3) The budget division of the Department of Administrative
15 Services may administratively transfer funds to appropriate accounting
16 entities to correctly account for the operating expenditures. A
17 separate fund, cash fund, project, or other account may be
18 administratively established for such purpose.

19 (4) Any money in the fund available for investment shall be
20 invested by the state investment officer pursuant to the Nebraska
21 Capital Expansion Act and the Nebraska State Funds Investment Act.

22 Sec. 4. Section 84-612, Revised Statutes Cumulative
23 Supplement, 2006, is amended to read:

24 84-612. (1) There is hereby created within the state
25 treasury a fund known as the Cash Reserve Fund which shall be under
26 the direction of the State Treasurer. The fund shall only be used
27 pursuant to this section.

1 (2) The State Treasurer shall transfer funds from the Cash
2 Reserve Fund to the General Fund upon certification by the Director of
3 Administrative Services that the current cash balance in the General
4 Fund is inadequate to meet current obligations. Such certification
5 shall include the dollar amount to be transferred. Any transfers made
6 pursuant to this subsection shall be reversed upon notification by the
7 Director of Administrative Services that sufficient funds are
8 available.

9 (3) The State Treasurer, at the direction of the budget
10 administrator of the budget division of the Department of
11 Administrative Services, shall transfer such amounts not to exceed
12 seven million seven hundred fifty-three thousand two hundred
13 sixty-three dollars in total from the Cash Reserve Fund to the
14 Nebraska Capital Construction Fund between July 1, 2003, and June 30,
15 2007.

16 (4) The State Treasurer, at the direction of the budget
17 administrator, shall transfer an amount equal to the total amount
18 transferred pursuant to subsection (3) of this section from the
19 General Fund to the Cash Reserve Fund on or before June 30, 2008.

20 (5) In addition to receiving transfers from other funds, the
21 Cash Reserve Fund shall receive federal funds received by the State of
22 Nebraska for undesignated general government purposes, federal revenue
23 sharing, or general fiscal relief of the state.

24 (6) On June 15, 2007, the State Treasurer shall transfer
25 fifteen million six hundred seventy-four thousand one hundred seven
26 dollars from the Cash Reserve Fund to the General Fund.

27 (7) On June 15, 2008, the State Treasurer shall transfer

1 seventeen million nine hundred thirty-one thousand thirty dollars from
2 the Cash Reserve Fund to the General Fund.

3 (8) On June 15, 2009, the State Treasurer shall transfer
4 four million nine hundred ninety thousand five hundred five dollars
5 from the Cash Reserve Fund to the General Fund.

6 (9) On or before June 16, 2008, the State Treasurer, at the
7 direction of the budget administrator, shall transfer fifty million
8 dollars from the Cash Reserve Fund to the General Fund.

9 (10) On or before June 16, 2009, the State Treasurer, at the
10 direction of the budget administrator, shall transfer fifty million
11 dollars from the Cash Reserve Fund to the General Fund.

12 ~~(11) From the effective date of an endowment agreement as~~
13 ~~defined in subdivision (3)(c) of section 79-1101 until June 30, 2007,~~
14 ~~forty million dollars of the Cash Reserve Fund shall be deemed to~~
15 ~~constitute the Early Childhood Education Endowment Fund. Such funds~~
16 ~~shall remain part of the Cash Reserve Fund for all purposes, except~~
17 ~~that the interest earned on such forty million dollars shall accrue~~
18 ~~as provided in section 84-613.~~

19 Sec. 5. Section 84-613, Revised Statutes Cumulative
20 Supplement, 2006, is amended to read:

21 84-613. ~~(1)~~ Any money in the Cash Reserve Fund available
22 for investment shall be invested by the state investment officer
23 pursuant to the Nebraska Capital Expansion Act and the Nebraska State
24 Funds Investment Act. ~~Until July 1, 2007, any~~ Any interest earned
25 by the fund shall accrue to the General Fund, ~~, except for interest~~
26 ~~earned on forty million dollars if such money is deemed to constitute~~
27 ~~the Early Childhood Education Endowment Fund in accordance with~~

1 ~~subsection (11) of section 84 612. From the effective date of an~~
2 ~~endowment agreement as defined in subdivision (3)(c) of section~~
3 ~~79 1101 until June 30, 2007, interest earned on the forty million~~
4 ~~dollars deemed to constitute the Early Childhood Education Endowment~~
5 ~~Fund shall accrue to the Early Childhood Education Endowment Cash~~
6 ~~Fund. Commencing July 1, 2007, any interest earned by the Cash~~
7 ~~Reserve Fund shall accrue to the Building Renewal Allocation Fund.~~

8 ~~(2) Of the amount accruing to the Building Renewal~~
9 ~~Allocation Fund pursuant to this section for the period July 1, 2007,~~
10 ~~through June 30, 2008, the State Treasurer, at the direction of the~~
11 ~~budget administrator of the budget division of the Department of~~
12 ~~Administrative Services, shall transfer to the State Capitol~~
13 ~~Restoration Fund an amount or amounts equivalent to the total amount~~
14 ~~appropriated from the State Capitol Restoration Fund for the period~~
15 ~~July 1, 2008, through June 30, 2009. If the amount accruing to the~~
16 ~~Building Renewal Allocation Fund for the period July 1, 2007, through~~
17 ~~June 30, 2008, is insufficient to fulfill the directed transfers to~~
18 ~~the State Capitol Restoration Fund for such period, any deficiency~~
19 ~~shall be satisfied with amounts transferred pursuant to subsection~~
20 ~~(3) of this section.~~

21 ~~(3) Of the amount accruing to the Building Renewal~~
22 ~~Allocation Fund pursuant to this section for the period July 1, 2008,~~
23 ~~through June 30, 2009, the State Treasurer, at the direction of the~~
24 ~~budget administrator, shall first transfer to the State Capitol~~
25 ~~Restoration Fund an amount or amounts equivalent to any deficiency in~~
26 ~~amounts accruing to the State Capitol Restoration Fund under the~~
27 ~~provisions of subsection (2) of this section and shall then transfer~~

1 ~~to the State Capitol Restoration Fund an amount or amounts equivalent~~
2 ~~to the total amount appropriated from the State Capitol Restoration~~
3 ~~Fund for the period July 1, 2009, through June 30, 2010. If the~~
4 ~~amount accruing to the Building Renewal Allocation Fund for the~~
5 ~~period July 1, 2008, through June 30, 2009, is insufficient to~~
6 ~~fulfill the directed transfers to the State Capitol Restoration Fund~~
7 ~~for such period, any such deficiency shall be satisfied with amounts~~
8 ~~transferred pursuant to subsection (4) of this section.~~

9 ~~(4) Of the amount accruing to the Building Renewal~~
10 ~~Allocation Fund pursuant to this section for the period July 1, 2009,~~
11 ~~through June 30, 2010, the State Treasurer, at the direction of the~~
12 ~~budget administrator, shall first transfer to the State Capitol~~
13 ~~Restoration Fund an amount or amounts equivalent to any deficiency in~~
14 ~~amounts accruing to the State Capitol Restoration Fund under the~~
15 ~~provisions of subsection (3) of this section and shall then transfer~~
16 ~~to the State Capitol Restoration Fund an amount or amounts equivalent~~
17 ~~to the total amount appropriated from the State Capitol Restoration~~
18 ~~Fund for the period July 1, 2010, through June 30, 2011. If the~~
19 ~~amount accruing to the Building Renewal Allocation Fund for the~~
20 ~~period July 1, 2009, through June 30, 2010, is insufficient to~~
21 ~~fulfill the directed transfers to the State Capitol Restoration Fund~~
22 ~~for such period, any such deficiency shall be satisfied with amounts~~
23 ~~transferred pursuant to subsection (5) of this section.~~

24 ~~(5) Of the amount accruing to the Building Renewal~~
25 ~~Allocation Fund pursuant to this section for the period July 1, 2010,~~
26 ~~through June 30, 2011, the State Treasurer, at the direction of the~~
27 ~~budget administrator, shall transfer to the State Capitol Restoration~~

1 ~~Fund an amount or amounts equivalent to any deficiency in amounts~~
2 ~~accruing to the State Capitol Restoration Fund under the provisions~~
3 ~~of subsection (4) of this section.~~

4 Sec. 6. This act becomes operative on July 1, 2007.

5 Sec. 7. Original sections 72-730, 79-1104.01, 81-179,
6 84-612, and 84-613, Revised Statutes Cumulative Supplement, 2006, are
7 repealed.

8 Sec. 8. Since an emergency exists, this act takes effect
9 when passed and approved according to law.