

ONE HUNDRED SECOND LEGISLATURE - SECOND SESSION - 2012
COMMITTEE STATEMENT
LB969

Hearing Date: Tuesday January 24, 2012
Committee On: Appropriations
Introducer: Speaker Flood
One Liner: Provide for fund transfers and change provisions relating to various funds

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

Vote Results:

Aye: 9 Senators Conrad, Fulton, Hansen, Harms, Heidemann, Mello, Nelson, Nordquist, Wightman
Nay:
Absent:
Present Not Voting:

Proponents:

Gerry Oligmueller

Representing:

Introducer - Governor's Office

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 969, introduced by the Speaker at the request of the Governor, is a part of the Governor's mid-biennial budget recommendations.

The bill includes the following items:

1. The State Treasurer is directed to transfer \$99,166.37 from Administrative Services' State Insurance Fund to the Roads Operations Cash Fund on the effective date of the bill or as soon thereafter as administratively possible. This transfer corrects an error in Laws 2011, LB 585, section 2.
2. Laws 2011, LB 378, section 14 is amended to allow transfer from the General Fund to the Ethanol Production Incentive Cash Fund (EPIC) in amounts up to \$3.8 million to occur on or before December 31, 2012 to meet the actual need for funds in EPIC to reimburse the Cash Reserve Fund in a more exact manner.
3. Section 84-1616 is amended to expand the purpose of Administrative Services' Health and Life Benefit Administration Cash Fund to include the administration of activities and the receiving of gifts, donations, grants or bequests for multi-cultural or diversity education, training and events.

This legislative bill contains the emergency clause.

Explanation of amendments:

The amendment becomes the bill.

Section 1 directs the Treasurer to transfer \$99,666.37 from the State Insurance Fund to the Roads Operations Cash Fund.

Section 2 changes last year's fund transfer bill (LB 378). LB 378 directed the transfer of \$3.8 million from the General Fund to the Ethanol Production Incentive Cash Fund (EPIC Fund) on or before June 30, 2012. LB 969 changes that so the transfer amount is UP TO \$3.8 million on or before December 31, 2012 and the amount transferred can be on the dates and in amounts decided by the Budget Administrator.

Section 3 creates the State Colleges Sport Facilities Cash Fund. It's administered by the Board of Trustees of the State Colleges. The fund can consist of transfers from the Civic and Community Center Financing Fund, revenue received from gifts, grants, bequests, donations, or other contributions from public or private sources. The fund can be used to support renovation and construction of or improvements to facilities for intercollegiate athletics and student fitness, recreation, and sport activities at the State Colleges.

Section 4 allows for transfers from the Civic and Community Center Financing Fund to the State Colleges Sports Facilities Cash Fund. This section also directs the transfer of \$250,000 on October 1 of 2012, 2013, and 2014. Beginning October 1, 2015 and every year thereafter, the transfer amount goes up to \$400,000.

Section 5 allows for transfers authorized by the Legislature to go into the Affordable Housing Trust Fund. After June 30, 2013 neither the General Fund nor the Cash Reserve Fund shall be used as a revenue source for the Affordable Housing Trust Fund.

Section 6 harmonizes statute to coincide with the changes made in section 2 dealing with the EPIC fund.

Sections 7 through 9 harmonize statutory language dealing with the Health Care Cash Fund.

Section 8 changes the transfer amount that is going from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund. Current statute calls for \$59.1 million to be transferred annually beginning July 15, 2010. The new language retains that amount through July 15, 2012 and reduces that amount to \$56,145,000 for 2013, \$53,190,000 for 2014, and \$50,235,000 for 2015.

In sections 10 and 11 a definition of "new money" for section 82-331 and 82-332 is provided. "New money" for the Nebraska Cultural Preservation Endowment Fund means a contribution to a qualified endowment generated after July 1, 2011. To be a qualified endowment three things have to be true:

- a. The endowment must meet the standards set by the Nebraska Arts Council or the Humanities Council
- b. The endowment must be intended for long-term stabilization of the organization, and
- c. The funds must be endowed and only the earnings get spent.

Section 12 creates the World Day on the Mall Cash Fund. Money going into this fund shall consist of sums that are contributed as gifts, donations, grants, or bequests to provide multicultural or diversity education, training, and events. The fund shall be used by the personnel division of Administrative Services to administer these same things.

Section 13 outlines that sections 7 through 10 and section 16 become operative on July 1, 2012.

Sections 14 and 15 are repealer sections.

Section 16 is an outright repeal of sections 8 and 10 of last year's fund transfer bill. They both dealt with transfers to the Health and Human Services Cash Fund.

Section 17 is the emergency clause.

Lavon Heidemann, Chairperson