

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 416**

Introduced by Vargas, 7; Halloran, 33; McDonnell, 5; Quick, 35; Wayne,  
13.

Read first time January 13, 2017

Committee: Appropriations

- 1 A BILL FOR AN ACT relating to appropriations; to amend section 48-621,
- 2 Revised Statutes Cumulative Supplement, 2016; to appropriate funds
- 3 to the Department of Labor; to harmonize provisions; to delete
- 4 obsolete provisions; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 48-621, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 48-621 (1) The administrative fund shall consist of the Employment  
4 Security Administration Fund and the Employment Security Special  
5 Contingent Fund. Each fund shall be maintained as a separate and distinct  
6 account in all respects, as follows:

7 (a) There is hereby created in the state treasury a special fund to  
8 be known as the Employment Security Administration Fund. All money  
9 credited to this fund is hereby appropriated and made available to the  
10 Commissioner of Labor. All money in this fund shall be expended solely  
11 for the purposes and in the amounts found necessary as defined by the  
12 specific federal programs, state statutes, and contract obligations for  
13 the proper and efficient administration of all programs of the Department  
14 of Labor. The fund shall consist of all money appropriated by this state  
15 and all money received from the United States of America or any agency  
16 thereof, including the Department of Labor and the Railroad Retirement  
17 Board, or from any other source for such purpose. Money received from any  
18 agency of the United States or any other state as compensation for  
19 services or facilities supplied to such agency, any amounts received  
20 pursuant to any surety bond or insurance policy for losses sustained by  
21 the Employment Security Administration Fund or by reason of damage to  
22 equipment or supplies purchased from money in such fund, and any proceeds  
23 realized from the sale or disposition of any equipment or supplies which  
24 may no longer be necessary for the proper administration of such programs  
25 shall also be credited to this fund. All money in this fund shall be  
26 deposited, administered, and disbursed in the same manner and under the  
27 same conditions and requirements as is provided by law for other special  
28 funds in the state treasury. Any balances in this fund, except balances  
29 of money therein appropriated from the General Fund of this state, shall  
30 not lapse at any time but shall be continuously available to the  
31 commissioner for expenditure consistent with the Employment Security Law.

1 Any money in the Employment Security Administration Fund available for  
2 investment shall be invested by the state investment officer pursuant to  
3 the Nebraska Capital Expansion Act and the Nebraska State Funds  
4 Investment Act; and

5 (b) There is hereby created in the state treasury a special fund to  
6 be known as the Employment Security Special Contingent Fund. Any money in  
7 the Employment Security Special Contingent Fund available for investment  
8 shall be invested by the state investment officer pursuant to the  
9 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
10 Act. All money collected under section 48-655 as interest on delinquent  
11 contributions, less refunds, shall be credited to this fund from the  
12 clearing account of the Unemployment Compensation Fund at the end of each  
13 calendar quarter. Such money shall not be expended or available for  
14 expenditure in any manner which would permit its substitution for or a  
15 corresponding reduction in federal funds which would in the absence of  
16 such money be available to finance expenditures for the administration of  
17 the unemployment insurance law, but nothing in this section shall prevent  
18 the money from being used as a revolving fund to cover expenditures  
19 necessary and proper under the law for which federal funds have been duly  
20 requested but not yet received, subject to the charging of such  
21 expenditures against such federal funds when received. The money in this  
22 fund may be used by the Commissioner of Labor only as follows:

23 (i) To replace within a reasonable time any money received by this  
24 state pursuant to section 302 of the federal Social Security Act, as  
25 amended, and required to be paid under section 48-622;

26 (ii) To meet special extraordinary and contingent expenses which are  
27 deemed essential for good administration but which are not provided in  
28 grants from the Secretary of Labor of the United States and, for this  
29 purpose, no expenditures shall be made from this fund except on written  
30 authorization by the Governor at the request of the Commissioner of  
31 Labor; ~~and~~

1 (iii) To be transferred to the Job Training Cash Fund; and -

2 (iv) To employ bilingual investigators for enforcement of the  
3 Employee Classification Act.

4 (2)(a) Money credited to the account of this state in the  
5 Unemployment Trust Fund by the United States Secretary of the Treasury  
6 pursuant to section 903 of the Social Security Act may not be  
7 requisitioned from this state's account or used except for the payment of  
8 benefits and for the payment of expenses incurred for the administration  
9 of the Employment Security Law and public employment offices. Such money  
10 may be requisitioned pursuant to section 48-619 for the payment of  
11 benefits. Such money may also be requisitioned and used for the payment  
12 of expenses incurred for the administration of the Employment Security  
13 Law and public employment offices but only pursuant to a specific  
14 appropriation by the Legislature and only if the expenses are incurred  
15 and the money is requisitioned after the date of enactment of an  
16 appropriation law which specifies the purposes for which such money is  
17 appropriated and the amounts appropriated therefor. Such appropriation is  
18 subject to the following conditions:

19 (i) The period within which such money may be obligated is limited  
20 to a period ending not more than two years after the effective date of  
21 the appropriation law; and

22 (ii) The amount which may be obligated is limited to an amount which  
23 does not exceed the amount by which the aggregate of the amounts  
24 transferred to the account of this state pursuant to section 903 of the  
25 Social Security Act exceeds the aggregate of the amounts used by this  
26 state pursuant to the Employment Security Law and charged against the  
27 amounts transferred to the account of this state.

28 (b) For purposes of subdivision (2)(a)(ii) of this section, the  
29 amounts obligated under an appropriation for the administrative purposes  
30 described in such subdivision shall be charged against transferred  
31 amounts at the exact time the obligation is entered into.

1 (c) The appropriation, obligation, and expenditure or other  
2 disposition of money appropriated under this subsection shall be  
3 accounted for in accordance with standards established by the United  
4 States Secretary of Labor.

5 (d) Money appropriated as provided in this subsection for the  
6 payment of expenses of administration shall be requisitioned as needed  
7 for the payment of obligations incurred under such appropriation and,  
8 upon requisition, shall be credited to the Employment Security  
9 Administration Fund from which such payments shall be made. Money so  
10 credited shall, until expended, remain a part of the Employment Security  
11 Administration Fund and, if it will not be immediately expended, shall be  
12 returned promptly to the account of this state in the Unemployment Trust  
13 Fund.

14 ~~(e) Notwithstanding subdivision (2)(a) of this section, money~~  
15 ~~credited with respect to federal fiscal years 1999, 2000, and 2001 shall~~  
16 ~~be used solely for the administration of the unemployment compensation~~  
17 ~~program and are not subject to appropriation by the Legislature.~~

18 ~~(3) There is hereby appropriated out of the funds made available to~~  
19 ~~this state in federal fiscal year 2002 under section 903(d) of the~~  
20 ~~federal Social Security Act, as amended, the sum of \$6,800,484, or so~~  
21 ~~much thereof as may be necessary, to be used, under the direction of the~~  
22 ~~Department of Labor, for the administration of the Employment Security~~  
23 ~~Law and public employment offices. The expenditure or other disposition~~  
24 ~~of money appropriated under this subsection shall be accounted for in~~  
25 ~~accordance with standards established by the United States Secretary of~~  
26 ~~Labor. Reed Act distributions appropriated pursuant to this subsection~~  
27 ~~may be amortized with federal grant funds provided pursuant to Title III~~  
28 ~~of the federal Social Security Act and the federal Wagner-Peyser Act for~~  
29 ~~the purpose of administering the state unemployment compensation and~~  
30 ~~employment service programs to the extent allowed under such acts and the~~  
31 ~~regulations adopted pursuant thereto. Except as specifically provided in~~

1 ~~this subsection, all provisions of subsection (2) of this section, except~~  
2 ~~subdivision (2)(a)(i) of this section, shall apply to this appropriation.~~  
3 ~~The commissioner shall submit an annual report to the Governor, the~~  
4 ~~Speaker of the Legislature, and the chairpersons of the Appropriations~~  
5 ~~Committee and the Business and Labor Committee of the Legislature~~  
6 ~~describing expenditures made pursuant to this subsection. The report~~  
7 ~~submitted to the committees and the Speaker of the Legislature shall be~~  
8 ~~submitted electronically.~~

9       Sec. 2. There is hereby appropriated (1) \$250,000 from the  
10 Employment Security Special Contingent Fund for FY2017-18 and (2)  
11 \$250,000 from the Employment Security Special Contingent Fund for  
12 FY2018-19 to the Department of Labor to employ bilingual investigators  
13 for enforcement of the Employee Classification Act.

14       Sec. 3. Original section 48-621, Revised Statutes Cumulative  
15 Supplement, 2016, is repealed.