

LEGISLATURE OF NEBRASKA

NINETY-NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 844

Introduced by Byars, 30; Howard, 9; Johnson, 37

Read first time January 4, 2006

Committee: Health and Human Services

A BILL

1 FOR AN ACT relating to health and human services; to amend sections
2 81-101 and 81-102, Reissue Revised Statutes of Nebraska,
3 and section 81-1316, Revised Statutes Cumulative
4 Supplement, 2004; to adopt the Health and Human Services
5 System Act; to create a new agency; to state intent; to
6 eliminate the Department of Health and Human Services,
7 the Department of Health and Human Services Finance and
8 Support, the Department of Health and Human Services
9 Regulation and Licensure, the Policy Secretary, and the
10 Policy Cabinet; to harmonize provisions; to provide an
11 operative date; to repeal the original sections; and to
12 outright repeal sections 81-3007.01, 81-3103, 81-3108,
13 81-3203, and 81-3303, Reissue Revised Statutes of
14 Nebraska, sections 81-3001, 81-3001.01, 81-3006, 81-3008,

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1 81-3009, 81-3101, 81-3106, 81-3107, 81-3201, 81-3206,
2 81-3207, 81-3301, 81-3302, 81-3306, and 81-3307, Revised
3 Statutes Cumulative Supplement, 2004, and sections
4 81-3004, 81-3102, 81-3202, 81-3208, 81-3209, 81-3210, and
5 81-3211, Revised Statutes Supplement, 2005.

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

1 Section 1. Sections 1 to 28 of this act shall be known
2 and may be cited as the Health and Human Services System Act.

3 Sec. 2. It is the intent of the Legislature to complete
4 the restructuring of the health and human services system in
5 Nebraska. To accomplish this, the Legislature finds and declares
6 that it shall be the policy of the State of Nebraska to provide a
7 system of health and human services that:

8 (1) Recognizes that the state has a responsibility to
9 meet the human and social services needs of Nebraska residents in a
10 way that allows them to be as safe, healthy, and self-sufficient as
11 possible given their individual circumstances;

12 (2) Recognizes that all consumers of health and human
13 services programs and services have value as residents of Nebraska
14 and have individual strengths and needs;

15 (3) Recognizes that all consumers of health and human
16 services programs and services have the right to benefit from
17 quality, culturally competent, and accessible community-based
18 services;

19 (4) Recognizes that there are consumers of health and
20 human services programs and services for whom the Department
21 of Health and Human Services System has complete and ongoing
22 responsibility to ensure their health, safety, and well-being while
23 others may need minimal or temporary assistance;

24 (5) Recognizes that providers of health and human
25 services programs and services in communities in Nebraska are

1 entitled to fair and equitable compensation for the programs and
2 services they provide for the Department of Health and Human
3 Services System and have a responsibility to provide outcome-based
4 evidence for their programs and services;

5 (6) Recognizes that providers and consumers of health and
6 human services programs and services in communities in Nebraska
7 have the right to timely, unbiased appeal and due process
8 procedures regarding the provision of the programs and services;

9 (7) Promotes decisionmaking authority and responsibility
10 for staff within their program areas at all levels in the
11 Department of Health and Human Services System;

12 (8) Promotes staff at all levels in the Department of
13 Health and Human Services System working together to advance the
14 purpose of the system;

15 (9) Promotes the development of policies and procedures
16 in collaboration with the program staff assigned to implement,
17 finance, and provide the technology and evaluation support for the
18 policies and procedures within the Department of Health and Human
19 Services System;

20 (10) Provides meaningful opportunity for involvement by
21 consumers and providers of health and human services programs and
22 services in developing and evaluating rules, regulations, policies,
23 programs, and services;

24 (11) Recognizes that other state agencies and political
25 subdivisions have a role in meeting the needs of Nebraska residents

1 and have shared programmatic and financial interests in carrying
2 out their responsibilities in collaboration with the Department of
3 Health and Human Services System; and

4 (12) Promotes accountability at all levels in the
5 Department of Health and Human Services System and recognizes
6 ultimate authority for the system resides with the Director of the
7 Health and Human Services System.

8 Sec. 3. The purpose of the Health and Human Services
9 System Act is to provide for the administration of publicly funded
10 health and human services programs and services in the State
11 of Nebraska through the Department of Health and Human Services
12 System.

13 Sec. 4. Effective January 1, 2007, all programs and
14 services of the Department of Health and Human Services, the
15 Department of Health and Human Services Regulation and Licensure,
16 and the Department of Health and Human Services Finance and Support
17 shall be transferred to one agency to be known as the Department of
18 Health and Human Services System.

19 Sec. 5. (1) The Governor shall appoint the Director of
20 the Health and Human Services System who shall have a recognized
21 and demonstrated expertise in and knowledge of the issues of health
22 and human services delivery and administrative experience in an
23 executive capacity. The director shall report to the Governor and
24 serve full time at the pleasure of the Governor for a term of four
25 years to coincide with the term of the Governor. The director shall

1 be subject to confirmation by a majority vote of the members of the
2 Legislature as provided in section 81-102.

3 (2) The director shall (a) coordinate, develop, and
4 implement a set of guiding principles that establish a long-term
5 vision and long-term objectives for the Department of Health
6 and Human Services System and (b) institute a planning and
7 performance management system, consisting of strategic planning,
8 performance measurement, and performance budgeting, for review by
9 the Legislature in November of every even-numbered year.

10 Sec. 6. The Director of the Health and Human Services
11 System shall appoint an assistant director who shall have
12 responsibility for the support services necessary to operate the
13 system. The support services shall consist of legal services,
14 human resources and development, communications and legislative
15 services, equity and diversity services, and management support
16 for policy coordination. For budgetary and support purposes, the
17 service area administrators and the Health and Human Services
18 System Partnership Council shall be under the responsibility of the
19 assistant director.

20 Sec. 7. The Director of the Health and Human Services
21 System shall appoint service area administrators to assure that
22 health and human services programs and services are effectively
23 and efficiently provided statewide in service areas created by the
24 Department of Health and Human Services System.

25 Sec. 8. The Department of Health and Human Services

1 System shall establish a position with responsibility to respond
2 to questions, concerns, and complaints from consumers, service
3 providers, elected officials, and interested citizens in order to
4 ensure high levels of accountability under the Health and Human
5 Services System Act. A toll-free telephone number shall also be
6 made available and be made public for these purposes. The person in
7 the position shall submit quarterly reports to the Director of the
8 Health and Human Services System and the Partnership Council and an
9 annual report to the Governor and the Legislature.

10 Sec. 9. The Health and Human Services System Partnership
11 Council shall be established effective July 1, 2007. The purpose
12 of the partnership council is to advise and assist the Department
13 of Health and Human Services System in the development of policy
14 objectives and desired outcomes. The partnership council shall
15 review and evaluate the extent to which the outcomes are achieved
16 and shall make recommendations for health and human services system
17 improvements to the Director of the Health and Human Services
18 System. To accomplish this purpose, the partnership council shall:

19 (1) Obtain community perspective and participation as
20 appropriate by holding public hearings, forming ad hoc advisory
21 groups, or using other methods;

22 (2) Facilitate communication between broad-based
23 community coalitions, the Department of Health and Human Services
24 System, the Governor, and the Legislature;

25 (3) Advise the Governor and the Legislature regarding

1 policies, programs, and performance of the department; and

2 (4) Perform such other specific duties as may be assigned
3 by the director.

4 Sec. 10. The Health and Human Services System Partnership
5 Council shall consist of not less than seven nor more than fifteen
6 members. The members shall be nominated by the Governor and
7 the Health and Human Services Committee of the Legislature and
8 appointed by the Governor with the consent of a majority of the
9 Legislature. The members of the partnership council shall elect a
10 chairperson from among the members for a one-year term.

11 Sec. 11. The terms of the members of the Health and Human
12 Services System Partnership Council shall be three years, except
13 that the terms of the initial members of the partnership council
14 shall be staggered so that one-third of the members are appointed
15 for terms of one year, one-third for terms of two years, and
16 one-third for terms of three years, as determined by the Governor.
17 The appointment of each member shall expire on June 30 at the end
18 of his or her term. If a vacancy occurs, the Governor shall appoint
19 a new member to serve for the unexpired term.

20 Sec. 12. The members of the Health and Human Services
21 System Partnership Council may receive a per diem of up to forty
22 dollars per day while actually engaged in the business of the
23 partnership council and shall be reimbursed for the necessary
24 expenses incurred in the performance of their duties as provided
25 in sections 81-1174 to 81-1177. The Department of Health and Human

1 Services System shall provide staff support for the activities of
2 the partnership council.

3 Sec. 13. The Department of Health and Human Services
4 System shall have six divisions with a chief deputy director in
5 charge of each division. The divisions shall be known as the
6 behavioral health services division, the finance division, the
7 protection and safety division, the public health division, the
8 regulation and credentialing division, and the services division.
9 The Director of the Health and Human Services System shall appoint
10 the chief deputy directors.

11 Sec. 14. The behavioral health services division of the
12 Department of Health and Human Services System shall administer the
13 Nebraska Behavioral Health Services Act, the regional centers, and
14 substance abuse and addiction programs and services.

15 Sec. 15. The finance division of the Department of Health
16 and Human Services System shall administer financial services
17 for the system, information technology for the system, medicaid
18 programs and services, and programs and services for home and
19 community-based services for the aging and for persons with
20 disabilities.

21 Sec. 16. The protection and safety division of the
22 Department of Health and Human Services System shall administer
23 the Office of Protection and Safety and the Office of Juvenile
24 Services.

25 Sec. 17. The public health division of the Department of

1 Health and Human Services System shall administer the public health
2 assurance program, the Office of Oral Health, the Office of Family
3 Health, the Office of Minority Health, the Office of Public Health,
4 the Office of Rural Health, the Office of Women's Health, and the
5 Office of Disease Prevention and Health Promotion.

6 Sec. 18. (1) The regulation and credentialing division of
7 the Department of Health and Human Services System shall administer
8 credentialing, administrative services and investigations relating
9 to credentialing, and regulatory analysis and integration.

10 (2) The chief deputy director of regulation and
11 credentialing shall be the chief medical officer. The chief medical
12 officer shall be a graduate of a recognized school of medicine and
13 licensed to practice medicine and surgery in the State of Nebraska
14 and have administrative experience in an executive capacity and
15 some special training in public health work.

16 Sec. 19. The services division of the Department of
17 Health and Human Services System shall administer the veteran's
18 homes, the Office of Economic and Family Support, the developmental
19 disabilities programs, the Beatrice State Developmental Center, the
20 state unit on aging, and facility management for the facilities
21 under its administration.

22 Sec. 20. The powers and duties of the Department of
23 Health and Human Services System shall include, but are not limited
24 to, the following:

25 (1) To consult and cooperate with other state agencies

1 to coordinate programs and services in an effective manner with
2 related programs and services in other agencies;

3 (2) To adopt and promulgate necessary rules and
4 regulations to implement its programs and services as required by
5 state law or under federal law or regulation governing grants or
6 contracts administered by the system;

7 (3) Under the direction and guidance of the Adjutant
8 General and the Nebraska Emergency Management Agency, to coordinate
9 assistance programs established by the Adjutant General under
10 section 81-829.72 with the programs of the system;

11 (4) To seek grants and other funds from federal and
12 other public and private sources to carry out the purposes of the
13 Health and Human Services System Act and the policies and purposes
14 of the system and to accept and administer programs or resources
15 delegated, designated, assigned, or awarded by the Governor or by
16 other public and private sources;

17 (5) To contract with and act as the agent of the federal
18 government in matters of mutual concern in conformity with the act
19 and the scope of authority of the system as provided by law;

20 (6) To provide comprehensive information to the
21 Legislature and the Appropriations Committee of the Legislature
22 relating to funding requests for programs and subprograms;

23 (7) To perform administrative activities and finance and
24 information management functions for the system, including, but
25 not limited to: (a) Integrating and managing information systems

1 across programs and services to determine whether desired outcomes
2 are achieved and to support policy development; (b) consolidating
3 program funds of the system whenever appropriate to accomplish
4 desired results; (c) analyzing financial status and impacts for
5 the system; (d) developing and managing a consistent accounting,
6 contracting, disbursement, and fiscal compliance system; and
7 (e) consolidating operational support services such as budget,
8 information management, purchasing and procurement, personnel,
9 audit, and contract management;

10 (8) To manage programs and services of the system,
11 whether contracted or delivered directly by the state, including,
12 but not limited to: (a) Providing programs and services in
13 accordance with established policies, desired outcomes, priorities,
14 and goals; (b) identifying strategies jointly with communities for
15 accomplishing identified goals and outcomes; and (c) assuring
16 service coordination and access through public education and
17 information, community resource development, technical assistance,
18 and coordinated service management;

19 (9) To ensure the quality of statewide health and
20 human programs and services based on outcomes and performance
21 measures, including, but not limited to: (a) Developing evaluation
22 measurements and analyzing results; (b) certifying and licensing
23 facilities and professionals; (c) evaluating programs or services
24 to determine compliance with state, federal, or contractual
25 requirements; (d) developing, reviewing, and revising rules and

1 regulations in accordance with established systemwide policies
2 and purposes; (e) developing appropriate technical assistance,
3 education, training, and joint problem-solving; and (f) providing a
4 common-sense approach to regulation and licensure that focuses on
5 the outcomes and assures compliance consistent with those outcomes;

6 (10) To adopt and promulgate confidentiality rules and
7 regulations as provided in section 21 of this act; and

8 (11) To perform such other duties as are provided by law.

9 Sec. 21. (1) The Department of Health and Human Services
10 System may adopt and promulgate rules and regulations which
11 prescribe standards and procedures for access to and security
12 of confidential information among the divisions within the system
13 and within each division. These include standards for collection,
14 maintenance, and use of information in electronic or other storage
15 media. Procedures for disclosure of confidential information among
16 the divisions shall include a determination by the Director of
17 the Health and Human Services System on whether confidential
18 information should be shared among the divisions. In making the
19 determination, the following factors shall be considered:

20 (a) The law governing the confidentiality of the
21 information and the original purpose for which the information was
22 collected;

23 (b) The potential for harm to an individual if the
24 disclosure is made;

25 (c) Whether the disclosure will enhance the

1 coordination of policy development, service provision, eligibility
2 determination, program management, quality assurance, financial
3 services, or support services;

4 (d) Whether the information is a trade secret, academic
5 or scientific research work which is in progress and unpublished,
6 or other proprietary or commercial information;

7 (e) Any limitations placed on the use of the information
8 by the original source of the information;

9 (f) Whether the proposed use is for a bona fide research
10 project or study, the procedures and methodology of which meet the
11 standards for research in the particular body of knowledge;

12 (g) The security of the information, including the scope
13 of access, ongoing security, publication, and disposal of the
14 information at the end of its use;

15 (h) The degree to which aggregate or summary data may
16 identify an individual whose privacy would otherwise be protected;
17 and

18 (i) Whether such information constitutes criminal
19 intelligence information maintained by correctional or law
20 enforcement authorities.

21 (2) Otherwise confidential information may be disclosed
22 among the divisions pursuant to subsection (1) of this section
23 if not expressly prohibited by law. Such disclosure shall not
24 be considered a public disclosure or make the record a public
25 record. Any further disclosure may be made only if permitted by

1 law or a policy governing the originating division. Each division
2 shall observe confidentiality of human resources information and
3 employment records, except that the divisions shall act and be
4 considered to be one agency for purposes of human resources issues,
5 employment records, and related matters.

6 (3) All officials and employees shall be informed
7 regarding laws, rules and regulations, and policies governing
8 confidential information and acknowledge receipt of that
9 information.

10 Sec. 22. The Health and Human Services System Cash Fund
11 is created and shall consist of funds from contracts, grants,
12 gifts, or fees. Any money in the Department of Health and Human
13 Services Cash Fund, the Department of Health and Human Services
14 Finance and Support Cash Fund, and the Department of Health and
15 Human Services Regulation and Licensure Cash Fund on January 1,
16 2007, shall be transferred to the Health and Human Services System
17 Cash Fund. Any money in the fund available for investment shall be
18 invested by the state investment officer pursuant to the Nebraska
19 Capital Expansion Act and the Nebraska State Funds Investment Act.

20 Sec. 23. The Director of the Health and Human Services
21 System may request that petty cash funds be created at specific
22 locations which may be used for fees and costs related to the
23 prosecution of support establishment, modification, and enforcement
24 cases, including, but not limited to, court costs, filing fees,
25 service of process fees, sheriff's costs, garnishment and execution

1 fees, court reporter and transcription costs, costs related to
2 appeals, witness and expert witness fees, and fees or costs for
3 obtaining necessary documents. The petty cash funds shall be
4 created and administered as provided in section 81-104.01, except
5 that the amount in each petty cash fund shall not be less than
6 twenty-five dollars nor more than one thousand dollars.

7 Sec. 24. On and after January 1, 2007, whenever the
8 Department of Health and Human Services, the Department of Health
9 and Human Services Finance and Support, or the Department of Health
10 and Human Services Regulation and Licensure is referred to or
11 designated by any contract or other document in connection with the
12 duties and functions transferred to the Department of Health and
13 Human Services System pursuant to the Health and Human Services
14 System Act, such reference or designation shall apply to such
15 system. All contracts entered into by the agencies prior to January
16 1, 2007, in connection with the duties and functions transferred
17 to the system are hereby recognized, with the system succeeding to
18 all rights and obligations under such contracts. Any cash funds,
19 custodial funds, gifts, trusts, grants, and any appropriations of
20 funds from prior fiscal years available to satisfy obligations
21 incurred under such contracts shall be transferred and appropriated
22 to the system for the payments of such obligations. All licenses,
23 certificates, registrations, permits, seals, or other forms of
24 approval issued by the departments in accordance with functions
25 or duties transferred to the system shall remain valid as issued

1 under the names of the original departments unless revoked or
2 their effectiveness is otherwise terminated as provided by law. All
3 documents and records transferred, or copies of the same, may be
4 authenticated or certified by the system for all legal purposes.

5 Sec. 25. All rules, regulations, and orders of the
6 Department of Health and Human Services, the Department of Health
7 and Human Services Finance and Support, or the Department of
8 Health and Human Services Regulation and Licensure adopted prior
9 to January 1, 2007, in connection with the powers, duties, and
10 functions transferred to the Department of Health and Human
11 Services System pursuant to the Health and Human Services System
12 Act, shall continue to be effective until revised, amended,
13 repealed, or nullified pursuant to law.

14 No suit, action, or other proceeding, judicial or
15 administrative, lawfully commenced prior to January 1, 2007, or
16 which could have been commenced prior to that date, by or against
17 any of such departments, or any director or employee thereof in
18 such director's or employee's official capacity or in relation to
19 the discharge of his or her official duties, shall abate by reason
20 of the transfer of duties and functions from such department to the
21 Department of Health and Human Services System.

22 On and after January 1, 2007, unless otherwise specified,
23 whenever any provision of law refers to any of such departments in
24 connection with duties and functions transferred to the Department
25 of Health and Human Services System, such law shall be construed as

1 referring to such system.

2 Sec. 26. On and after January 1, 2007, positions of
3 employment in the Department of Health and Human Services, the
4 Department of Health and Human Services Finance and Support,
5 and the Department of Health and Human Services Regulation and
6 Licensure related to the powers, duties, and functions transferred
7 to the Department of Health and Human Services System pursuant to
8 the Health and Human Services System Act are transferred to the
9 Department of Health and Human Services System. For purposes of
10 the transition, employees of the departments shall be considered
11 employees of the system to which their positions were transferred
12 and shall retain their rights under the state personnel system or
13 pertinent bargaining agreement, and their service shall be deemed
14 continuous. This section does not grant employees any new rights
15 or benefits not otherwise provided by law or bargaining agreement
16 or preclude the department or the Director of the Health and
17 Human Services System from exercising any of the prerogatives of
18 management set forth in section 81-1311 or as otherwise provided
19 by law. This section is not an amendment to or substitute for the
20 provisions of any existing bargaining agreements.

21 Sec. 27. On January 1, 2007, all items of property,
22 real and personal, including office furniture and fixtures, books,
23 documents, and records of the Department of Health and Human
24 Services, the Department of Health and Human Services Finance and
25 Support, and the Department of Health and Human Services Regulation

1 and Licensure pertaining to the duties and functions transferred to
2 the Department of Health and Human Services System pursuant to the
3 Health and Human Services System Act shall become the property of
4 such system.

5 Sec. 28. The Health and Human Services Committee of
6 the Legislature shall prepare an amendment to transfer the powers
7 and duties of the Department of Health and Human Services, the
8 Department of Health and Human Services Finance and Support,
9 and the Department of Health and Human Services Regulation and
10 Licensure to the Department of Health and Human Services System.
11 The amendment shall specify, when necessary, which division will be
12 responsible for specific statutory duties.

13 Sec. 29. Section 81-101, Reissue Revised Statutes of
14 Nebraska, is amended to read:

15 81-101 The civil administration of the laws of the state
16 is vested in the Governor. For the purpose of aiding the Governor
17 in the execution and administration of the laws, the executive
18 and administrative work shall be divided into the following
19 ~~departments~~ agencies: (1) Department of Agriculture; (2) Department
20 of Labor; (3) Department of Roads; (4) Department of Natural
21 Resources; (5) Department of Banking and Finance; (6) Department
22 of Insurance; (7) Department of Motor Vehicles; (8) Department of
23 Administrative Services; (9) Department of Economic Development;
24 (10) Department of Correctional Services; (11) Nebraska State
25 Patrol; (12) ~~Department of Health and Human Services;~~ ~~(13)~~

1 ~~Department of Health and Human Services Regulation and Licensure;~~
2 ~~(14) Department of Health and Human Services Finance and Support;~~
3 ~~and (15) Department of Property Assessment and Taxation; and (13)~~
4 Department of Health and Human Services System.

5 Sec. 30. Section 81-102, Reissue Revised Statutes of
6 Nebraska, is amended to read:

7 81-102 The Governor shall appoint heads for the
8 various departments agencies listed in section 81-101, subject
9 to confirmation by a majority vote of the members elected to
10 the Legislature. Such appointments shall be submitted to the
11 Legislature within sixty calendar days following the first Thursday
12 after the first Tuesday in each odd-numbered year. The officers
13 shall be designated as follows: (1) The Director of Agriculture
14 for the Department of Agriculture; (2) the Commissioner of Labor
15 for the Department of Labor; (3) the Director-State Engineer for
16 the Department of Roads; (4) the Director of Natural Resources for
17 the Department of Natural Resources; (5) the Director of Banking
18 and Finance for the Department of Banking and Finance; (6) the
19 Director of Insurance for the Department of Insurance; (7) the
20 Director of Motor Vehicles for the Department of Motor Vehicles;
21 (8) the Director of Administrative Services for the Department of
22 Administrative Services; (9) the Director of Correctional Services
23 for the Department of Correctional Services; (10) the Director of
24 Economic Development for the Department of Economic Development;
25 (11) the Superintendent of Law Enforcement and Public Safety for

1 the Nebraska State Patrol; (12) the Director of Health and Human
2 Services for the Department of Health and Human Services; ~~(13) the~~
3 ~~Director of Regulation and Licensure for the Department of Health~~
4 ~~and Human Services Regulation and Licensure;~~ ~~(14) the Director of~~
5 ~~Finance and Support for the Department of Health and Human Services~~
6 ~~Finance and Support;~~ and ~~(15) the Property Tax Administrator for~~
7 ~~the Department of Property Assessment and Taxation;~~ and (13) the
8 Director of the Health and Human Services System for the Department
9 of Health and Human Services System. Whoever shall be so nominated
10 by the Governor and shall fail to receive the number of votes
11 requisite for confirmation, shall not be subject to nomination or
12 appointment for this or any other appointive state office requiring
13 confirmation by the Legislature during the period for which his
14 or her appointment was sought. In case of a vacancy in any of
15 such offices during the recess of the Legislature, the Governor
16 shall make a temporary appointment until the next meeting of the
17 Legislature, when he or she shall nominate some person to fill
18 such office. Any person so nominated who is confirmed by the
19 Legislature, shall hold his or her office during the remainder of
20 the term if a specific term has been provided by law, otherwise
21 during the pleasure of the Governor subject to the provisions
22 of this section; except any such officers may be removed by the
23 Governor pursuant to Article IV of the Constitution of Nebraska.

24 Sec. 31. Section 81-1316, Revised Statutes Cumulative
25 Supplement, 2004, is amended to read:

1 81-1316 (1) All agencies and personnel of state
2 government shall be covered by sections 81-1301 to 81-1319 and
3 shall be considered subject to the State Personnel System, except
4 the following:

- 5 (a) All personnel of the office of the Governor;
- 6 (b) All personnel of the office of the Lieutenant
7 Governor;
- 8 (c) All personnel of the office of the Secretary of
9 State;
- 10 (d) All personnel of the office of the State Treasurer;
- 11 (e) All personnel of the office of the Attorney General;
- 12 (f) All personnel of the office of the Auditor of Public
13 Accounts;
- 14 (g) All personnel of the Legislature;
- 15 (h) All personnel of the court systems;
- 16 (i) All personnel of the Board of Educational Lands and
17 Funds;
- 18 (j) All personnel of the Public Service Commission;
- 19 (k) All personnel of the Nebraska Brand Committee;
- 20 (l) All personnel of the Commission of Industrial
21 Relations;
- 22 (m) All personnel of the State Department of Education;
- 23 (n) All personnel of the Nebraska state colleges and the
24 Board of Trustees of the Nebraska State Colleges;
- 25 (o) All personnel of the University of Nebraska;

1 (p) All personnel of the Coordinating Commission for
2 Postsecondary Education;

3 (q) All personnel of the Governor's Policy Research
4 Office, but not to include personnel within the State Energy
5 Office;

6 (r) All personnel of the Commission on Public Advocacy;

7 (s) All agency heads;

8 (t) The Director of Medical Services established
9 under section 83-125 and the chief executive officers of the
10 Beatrice State Developmental Center, Lincoln Regional Center,
11 Norfolk Regional Center, Hastings Regional Center, Grand Island
12 Veterans' Home, Norfolk Veterans' Home, Thomas Fitzgerald Veterans'
13 Home, Western Nebraska Veterans' Home, Youth Rehabilitation and
14 Treatment Center-Kearney, and Youth Rehabilitation and Treatment
15 Center-Geneva;

16 (u) The assistant director, the chief deputy directors,
17 and the service area administrators appointed under the Health and
18 Human Services System Act;

19 ~~(u)~~ (v) All personnel employed as pharmacists,
20 physicians, psychiatrists, or psychologists of the Department of
21 Health and Human Services, the Department of Health and Human
22 Services Finance and Support, and the Department of Health and
23 Human Services Regulation and Licensure Health and Human Services
24 System; and

25 ~~(v)~~ (w) Deputies and examiners of the Department of

1 Banking and Finance and the Department of Insurance as set forth in
2 sections 8-105 and 44-119, except for those deputies and examiners
3 who remain in the State Personnel System.

4 (2) At each agency head's discretion, up to the following
5 number of additional positions may be exempted from the State
6 Personnel System, based on the following agency size categories:

7	Number of Agency	Number of Noncovered
8	Employees	Positions
9	less than 25	0
10	25 to 100	1
11	101 to 250	2
12	251 to 500	3
13	501 to 1000	4
14	1001 to 2000	5
15	2001 to 3000	8
16	3001 to 4000	11
17	4001 to 5000	14
18	over 5000	17

19 The purpose of having such noncovered positions shall
20 be to allow agency heads the opportunity to recruit, hire,
21 and supervise critical, confidential, or policymaking personnel
22 without restrictions from selection procedures, compensation rules,
23 career protections, and grievance privileges. Persons holding the
24 noncovered positions shall serve at the pleasure of the agency head
25 and shall be paid salaries set by the agency head.

1 (3) No changes to this section or to the number of
2 noncovered positions within an agency shall affect the status
3 of personnel employed on the date the changes become operative
4 without their prior written agreement. A state employee's career
5 protections or coverage by personnel rules and regulations shall
6 not be revoked by redesignation of the employee's position as a
7 noncovered position without the prior written agreement of such
8 employee.

9 Sec. 32. This act becomes operative on January 1, 2007.

10 Sec. 33. Original sections 81-101 and 81-102, Reissue
11 Revised Statutes of Nebraska, and section 81-1316, Revised Statutes
12 Cumulative Supplement, 2004, are repealed.

13 Sec. 34. The following sections are outright repealed:
14 Sections 81-3007.01, 81-3103, 81-3108, 81-3203, and 81-3303,
15 Reissue Revised Statutes of Nebraska, sections 81-3001, 81-3001.01,
16 81-3006, 81-3008, 81-3009, 81-3101, 81-3106, 81-3107, 81-3201,
17 81-3206, 81-3207, 81-3301, 81-3302, 81-3306, and 81-3307, Revised
18 Statutes Cumulative Supplement, 2004, and sections 81-3004,
19 81-3102, 81-3202, 81-3208, 81-3209, 81-3210, and 81-3211, Revised
20 Statutes Supplement, 2005.