

LEGISLATURE OF NEBRASKA
ONE HUNDREDTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 905

Introduced by Avery, 28.

Read first time January 14, 2008

Committee: Appropriations

A BILL

1 FOR AN ACT relating to the Nebraska Educational Telecommunications
2 Commission; to amend sections 79-1312 and 79-1320,
3 Reissue Revised Statutes of Nebraska, and sections 84-612
4 and 84-613, Revised Statutes Supplement, 2007; to state
5 intent; to create funds; to provide for funding for
6 programming and operational costs; to change provisions
7 relating to the Cash Reserve Fund; to harmonize
8 provisions; and to repeal the original sections.
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1312, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 79-1312 Sections 79-1312 to 79-1325 and sections 2 to
4 5 of this act shall be known and may be cited as the Nebraska
5 Educational Telecommunications Act.

6 Sec. 2. The Legislature finds that the programming and
7 media produced by and provided through the Nebraska Educational
8 Telecommunications Commission is important to the state in many
9 ways, including educationally, historically, culturally, and
10 socially. The Legislature further finds that federal funding
11 for public broadcasting is vulnerable and without guarantee of
12 continuation. In order to ensure a stable source of funding
13 for future generations, the Legislature proposes to establish
14 a financial partnership between the commission and the private
15 sector.

16 Sec. 3. (1) The Nebraska Educational Telecommunications
17 Programming Endowment Fund is created. The fund shall consist of
18 funds appropriated or transferred by the Legislature. Only the
19 earnings of the fund may be used as provided in this section.

20 (2) The State Treasurer shall designate fifty million
21 dollars of the Cash Reserve Fund as the Nebraska Educational
22 Telecommunications Programming Endowment Fund as provided in
23 section 84-612.

24 (3) Any money in the Nebraska Educational
25 Telecommunications Programming Endowment Fund available for

1 investment shall be invested by the state investment officer
2 pursuant to the Nebraska Capital Expansion Act and the Nebraska
3 State Funds Investment Act.

4 (4) Any interest accruing on the Nebraska Educational
5 Telecommunications Programming Endowment Fund shall be credited to
6 the Nebraska Educational Telecommunications Programming Trust Fund.

7 Sec. 4. (1) The Nebraska Educational Telecommunications
8 Programming Trust Fund is created. The fund shall consist of
9 interest credited pursuant to section 3 of this act. The Nebraska
10 Educational Telecommunications Commission shall administer and
11 distribute the fund.

12 (2) All disbursements from the fund shall be matched
13 dollar-for-dollar by sources other than state funds except as
14 specifically authorized in this section.

15 (3) The matching funds shall be money generated from
16 endowments established by the commission or qualified endowments
17 of constituent organizations, money generated as a result of
18 programming grants to the commission or constituent organizations
19 that are from sources other than state funds, or money generated
20 by the commission or constituent organizations for programming and
21 operations not funded by state funds. Money used as a match shall
22 be limited to matching the Nebraska Educational Telecommunications
23 Programming Trust Fund in the state fiscal year prior to the state
24 fiscal year in which the money is received. The matching funds
25 required by this section shall not include in-kind contributions.

1 Any interest accruing on the money in the Nebraska Educational
2 Telecommunications Programming Trust Fund shall be counted as
3 matching funds.

4 (4) For an endowment to be a qualified endowment (a)
5 the endowment shall meet the standards set by the commission or
6 its constituent organizations, (b) the endowment shall be intended
7 for long-term sustainability and stabilization of the organization,
8 and (c) the funds of the endowment shall be endowed and only the
9 earnings thereon expended.

10 (5) An organization is a constituent organization if it
11 provides programming and operational funding in support of Nebraska
12 educational telecommunications and is tax exempt under section 501
13 of the Internal Revenue Code.

14 (6) The budget division of the Department of
15 Administrative Services shall approve allotment and disbursement of
16 funds from the Nebraska Educational Telecommunications Programming
17 Trust Fund only to the extent that the commission has provided
18 documentation of the dollar-for-dollar match required by this
19 section.

20 (7) Funds from the Nebraska Educational
21 Telecommunications Programming Trust Fund may be used for the
22 purpose of obtaining challenge grants from the National Endowment
23 for the Humanities or the National Endowment for the Arts.

24 (8) The commission shall adopt and promulgate rules and
25 regulations to provide that the ultimate use of disbursements from

1 the fund shall be limited to programming and operational expenses
2 which are not used for fundraising purposes and are not directly
3 supported by the General Fund appropriation to the commission.

4 (9) Any money in the Nebraska Educational
5 Telecommunications Programming Trust Fund available for investment
6 shall be invested by the state investment officer pursuant to
7 the Nebraska Capital Expansion Act and the Nebraska State Funds
8 Investment Act.

9 Sec. 5. The Nebraska Educational Telecommunications
10 Commission shall report to the Clerk of the Legislature
11 and Director of Administrative Services annually regarding
12 disbursements from the Nebraska Educational Telecommunications
13 Programming Trust Fund. The report shall include a complete listing
14 of the uses of the fund, the sources of funding used to match
15 state funds, the amount of investment earnings credited to the
16 Nebraska Educational Telecommunications Programming Trust Fund, and
17 the balance of the fund. The report shall cover the period July 1
18 through June 30 and shall be submitted no later than November 1
19 of each year.

20 Sec. 6. Section 79-1320, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 79-1320 The State Educational Telecommunications Fund
23 is created. The fund shall be used by the Nebraska Educational
24 Telecommunications Commission for the purposes of carrying out the
25 provisions of the Nebraska Educational Telecommunications Act other

1 than as provided in section 79-1321 and sections 2 to 5 of this
2 act. Such fund shall consist of such sums as the Legislature
3 may appropriate. Any money in the fund available for investment
4 shall be invested by the state investment officer pursuant to
5 the Nebraska Capital Expansion Act and the Nebraska State Funds
6 Investment Act.

7 Sec. 7. Section 84-612, Revised Statutes Supplement,
8 2007, is amended to read:

9 84-612 (1) There is hereby created within the state
10 treasury a fund known as the Cash Reserve Fund which shall be under
11 the direction of the State Treasurer. The fund shall only be used
12 pursuant to this section.

13 (2) The State Treasurer shall transfer funds from the
14 Cash Reserve Fund to the General Fund upon certification by the
15 Director of Administrative Services that the current cash balance
16 in the General Fund is inadequate to meet current obligations. Such
17 certification shall include the dollar amount to be transferred.
18 Any transfers made pursuant to this subsection shall be reversed
19 upon notification by the Director of Administrative Services that
20 sufficient funds are available.

21 (3) The State Treasurer, at the direction of the
22 budget administrator of the budget division of the Department
23 of Administrative Services, shall transfer such amounts not to
24 exceed seven million seven hundred fifty-three thousand two hundred
25 sixty-three dollars in total from the Cash Reserve Fund to the

1 Nebraska Capital Construction Fund between July 1, 2003, and June
2 30, 2007.

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

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

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

14 (7) On June 16, 2008, the State Treasurer shall transfer
15 seventeen million nine hundred thirty-one thousand thirty dollars
16 from the Cash Reserve Fund to the General Fund.

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

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

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

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

8 (12) The State Treasurer, at the direction of the budget
9 administrator, shall transfer such amounts, as certified by the
10 Director of Administrative Services, for employee health insurance
11 claims and expenses, not to exceed twelve million dollars in total
12 from the Cash Reserve Fund to the State Employees Insurance Fund
13 between May 1, 2007, and June 30, 2011.

14 (13) On July 9, 2007, the State Treasurer shall transfer
15 twelve million dollars from the Cash Reserve Fund to the Nebraska
16 Capital Construction Fund.

17 (14) On July 9, 2007, the State Treasurer shall transfer
18 five million dollars from the Cash Reserve Fund to the Job Training
19 Cash Fund. The State Treasurer shall transfer from the Job Training
20 Cash Fund to the Cash Reserve Fund such amounts as directed in
21 section 81-1201.21.

22 (15) On July 7, 2008, the State Treasurer shall transfer
23 five million dollars from the Cash Reserve Fund to the Job Training
24 Cash Fund. The State Treasurer shall transfer from the Job Training
25 Cash Fund to the Cash Reserve Fund such amounts as directed in

1 section 81-1201.21.

2 (16) On or before August 1, 2007, the State Treasurer,
3 at the direction of the budget administrator, shall transfer
4 seventy-five million dollars from the Cash Reserve Fund to the
5 Nebraska Capital Construction Fund.

6 (17) On or before June 30, 2009, the State Treasurer
7 shall transfer nine million five hundred ninety thousand dollars
8 from the Cash Reserve Fund to the Nebraska Capital Construction
9 Fund.

10 (18) The State Treasurer, at the direction of the budget
11 administrator, shall transfer an amount equal to the total amount
12 transferred pursuant to subsection (12) of this section from
13 the appropriate health insurance accounts of the State Employees
14 Insurance Fund in such amounts as certified by the Director of
15 Administrative Services to the Cash Reserve Fund on or before June
16 30, 2011.

17 (19) On July 9, 2007, the State Treasurer shall
18 transfer one million dollars from the Cash Reserve Fund to the
19 Microenterprise Development Cash Fund.

20 (20) On July 9, 2007, the State Treasurer shall transfer
21 two hundred fifty thousand dollars from the Cash Reserve Fund to
22 the Building Entrepreneurial Communities Cash Fund.

23 (21) On July 7, 2008, the State Treasurer shall
24 transfer one million dollars from the Cash Reserve Fund to the
25 Microenterprise Development Cash Fund.

1 (22) On July 7, 2008, the State Treasurer shall transfer
2 two hundred fifty thousand dollars from the Cash Reserve Fund to
3 the Building Entrepreneurial Communities Cash Fund.

4 (23) Beginning August 1, 2008, fifty million dollars of
5 the Cash Reserve Fund shall be deemed to constitute the Nebraska
6 Educational Telecommunications Programming Endowment Fund. Such
7 fifty million dollars shall remain part of the Cash Reserve Fund
8 for all purposes except that the interest earned on the amount in
9 the Nebraska Educational Telecommunications Programming Endowment
10 Fund shall accrue as provided in section 84-613.

11 Sec. 8. Section 84-613, Revised Statutes Supplement,
12 2007, is amended to read:

13 84-613 Any money in the Cash Reserve Fund available
14 for investment shall be invested by the state investment officer
15 pursuant to the Nebraska Capital Expansion Act and the Nebraska
16 State Funds Investment Act. ~~Until July 1, 2007, any interest~~
17 ~~earned by the fund shall accrue to the General Fund, except~~
18 ~~for interest earned on forty million dollars if such money~~
19 ~~is deemed to constitute the Early Childhood Education Endowment~~
20 ~~Fund in accordance with subsection (11) of section 84-612.~~
21 ~~From the effective date of an endowment agreement as defined~~
22 ~~in subdivision (3)(c) of section 79-1101 until June 30, 2007,~~
23 ~~interest earned on the forty million dollars deemed to constitute~~
24 ~~the Early Childhood Education Endowment Fund shall accrue to~~
25 ~~the Early Childhood Education Endowment Cash Fund. Commencing~~

1 ~~July 1, 2007, any~~ Any interest earned by the Cash Reserve
2 Fund shall accrue to the General Fund, except that interest
3 earned on the fifty million dollars deemed to constitute the
4 Nebraska Educational Telecommunications Programming Endowment Fund
5 in accordance with section 84-612 shall accrue to the Nebraska
6 Educational Telecommunications Programming Trust Fund.

7 Sec. 9. Original sections 79-1312 and 79-1320, Reissue
8 Revised Statutes of Nebraska, and sections 84-612 and 84-613,
9 Revised Statutes Supplement, 2007, are repealed.