



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 249

Chairperson: Lavon Heidemann
Committee: Appropriations
Date of Hearing: February 20, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 249 has two purposes, one, to eliminate from statutes what will become obsolete language on July 1, 2007, dealing with the pledge of interest income from \$40 million held within the Cash Reserve Fund as a match for the Early Childhood Education Endowment Fund. The bill does not alter the pledge of interest income as set forth in current law which expires June 30, 2007, because this bill will not become operative until July 1, 2007.

Second, of a more substantive nature, the bill repeals the direction of interest income generated by the Cash Reserve Fund beginning July 1, 2007. Current law directs that interest income from the fund is to be deposited to the General Fund through June 30, 2007. However, beginning July 1, 2007, interest income (according to current law) is to be deposited to the Building Renewal Allocation Fund, for the purpose of transfers to the State Capitol Restoration Fund (to support appropriations from the fund for the Capitol masonry restoration project) and retains any excess beyond the needs of the masonry project in the Building Renewal Allocation Fund. Thus, current law results in an ongoing dedicated earmark of interest income beginning July 1, 2007.

LB249 returns to the long-standing practice of crediting interest income from the Cash Reserve Fund to the General Fund, thus eliminating the ongoing earmark.

The bill is not intended to threaten continuation of the Capitol masonry repair project. Future funding for the project, if LB249 would pass, can be managed through the appropriations process.

Principal Introducer:

Senator Lavon Heidemann