

LEGISLATIVE BILL 456

Approved by the Governor May 19, 2009

Introduced by Heidemann, 1.

FOR AN ACT relating to the Cash Reserve Fund; to amend sections 79-1104.01, 79-1104.05, 84-612, and 84-613, Reissue Revised Statutes of Nebraska; to eliminate obsolete provisions and completed transfers; to provide for transfers from the Cash Reserve Fund; to provide a duty for the Department of Economic Development; to harmonize provisions; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 79-1104.01, Reissue Revised Statutes of Nebraska, is amended to read:

79-1104.01 (1) Within ninety days after July 14, 2006, the State Department of Education shall request proposals from private endowments with experience in managing public and private funds for the benefit of children and families in multiple locations in Nebraska to be the endowment provider for the Nebraska Early Childhood Education Endowment upon the terms set forth in this section.

(2) An endowment seeking to become the endowment provider for the Nebraska Early Childhood Education Endowment shall agree to:

(a) Irrevocably commit, subject to subdivision (4)(a) of this section, no less than twenty million dollars in a private endowment to be used solely as part of the Nebraska Early Childhood Education Endowment within five years after the effective date of the endowment agreement, of which no less than five million dollars shall be pledged on the effective date of the endowment agreement. A minimum of one million dollars shall be placed in the private endowment prior to December 31, 2006, and a minimum of five million dollars shall be placed in the private endowment prior to June 30, 2007;

(b) Commit all earnings deposited from such private endowment for deposit into the Early Childhood Education Endowment Cash Fund;

(c) Permit the board of trustees to determine the allocation of funds from the Early Childhood Education Endowment Cash Fund pursuant to section 79-1104.02; and

(d) Submit to the State Department of Education an annual financial statement of the private endowment, audited by an independent auditor and complying with all applicable Internal Revenue Service requirements. The financial statement shall report details on the private endowment, including the current value of the corpus and the annual receipts to the private endowment categorized by donations and interests, together with a report listing the amount and purpose of expenditures from the private endowment.

(3) Upon selection of an endowment provider, the State Department of Education and such endowment provider shall enter into an endowment agreement pursuant to which the state and the endowment provider will agree to deposit funds as provided in subsection (4) of this section.

(4)(a) Upon the effective date of an endowment agreement, the state shall provide for the Early Childhood Education Endowment Fund, which is hereby created, in accordance with section 79-1104.05. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. ~~The endowment agreement may provide that the obligations of the endowment provider will terminate if the funds allocated to the Early Childhood Education Endowment Fund pursuant to subsection (1) of section 84-612 terminate as set forth in such section and are not replaced by a minimum of forty million dollars from another source on and after July 1, 2007.~~

(b) All interest, earnings, and proceeds from the Early Childhood Education Endowment Fund shall be deposited in the Early Childhood Education Endowment Cash Fund, which is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. All interest, earnings, and proceeds from the Early Childhood Education Endowment Cash Fund shall be retained in such fund.

(c) Upon the effective date of an endowment agreement, the endowment provider shall deposit the amounts set forth in the endowment agreement into a private endowment for the sole benefit of the Early Childhood Education Endowment Fund. Money in the private endowment shall be managed by the endowment provider in accordance with sound, professional, fiduciary practices

and in accordance with the endowment agreement.

(d) Earnings deposited from the private endowment shall be deposited into the Early Childhood Education Endowment Cash Fund at least annually or as the endowment agreement provides.

Sec. 2. Section 79-1104.05, Reissue Revised Statutes of Nebraska, is amended to read:

79-1104.05 ~~(1) From the effective date of an endowment agreement until June 30, 2007, the Early Childhood Education Endowment Fund shall consist of forty million dollars of the Cash Reserve Fund. Such forty million dollars shall remain within the Cash Reserve Fund and remain a part thereof for all purposes, except that interest earned on that portion deemed to constitute the Early Childhood Education Endowment Fund shall accrue to the Early Childhood Education Endowment Cash Fund in accordance with section 84-613.~~

~~(2) On and after July 1, 2007, the The Early Childhood Education Endowment Fund shall consist of any funds allocated to the Early Childhood Education Endowment Fund from funds belonging to the state for educational purposes described in Article VII, section 7, of the Constitution of Nebraska.~~

Sec. 3. Section 84-612, Reissue Revised Statutes of Nebraska, is amended to read:

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

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

(3) The State Treasurer, at the direction of the budget administrator of the budget division of the Department of Administrative Services, shall transfer such amounts not to exceed seven million seven hundred fifty-three thousand two hundred sixty-three dollars in total from the Cash Reserve Fund to the Nebraska Capital Construction Fund between July 1, 2003, and June 30, 2007.

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

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

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

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

~~(8) (6) On June 15, 2009, the State Treasurer shall transfer four million nine hundred ninety thousand five hundred five dollars from the Cash Reserve Fund to the General Fund.~~

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

~~(10) (7) On or before June 16, 2009, the State Treasurer, at the direction of the budget administrator, shall transfer fifty million dollars from the Cash Reserve Fund to the General Fund.~~

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

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

~~(13) On July 9, 2007, the State Treasurer shall transfer twelve million dollars from the Cash Reserve Fund to the Nebraska Capital~~

~~Construction Fund-~~

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

~~(15) (10) On July 7, 2008, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the Job Training Cash Fund. The State Treasurer shall transfer from the Job Training Cash Fund to the Cash Reserve Fund such amounts as directed in section 81-1201.21.~~

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

~~(17) (11) On or before June 30, 2009, the State Treasurer shall transfer nine million five hundred ninety thousand dollars from the Cash Reserve Fund to the Nebraska Capital Construction Fund.~~

~~(18) (12) The State Treasurer, at the direction of the budget administrator, shall transfer an amount equal to the total amount transferred pursuant to subsection ~~(12) (8)~~ of this section from the appropriate health insurance accounts of the State Employees Insurance Fund in such amounts as certified by the Director of Administrative Services to the Cash Reserve Fund on or before June 30, 2011.~~

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

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

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

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

~~(23) (13) On July 7, 2009, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the Roads Operations Cash Fund. The Department of Roads shall use such funds to provide the required state match for federal funding made available to the state through congressional earmarks.~~

~~(24) (14) On July 7, 2010, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the Roads Operations Cash Fund. The Department of Roads shall use such funds to provide the required state match for federal funding made available to the state through congressional earmarks.~~

~~(25) (15) On July 7, 2011, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the Roads Operations Cash Fund. The Department of Roads shall use such funds to provide the required state match for federal funding made available to the state through congressional earmarks.~~

~~(26) Within seven days after April 2, 2008, the State Treasurer shall transfer nine million dollars from the Cash Reserve Fund to the Water Contingency Cash Fund.~~

~~(27) On July 18, 2008, the State Treasurer shall transfer five million dollars from the Cash Reserve Fund to the Nebraska State Fair Relocation Cash Fund.~~

~~(28) (16) Within five days after the budget division of the Department of Administrative Services notifies the State Treasurer that matching fund requirements under section 82-331 have been met, the State Treasurer shall transfer one million dollars from the Cash Reserve Fund to the Nebraska Cultural Preservation Endowment Fund.~~

(17) On or before June 15, 2010, the State Treasurer, at the direction of the budget administrator, shall transfer ninety-five million dollars from the Cash Reserve Fund to the General Fund.

(18) On or before June 15, 2011, the State Treasurer, at the direction of the budget administrator, shall transfer one hundred fifty-one million dollars from the Cash Reserve Fund to the General Fund.

(19) On June 15, 2009, the State Treasurer shall transfer seven million five hundred thousand dollars from the Cash Reserve Fund to the Governor's Emergency Cash Fund.

(20) On July 7, 2009, the State Treasurer shall transfer one million dollars from the Cash Reserve Fund to the State Visitors Promotion Cash Fund. The Department of Economic Development shall use such funds to provide funding for the promotion and support of the hosting of a Special Olympics national

event by a city of the primary class.

Sec. 4. Section 84-613, Reissue Revised Statutes of Nebraska, is amended to read:

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

Sec. 5. Original sections 79-1104.01, 79-1104.05, 84-612, and 84-613, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 6. Since an emergency exists, this act takes effect when passed and approved according to law.