

AMENDMENTS TO LB544

Introduced by Education.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Sections 1 to 5 of this act shall be known and may be
4 cited as the Meadowlark Act.

5 Sec. 2. For purposes of the Meadowlark Act:

6 (1) Eligible educational institution has the same meaning as in
7 section 85-1802;

8 (2) Nebraska educational savings plan trust has the same meaning as
9 in section 85-1802;

10 (3) Qualified higher education expenses has the same meaning as in
11 section 85-1802;

12 (4) Qualified individual means an individual born on or after
13 January 1, 2020, who is a resident of this state at the time of birth;
14 and

15 (5) Qualified private contribution means a contribution from an
16 individual or private entity which is made for the purpose of providing
17 an ongoing source of funding for the Meadowlark Program established in
18 section 4 of this act.

19 Sec. 3. (1) There is hereby established in the state treasury a
20 trust fund to be known as the Meadowlark Endowment Fund. The fund shall
21 be administered by the State Treasurer and shall consist of qualified
22 private contributions and any amounts appropriated or transferred to the
23 fund by the Legislature. No General Funds shall be transferred to the
24 Meadowlark Endowment Fund. Any money in the fund available for investment
25 shall be invested by the state investment officer pursuant to the
26 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
27 Act. No portion of the principal of the fund shall be expended for any

1 purpose except investment pursuant to this subsection.

2 (2) The State Treasurer shall accept qualified private contributions
3 and shall credit all such contributions received to the Meadowlark
4 Endowment Fund. The State Treasurer shall determine the total amount of
5 qualified private contributions received under this subsection and shall
6 transfer an equal amount from the College Savings Plan Expense Fund or
7 the Unclaimed Property Escheat Trust Fund, as determined by the State
8 Treasurer, to the Meadowlark Endowment Fund.

9 Sec. 4. (1) The Meadowlark Program is created. The program shall be
10 administered by the State Treasurer. The purpose of the program is to
11 promote access to postsecondary educational opportunities by providing
12 funds to qualified individuals to help pay the qualified higher education
13 expenses associated with attendance at an eligible educational
14 institution located in this state.

15 (2) Any qualified individual shall be eligible to participate in the
16 Meadowlark Program. No later than March 1 of each year, the Department of
17 Health and Human Services shall transmit information to the State
18 Treasurer which is necessary to administer the program and to establish
19 whether the children born in this state in the previous calendar year are
20 qualified individuals. Such information shall include, but not be limited
21 to, the full name and residential address of each child's parent or legal
22 guardian and the birth date of each child. Costs associated with the
23 transfer of information by the Department of Health and Human Services
24 shall be paid from the College Savings Plan Expense Fund.

25 (3) Following receipt of the information described in subsection (2)
26 of this section, the State Treasurer shall send a notification explaining
27 the Meadowlark Program to the parent or legal guardian of each qualified
28 individual. The State Treasurer shall provide such parent or legal
29 guardian with the opportunity to exclude his or her child from the
30 program. Any child who is not excluded shall be deemed to be enrolled in
31 the program. Upon enrollment into the program, the child shall have an

1 account opened for him or her under the Nebraska educational savings plan
2 trust.

3 (4) On or before April 1 of each year, the State Treasurer shall
4 determine (a) the number of accounts opened under the Meadowlark Program
5 in the previous calendar year and (b) the amount of investment income
6 generated by the Meadowlark Endowment Fund in the previous calendar year.
7 The State Treasurer shall evenly distribute the investment income from
8 the previous calendar year to the accounts opened in the previous
9 calendar year.

10 (5) The Nebraska educational savings plan trust shall own all
11 accounts opened under the Meadowlark Program. Neither the qualified
12 individual nor his or her parent or legal guardian shall have any
13 ownership rights or interest in, title to, or power or control over such
14 an account.

15 (6) Any disbursement from an account opened under the Meadowlark
16 Program shall be made before the qualified individual reaches thirty
17 years of age. Once a qualified individual reaches thirty years of age,
18 any unused funds in his or her account shall be transferred to the
19 Meadowlark Endowment Fund.

20 (7) Funds disbursed from an account opened under the Meadowlark
21 Program shall only be used to pay the qualified higher education expenses
22 associated with attending an eligible educational institution located in
23 this state.

24 (8) The State Treasurer shall take measures to ensure the security
25 and confidentiality of the information received under subsection (2) of
26 this section.

27 Sec. 5. The State Treasurer may adopt and promulgate rules and
28 regulations to carry out the Meadowlark Act.

29 Sec. 6. Section 85-1807, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 85-1807 (1) The State Treasurer shall deposit money received by the

1 Nebraska educational savings plan trust into three funds: The College
2 Savings Plan Program Fund, the College Savings Plan Expense Fund, and the
3 College Savings Plan Administrative Fund. The State Treasurer shall
4 deposit money received by the trust into the appropriate fund. The State
5 Treasurer and Accounting Administrator of the Department of
6 Administrative Services shall determine the state fund types necessary to
7 comply with section 529 of the Internal Revenue Code and state policy.
8 The money in the funds shall be invested by the state investment officer
9 pursuant to policies established by the Nebraska Investment Council. The
10 program fund, the expense fund, and the administrative fund shall be
11 separately administered. The Nebraska educational savings plan trust
12 shall be operated with no General Fund appropriations.

13 (2) The College Savings Plan Program Fund is created. All money paid
14 by participants in connection with participation agreements and all
15 investment income earned on such money shall be deposited as received
16 into separate accounts within the program fund. Contributions to the
17 trust made by participants may only be made in the form of cash. All
18 funds generated in connection with participation agreements shall be
19 deposited into the appropriate accounts within the program fund. A
20 participant or beneficiary shall not provide investment direction
21 regarding program contributions or earnings held by the trust. Money
22 accrued by participants in the program fund may be used for payments to
23 any eligible educational institution. Any money in the program fund
24 available for investment shall be invested by the state investment
25 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
26 State Funds Investment Act.

27 (3) The College Savings Plan Administrative Fund is created. Money
28 from the trust transferred from the expense fund to the administrative
29 fund in an amount authorized by an appropriation from the Legislature
30 shall be utilized to pay for the costs of administering, operating, and
31 maintaining the trust, to the extent permitted by section 529 of the

1 Internal Revenue Code. The administrative fund shall not be credited with
2 any money other than money transferred from the expense fund in an amount
3 authorized by an appropriation by the Legislature or any interest income
4 earned on the balances held in the administrative fund. Any money in the
5 administrative fund available for investment shall be invested by the
6 state investment officer pursuant to the Nebraska Capital Expansion Act
7 and the Nebraska State Funds Investment Act.

8 ~~(4)(a) (4)~~ The College Savings Plan Expense Fund is created. The
9 expense fund ~~shall be used to pay costs associated with the Nebraska~~
10 ~~educational savings plan trust~~ and shall be funded with fees assessed to
11 the program fund. The State Treasurer shall use the expense fund:

12 (i) To pay costs associated with the Nebraska educational savings
13 plan trust;

14 (ii) For the purposes described in the Meadowlark Act; and

15 (iii) To transfer from the expense fund to the State Investment
16 Officer's Cash Fund an amount equal to the pro rata share of the budget
17 appropriated to the Nebraska Investment Council as permitted in section
18 72-1249.02, to cover reasonable expenses incurred for investment
19 management of the Nebraska educational savings plan trust. Annually and
20 prior to such transfer to the State Investment Officer's Cash Fund, the
21 State Treasurer shall report to the budget division of the Department of
22 Administrative Services and to the Legislative Fiscal Analyst the amounts
23 transferred during the previous fiscal year. The report submitted to the
24 Legislative Fiscal Analyst shall be submitted electronically.

25 (b) Transfers may be made from the expense fund to the General Fund
26 at the direction of the Legislature. Any money in the expense fund
27 available for investment shall be invested by the state investment
28 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
29 State Funds Investment Act.

30 Sec. 7. Original section 85-1807, Reissue Revised Statutes of
31 Nebraska, is repealed.