

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT
LB1413

Hearing Date: Tuesday January 30, 2024
Committee On: Appropriations
Introducer: Speaker Arch
One Liner: Transfer and provide for the transfer of funds and create and change the use and distribution of funds

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 9 Senators Armendariz, Clements, Dorn, Dover, Erdman, Lippincott, McDonnell, Vargas, Wishart

Nay:

Absent:

Present Not Voting:

Testimony:

Proponents:

Lee Will
John Albin
Kelly Lammers
Jim Macy
Tom Riley

Opponents:

John Lindsay

Ron Sedlacek

Craig Beck
Dan Watermeier
Paul Schudel
Tip O'Neill
Steve Wilson
Tim McCoy
Katie Torpy
Dexter Schrod
Ryan McIntosh
Carol Bodeen

Representing:

Opening Presenter
Nebraska Department of Labor
Nebraska Department of Banking and Finance
Nebraska Department of Environment and Energy
Department of Natural Resources

Representing:

Nebraska Beverage Association, Nebraska Grocery Industry, and Nebraska Retail Federation
Nebraska Chamber of Commerce, Greater Omaha Chamber of Commerce, Lincoln Chamber of Commerce, Nebraska Economic Developers Association, National Federation of Independent Business/Nebraska
OpenSky Policy Institute
Nebraska Public Service Commission
Nebraska Rural Independent Companies
Nebraska Telecommunications Association
Ducks Unlimited
Nebraska Game and Parks Commission
Nature Conservancy
Nebraska Independent Community Bankers
Nebraska Bankers Association
Nebraska Housing Developers Association



Michael Anderson
Kristal Stoner
Haley Nolde
John Heaston

Self
Auduban Great Plains
Nebraska Recycling Council
Nebraska Sportsman's Foundation

Neutral:
Robert Evnen

Representing:
Nebraska Secretary of State

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 1413, introduced by the Speaker at the request of the Governor, is a part of the Governor's mid-biennium budget recommendations. LB 1413 includes new transfers of funds, amends transfers funds, amends provisions related to funds, and outright repeals sections related to funds.

In sections 1 through 48 transfer funds in FY2023-24 and FY2024-25 from various cash funds to other cash funds or the General Fund. The transfers total \$158,026,867 in FY2023-24 and \$35,776,716 in FY2024-25 to the General Fund. Total cash fund transfers to another cash fund equal \$60.5 million in FY2023-24 and \$33 million in FY2024-25. For a complete list of these transfers, please refer to the fiscal note dated January 29, 2024.

Sections 2 and 3 transfer \$2,134,335 in FY2023-24 and \$28,862,755 in FY2024-25 from the General Fund to the Education Future Fund.

In section 49, the Commission on African American Affairs Cash Fund is created.

In sections 51 through 59, section 61, section 62, sections 64 through 70, section 72, and section 73 amend statutes related to cash funds to authorize the transfers contained in sections 1 to 48 of the bill. These funds include the following funds: Probation Cash Fund; Secretary of State Administration Cash Fund; Education Improvement Fund; Prof Practices Commission Fund; Universal Services Fund; Institution Assessment Cash Fund; Employment Security Admin Fund; Employment Security Contingency Fund; State Unemployment Insurance Trust Fund; Training and Support Cash Fund; Behavioral Health Housing Fund; Jobs and Economic Development Fund; Aquatic Habitat Fund; State Game Fund; State Park Cash Revolving Fund; Water Recreation Enhancement Fund; Community College GAP Assistance Cash Fund; State Settlement Fund; Job Training Fund; Site and Building Development Fund; Clean Air Title V Fund; Litter Reduction and Recycling Fund; and the Waste Reduction and Recycling Incentive Fund.

In section 60, the Critical Infrastructure Facilities Fund is amended to allow the fund to be used for a grant to a city of the primary class for design, construction, and implementation of additional water supply projects.

In section 63, the transfer from the Tobacco Settlement Trust Fund to the Health Care Cash Fund is amended to reduce the amount by \$2.5 million in FY24-25 and \$1.25 million for each year thereafter.

In section 71, transfers to and from the Cash Reserve Fund are amended to include: a transfer of \$35 million from the Jobs and Economic Development Fund in FY2023-24; a transfer of \$13.841 million from the Governor's Emergency Cash Fund in FY2023-24; a transfer of \$5 million in FY2024-25 to the State Insurance Fund; and a modification of the transfer to the Nebraska Capital Construction Fund to reduce the transfer in FY2023-24 by \$15,950,245.

Section 74 repeals original sections, and Section 75 contains the emergency clause.



Explanation of amendments:

The amendment, AM2698, strikes the original provisions and becomes the bill. The amendment contains the Appropriations Committee's recommendation related to funds and statutory provisions to carry out the mid-biennium budget recommendations. Please refer to "Appropriations Committee Budget Proposal: Mid-Biennium Budget Adjustments FY2023-24 and FY2024-25" published March, 2024.

In sections 1 and 2, \$7,000,000 in FY2023-24 and \$5,000,000 in FY2024-25 is transferred from the Nebraska Education Improvement Fund to the Education Future Fund.

In section 3, \$500,000 in FY2023-24 is transferred from the Professional Practices Commission Fund to the Education Future Fund.

In section 4, \$3,000,000 in FY2023-24 is transferred from the Records Management Cash Fund to the General Fund.

In sections 5 and 6, \$2,500,000 in FY2023-24 and \$2,500,000 in FY2024-25 is transferred from the Employment Security Special Contingent Fund to the General Fund.

In section 7, \$20,000,000 is transferred from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund in FY2024-25.

In section 8, \$5,000,000 is transferred from the Affordable Housing Trust Fund to the Middle Income Workforce Housing Investment Fund in FY2024-25.

In section 9, \$4,000,000 in FY2024-25 is transferred from the Civic and Community Center Financing Fund to the General Fund.

In section 10, the remaining unexpended balance on June 30, 2025, is transferred from the Job Training Cash Fund to the General Fund.

In section 11, \$9,000,000 in FY2024-25 is transferred from the Site and Building Development Fund to the General Fund.

In sections 12 and 13, \$1,166,542 in FY2023-24 and \$526,716 in FY2024-25 is transferred from the Department of Motor Vehicle Cash Fund to the General Fund.

In section 14, \$6,500,000 in FY2023-24 is transferred from the Water Recreation Enhancement Fund to the General Fund.

In sections 15 and 16, \$4,000,000 in FY2023-24 and \$1,000,000 in FY2024-25 is transferred from the Revenue Enforcement Fund to the General Fund.

In sections 17 and 18, \$7,000,000 in FY2023-24 and \$1,500,000 in FY2024-25 is transferred from the Charitable Gaming Operations Fund to the General Fund.

In section 19, \$7,000,000 in FY2023-24 is transferred from the Professional and Occupational Credentialing Cash Fund to the General Fund.

In sections 20 and 21, \$11,000,000 in FY2023-24 and \$4,000,000 in FY2024-25 is transferred from the Behavioral Health Services Fund to the General Fund.



In sections 22 and 23, \$14,750,000 in FY2023-24 and \$1,750,000 in FY2024-25 is transferred from the Health and Human Services Cash Fund to the General Fund.

In section 24, \$1,000,000 in FY2023-24 is transferred from the Contractor and Professional Employer Organization Registration Cash Fund to the General Fund.

In section 25, \$1,000,000 in FY2023-24 is transferred from the Nebraska Training and Support Cash Fund to the General Fund.

In section 26, \$70,000,000 in FY2023-24 is transferred from the State Unemployment Insurance Trust Fund to the General Fund.

In section 27, \$5,000,000 in FY2024-25 is transferred from the State Visitors Promotion Cash Fund to the General Fund.

In section 28, \$50,000,000 in FY2023-24 is transferred from the Jobs and Economic Development Fund to the Roads Operations Cash Fund.

Section 29 creates the Commission on African American Affairs Cash Fund.

Section 30 creates the Museum Construction and Maintenance Fund.

Section 31 amends the Water Recreation Enhancement Fund to allow transfers to the General Fund.

Section 32 amends the Employment Security Special Contingent Fund to allow transfers to the General Fund.

Section 33 amends the State Unemployment Insurance Trust Fund to allow transfers to the General Fund.

Section 34 amends the Nebraska Training and Support Fund to allow transfers to the General Fund.

Section 35 amends the Military Base Development and Support Fund to rename the fund and change permitted uses of the fund.

Section 36 amends the Affordable Housing Trust Fund to allow transfers to the Middle Income Workforce Housing Investment Fund.

Section 37 amends the State Settlement Cash Fund to allow transfers to the State Patrol Cash Fund.

Section 38 amends the Jobs and Economic Development Fund to allow transfers to the Cash Reserve Fund and the Roads Operations Cash Fund.

Section 39 amends the Medicaid Managed Care Excess Profit Fund to allow use for evidence-based early intervention home visitation programs.

Section 40 amends the Behavioral Health Services Fund to allow transfers to the General Fund.

Section 41 amends the Lead Service Line Cash Fund to provide for additional uses and define terms.

Section 42 amends the transfer from the Tobacco Settlement Trust Fund to the Health Care Cash Fund to reduce the



amount by \$2.5 million in FY24-25 and \$1.25 million for each year thereafter.

Section 43 amends requirements related to the Game and Parks Commission to provide for grants to a federally recognized Indian tribe to construct, develop, and manage a museum and visitor center honoring Chief Standing Bear. The section also amends intent language to clarify funds will be from the Museum Construction and Maintenance Fund, to strike language related to staffing by the Commission, and to strike language related to a memorandum of understanding or contract with the Nebraska State Historical Society for these purposes.

Section 44 amends the Professional Practices Commission Fund to allow transfers to the Education Future Fund.

Section 45 amends the Nebraska Education Improvement Fund to allow transfers to the Education Future Fund.

Section 46 amends the Job Training Cash Fund to allow transfers to the General Fund.

Section 47 amends the Site and Building Development Fund to allow transfers to the General Fund.

Section 48 amends language related to the categories of Site and Building Development Fund grants to clarify that a certain category of grant is to a city of the first class located in the third congressional district.

Section 49 amends the Business Innovation Act to allow for two categories of planning grants.

Section 50 amends the Shovel-Ready Capital Recovery and Investment Act to allow an additional category of qualified nonprofit.

Section 51 amends the Shovel-Ready Capital Recovery and Investment Act to extend the application deadline from July 1, 2024, to September 1, 2024.

Section 52 amends the Economic Recovery Contingency Fund to allow transfers to the Museum Construction and Maintenance Fund and to transfer \$750,000 in FY2024-25 and \$15 million in FY2025-26 from the Economic Recovery Contingency Fund to the Museum Construction and Maintenance Fund.

Section 53 authorized the Auditor of Public Accounts to continue to exercise exclusive authority to perform, or cause to be performed, the Statewide Single Audit for Federal Funds, including federal ARPA Coronavirus State Fiscal Recovery Funds.

Section 54 amends Cash Reserve Fund transfers to include the following: Increase the transfer from the Governor's Emergency Cash Fund by \$13,841,000 in FY2023-24; Reduce the transfer to the Nebraska Capital Construction Fund by \$14,450,245 in FY2023-24; Increase the transfer to the General Fund by \$3,000,000 in FY2024-25; Transfer \$2,425,000 to the Nebraska Public Safety Communication System Revolving Fund in FY2024-25; Transfer \$28,000,000 from the Jobs and Economic Development Initiative Fund in FY2023-24; Transfer \$5,000,000 to the State Insurance Fund in FY2024-25; and Transfer \$10,000,000 to the Health and Human Services Cash Fund in FY2024-25.

Section 55 amends the Universal Services Fund to authorize transfers of earnings, less transfers of earnings to the 211 Cash Fund, to the General Fund, beginning in FY2024-25.

Section 56 repeals original sections

Section 57 contains the emergency clause.



Some of the provisions in AM2698 contain provisions of bills also incorporated into LB 1412 as part of the Appropriations Committee recommendation and are listed in the committee statement for LB 1412. However, the following bills are contained solely within AM2698, and as such, are listed here:

LB 975 (Ibach) – As introduced, the bill amends the Shovel-Ready Capital Recovery and Investment Act to include an additional type of qualified non-profit under the act. The additional nonprofit is one that operates a multi-function center which provides facilities to the public for an early childhood learning center, a community event center, or an indoor and outdoor sports training center. The Committee amended the bill to also extend the application deadline from July 1, 2024, to September 1, 2024.

Motion to include LB 975 into AM 2698

Vote Result: 9-0-0-0

Voting Aye: Senator Clements, Senator Armendariz, Senator Dorn, Senator Dover, Senator Erdman, Senator Lippincott, Senator McDonnell, Senator Vargas, Senator Wishart

Voting Nay: NONE

Present Not Voting: NONE

Not Present: NONE

Testimony:

Proponents: NONE

Opponents: NONE

Neutral: NONE

LB 1233 (Wayne) – As introduced, the bill amends the provisions related to the Game and Parks Commission to change intent language related to exhibit fabrication and historical interpretation for a museum honoring Chief Standing Bear and to require the Commission to consult with the Ponca Tribe regarding the project. The Committee amended the bill as follows: Strike requirements for the commission to construct, develop, and manage the museum; authorize the commission to award a grant to a federally recognized Indian tribe to construct, develop, and manage the museum; create the Museum Construction and Maintenance Fund for this purpose; transfer \$750,000 in FY2024-25 and \$15 million in FY2025-26 from the Economic Recovery Contingency Fund from interest earned on the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund; strike intent language for the commission to staff the museum; and strike language authorizing a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of development, exhibit fabrication, and historical interpretation.

Motion to include LB 1233 as amended in AM 2698

Vote Result: 9-0-0-0

Voting Aye: Senator Clements, Senator Armendariz, Senator Dorn, Senator Dover, Senator Erdman, Senator Lippincott, Senator McDonnell, Senator Vargas, Senator Wishart

Voting Nay: NONE

Present Not Voting: NONE

Not Present: NONE

Testifiers:

Proponents: Representing:

Justin Wayne Opening Presenter

Courtney R. Chavez Ponca Tribe of Nebraska

Shanna Carpenter Ponca Tribe of Nebraska

Susan Baker Ponca Tribe of Nebraska

Candace Schmidt Ponca Tribe of Nebraska

Steve Laravie Jr. Lincoln Indian Center, Ponca Tribe of Nebraska

Judi M gaiashkibos Self



LB 1245 (McDonnell) – The bill amends provisions related to the Lead Service Line Cash Fund to define terms, including the Department of Environment and Energy, metropolitan utilities district, and qualified labor training organization. The bill also clarifies that no more than 20% of funds in the Lead Service Line Cash Fund must be used for infrastructure expenditures for a training facility or labor training or educational programming expenditures to provide trade skills for laborers and plumbers to replace lead service lines. The bill requires the department to utilize all remaining funds for grants to metropolitan utilities districts for removing and replacing lead service lines, repaying debt incurred on loans related to replacing lead service lines, providing information to residents, performing necessary construction or other service associated with removing lead services lines, or acquiring equipment and materials necessary to replace lead service lines.

Motion in include LB 1245 in AM 2698

Vote Result: 8-1-0-0

Voting Aye: Senator Clements, Senator Dorn, Senator Dover, Senator Erdman, Senator Lippincott, Senator McDonnell, Senator Vargas, Senator Wishart

Voting Nay: Senator Armendariz

Present not voting: NONE

Not Present: NONE

Testifiers:

Proponents: Representing:

Mike McDonnell Opening Presenter

Rick Kubat Metropolitan Utilities District

Opponents: NONE

Neutral: NONE

LB 1333 (Vargas) – The bill amends the Business Innovation Act to identify two types of planning grants: \$150,000 for business receiving a phase one grant under the federal grant program; and \$300,000 for a business receiving a phase two grant under the federal program.

Motion to include LB 1333 in AM 2698

Vote Results: 6-0-0-3

Voting Aye: Senator Clements, Senator Erdman, Senator Lippincott, Senator Vargas, Senator Dorn, Senator Dover

Voting Nay: None

Present Not Voting: None

Not Present: Senator Wishart, Senator McDonnell, Senator Armendariz

Testimony:

Proponents: Representing:

Senator Tony Vargas Opening Presenter

Cameron Rylance Blue Stem Biosciences

Laurel Oetken Tech Nebraska

Rob Owen Bio Nebraska

Chad Johnson Grain Weevil Corp

Opponents: None

Neutral: None

LB 1352 (Deboer) – As introduced, the bill states intent to appropriate federal ARPA Coronavirus State Fiscal Recovery Funds in FY2023-24 and FY2024-25 and intent for the Auditor of Public Accounts to continue to exercise exclusive authority to perform the Statewide Single Audit for Federal Funds, including federal ARPA Coronavirus State Fiscal Recovery Funds. The Committee amended the bill to include a new statutory section to authorize the Auditor of Public Accounts continue to exercise exclusive authority to perform, or cause to be performed, the Statewide Single Audit for Federal Funds, including federal ARPA Coronavirus State Fiscal Recovery Funds



Motion to include LB 1352 as amended in AM 2698

Vote Results:9-0-0-0

Voting Aye: Senator Clements, Senator Armendariz, Senator Dorn, Senator Dover, Senator Erdman, Senator Lippincott, Senator McDonnell, Senator Vargas, Senator Wishart

Voting Nay: NONE

Present Not Voting: NONE

Not Present: NONE

Testimony:

Proponents: Representing:

Wendy DeBoer Opening Presenter

Mike Foley Auditor of Public Accounts

Joey Adler Ruane OpenSky Policy Institute

Opponents: NONE

Neutral:

Courtney Wittstruck Nebraska Community Colleges Association

LB 1407 (Sanders) – As introduced, the bill renames the Military Base Development and Support Fund to be the Military Installation Development and Support Fund. The bill also changes the permitted uses of money in the fund to allow any project that supports any military installation and defines military installation as a base, camp, post, station, yard, center, armory, or other activity under the jurisdiction of the U.S. Department of Defense or the Nebraska Military Department. As amended, the Committee amended language related to matching requirements to allow public funds to be used for the one-to-one match for any project.

Motion to include LB 1407 to AM 2698

Vote Results: 9-0-0-0

Voting Aye: Senator Clements, Senator Armendariz, Senator Dorn, Senator Dover, Senator Erdman, Senator Lippincott, Senator McDonnell, Senator Vargas, Senator Wishart.

Voting Nay: NONE

Present Not Voting: NONE

Not Present: NONE

Testimony:

Proponents: Representing:

Rita Sanders Opening Presenter

Tim Burke Offutt Community Development Corporation

Opponents: NONE

Neutral: NONE

Robert Clements, Chairperson

