

ONE HUNDRED EIGHTH LEGISLATURE - FIRST SESSION - 2023
COMMITTEE STATEMENT
LB818

Hearing Date: Monday February 13, 2023
Committee On: Appropriations
Introducer: Arch
One Liner: Provide for transfers of funds and change and eliminate provisions regarding the sources, uses, and transfers 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	Representing: State Budget Administrator
Opponents:	Representing:
Neutral:	Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 814, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations. LB 818 amends transfers funds, amends provisions related to funds, and outright repeals sections related to funds.

In sections 1 and 2, \$1,000,000 in FY2023-24 and \$1,000,000 in FY2024-25 is transferred from the General Fund to the Cultural Preservation Endowment Fund.

In sections 3 and 4, \$5,000,000 in FY2023-24 and \$5,000,000 in FY2024-25 is transferred from the Prison Overcrowding Contingency Fund to the Vocational and Life Skills Programming Fund.

In section 5, the remaining balance of the Nebraska Competitive Telephone Marketplace Fund is transferred to the General Fund before June 20, 2024.

In section 6, the remaining balance of the Nebraska Agricultural Products Research Fund is transferred

to the General Fund before June 20, 2024.

In section 7, the bill authorizes quarterly transfers from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund of \$100,000 per quarter through June 30, 2025.

In section 8, provisions pursuant to the Nebraska Workers' Compensation Act to credit the 2.5% of the prospective loss costs a self-insurer pays to the Compensation Court Cash Fund, rather than the General Fund.

In section 9, the permitted uses of the Perkins County Canal Project Fund are amended to allow the fund to be used to "develop, construct, manage, and operate the Perkins County Canal" as outlined by the South Platte River Compact.

In sections 10 and 11, references to repealed funds are stricken.

In section 12, the HCBS Enhanced FMAP Fund is created. The fund is administered by DHHS and shall be used to enhance and expand home and community-based services spending as outlined in the American Rescue Plan Act.

Section 13 is the repealer. Section 14 outright repeals several sections, which include the Nebraska Competitive Telephone Marketplace Fund, the Nebraska Internet Enhancement Fund, and the Nebraska Agricultural Research Fund.

The bill contains the emergency clause.

Explanation of amendments:

The amendment, AM1172, becomes the bill. The amendment contains the Appropriations Committee's recommendation related to funds and statutory provisions to carry out the budget recommendations. LB 818 contains the provisions of LB 819, which is the bill introduced to amend provisions related to the Cash Reserve Fund, and several other bills, as listed beginning on page 80 of the "State of Nebraska FY 2023-24 and FY 2024-25 Biennial Budget, As Proposed by the Appropriations Committee 108th Legislature, First Session" published May, 2023.

In sections 1 and 2, \$1,000,000 in FY2023-24 and \$1,000,000 in FY2024-25 is transferred from the General Fund to the Cultural Preservation Endowment Fund.

In sections 3 and 4, \$5,000,000 in FY2023-24 and \$5,000,000 in FY2024-25 is transferred from the Prison Overcrowding Contingency Fund to the Vocational and Life Skills Programming Fund.

In section 5, the remaining balance of the Nebraska Competitive Telephone Marketplace Fund is transferred to the General Fund before June 20, 2024.

In section 6, the remaining balance of the Nebraska Agricultural Products Research Fund is transferred to the General Fund before June 20, 2024.

In section 7, the bill authorizes quarterly transfers from the Charitable Gaming Operations Fund to the Compulsive Gamblers Assistance Fund of \$100,000 per quarter through June 30, 2025.

In section 8, the use of the State Game Fund is amended to allow for payment of claims by landowners

in Nebraska for property damage caused by deer, antelope, or elk, if such payment is in compliance with federal laws and regulations. (Related to LB 744)

In sections 9 and 10, the State Park Cash Revolving Fund is amended to allow transfers to the Site and Building Development Fund and the Economic Recovery Contingency Fund and to transfer \$1,997,409 on July 1, 2023, to the Site and Building Development Fund, and to transfer \$2 million on July 1, 2023, and \$2 million on July 1, 2024 to the Economic Recovery Contingency Fund. (Related to LB 709 and LB 719)

In section 11, the Water Recreation Enhancement Fund is amended to allow transfers of investment earnings to the Panhandle Improvement Project Cash Fund and to transfer \$1 million on July 1, 2023.

In section 12, the Surface Water Irrigation Fund is amendment to credit investment earnings to the fund, pursuant to LB 125.

In section 13, the Water Resources Cash Fund is amended to restrict use of any funds transferred from the Nebraska Environmental Trust Fund to be expended in accordance with the purposes of the Nebraska Environmental Trust Act.

In section 14, the Critical Infrastructure Facilities Cash Fund is amended to allow use of the fund for a grant to an entity within a county with a population exceeding 100,000 inhabitants formed pursuant to the Interlocal Cooperation Act for the purpose of funding a portion of the cost of a wastewater system. (Related to LB 769)

In section 15, the Perkins County Canal Project Fund is amended to credit fees collected for water delivery to the fund and to allow the money in the fund to be used to “identify the optimal route and purchase land for and develop, construct, manage, and operate the Perkins County Canal”.

In section 16, the Health Care Cash Fund is amended to increase the transfer to the fund from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund from \$51 million per year to \$56.7 million in FY2023-24 and \$56.5 in FY2024-25. (Related to LB 539 and LB 802)

In section 17, the Hall of Fame Trust Fund is amended to limit the annual \$10,000 transfer to the fund from the General Fund if the balance in the fund exceeds \$50,000 on the last day of the preceding fiscal year.

In sections 18 to 20, the Capitol Restoration Cash Fund provisions are amended, and the Capitol Preservation, Restoration, and Enhancement Endowment Fund is created, pursuant to the provisions of LB 547.

In section 21, references to the Nebraska Internet Enhancement Fund are stricken.

In sections 22 and 23, the Education Future Fund is created and transfers to the fund from the General Fund are authorized, pursuant to the provisions of LB 681.

In section 24, transfers from the Nebraska Veterans' Aid Fund to the Veteran Cemetery Construction Fund are authorized, and \$4 million in FY2023-23 and \$4 million in FY2024-25 is transferred. (Related to LB 80)

In sections 25 and 26, the Site and Building Development Act is amended to allow for additional uses of the Site and Building Development Fund, including a grant to a city of the first class for riverfront improvement projects; a grant to a city of the first class for housing, employment, or programming for youth exiting foster care; and public and private initiatives to improve infrastructure in cities of the first class that have partnered with the U.S. Department of Defense or its contractors on upgrades to ground-based nuclear deterrence. Section 26 relates to matching requirements. (Related to LB 563, LB 712, and 719)

In sections 27 to 31, the Shovel-Ready Capital Recovery and Investment Act is amended to include additional eligible 501(c)(3) organizations, to reopen the application period, to amend matching requirements for qualifying projects, and to clarify intent regarding appropriations. (Related to LB 608)

In sections 32 and 33, the Economic Recovery Act is amended to increase grant limitations for grants to a nonprofit economic development organization for a business park within two miles of a major airport, to increase grant limitations to a county agricultural society with facilities in a city of the primary class, and to clarify use of the Economic Contingency Fund. (Related to LB 709 and LB 785)

In section 34, the Nebraska Environmental Trust Fund is amended to authorize transfers to the Water Resources Cash Fund, subject to a limitation that funds transferred be expended in accordance with the purposes of the Environmental Trust Fund Act.

In section 35, provisions related to the Cash Reserve Fund are amended to authorize transfers to and from the fund, as originally contained in LB 819. For a complete list of all transfers to and from the Cash Reserve Fund, please see the "State of Nebraska FY 2023-24 and FY 2024-25 Biennial Budget, As Proposed by the Appropriations Committee 108th Legislature, First Session" published May, 2023, beginning on page 3.

In section 36, references to the Nebraska Competitive Telephone Marketplace Fund are stricken.

In section 37, the Nebraska Telecommunications Universal Service Fund is amended to authorize transfers of earnings to the Cash Reserve Fund and to transfer \$1.2 million to the 211 Cash Fund in FY2023-24 and \$1.455 million in FY2024-25 to the 211 Cash Fund.

In section 38, the HCBS Enhanced FMAP Fund is created, and use is prescribed.

In section 39, the Department of Health and Human Services is required to submit a state plan

amendment to the federal Administration for Children and Families to allow Temporary Assistance for Needy Families funds to be used for activities of child advocacy centers; coordination activities of the state chapter of child advocacy centers; domestic violence services; and grants to nonprofits that provide food assistance. (Related to LB 112, LB 739, and LB 763)

In section 40, the Economic Development Cash Fund is created, and use is prescribed. (Related to LB 617)

In section 41, the Lead Service Line Cash Fund is created, and use is prescribed. (Related to LB 613)

In section 42, the Panhandle Improvement Project Cash Fund is created, and use is prescribed.

In sections 43 and 44, grant program criteria for a grant for youth outdoor education programs are prescribed, and the Youth Outdoor Education Innovation Fund is created. (Related to LB 281)

Section 45 is the repealer. Section 46 outright repeals sections 72-2208, 81-1278, 81-1279, 81-1280, 86-127, and 86-579. Section 47 adds the emergency clause.

Many of the provisions in AM1172 contain provisions of bills also incorporated into LB 814 as part of the Appropriations Committee recommendation and are listed in the committee statement for LB 814.

However, the following bills are contained solely within AM1172, and as such, are listed here:

LB 125 (Bostelman)

Motion to include LB 125 in AM 1172

Vote Results: 9-0-0

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

Voting Nay: None

Present Not Voting: None

Testimony:

Proponents:

Senator Bruce Bostelman

Scott Snell

Opponents: None

Neutral: None

Representing:

District 23

Nebraska State Irrigation Association

LB 547 (Conrad)

Motion to include LB 547 in AM 1172

Vote Results: 9-0-0

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

Voting Nay: None

Present Not Voting: None

Testimony:

Proponents:

Senator Danielle Conrad

Curt Bromm

Jull Bolberg

Opponents: None

Neutral: None

Representing:

District 46

Association of Former NE Legislators

History Nebraska, Capitol Commission

LB 681 (Clements) with AM193

Vote to include LB 681 with AM 193 in AM 1172

Vote Results: 9-0-0

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

Voting Nay: None

Present Not Voting: None

Testimony:

Proponents:

Representing:

Governor Jim Pillen
Lee Will
Mark McHargue

Jack Moles
Josh Fields
Kyle Fairbairn
Brad Wilkens
John Schwatz

Liz Standish
Ben Welsch
Dave Welsch

Opponents:

Brianna Full
Shane Rhian

Neutral:

None

Governor
Governor's Budget Office
Nebraska Farm Bureau, Nebraska Corn Growers Association, Nebraska
Soybean Association, Nebraska Pork Producers Association
Nebraska Rural Community Schools Association (NRCSA)
STANCE (schools taking action for Nebraska children's Education)
GNSA (greater Nebraska Schools Association)
Nebraska Association of school Boards
self
Lincoln Public Schools
Nebraska State Education Association
self, Milford Public schools

Omaha Public Schools (OPS)
Omaha Public Schools (OPS)

LB 744 (Erdman) amended to not increase the earmark amount for wildlife damage payments, but to amend language in the State Game Fund statute to permit use of that fund for wildlife damage payments.

Vote to include LB 744 in AM 1172

Vote Results: 9-0-0

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

Voting Nay: None

Present Not Voting: None

Testimony:

Proponents: Representing:
Senator Steve Erdman District 47

Opponents:
Timothy McCoy Nebraska Game and Parks
Neutral: None

LB 819 (Arch) as amended to include Cash Reserve Fund transfers approved by the Appropriations Committee.

Motion to include LB 819 in AM 1172

Vote Results: 9-0-0

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

Voting Nay: None

Present Not Voting: None

Testimony:

Proponents:
Lee Will

Representing:
State Budget Administrator

Robert Clements, Chairperson