

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB264**

---

**Hearing Date:** Tuesday February 18, 2025  
**Committee On:** Appropriations  
**Introducer:** Speaker Arch  
**One Liner:** Provide, change, and eliminate transfers from the Cash Reserve Fund and various other funds and change, terminate, and eliminate various statutory programs

---

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

---

**Vote Results:**

<b>Aye:</b>	8	Senators Clements, Armendariz, Dorn, Dover, Lippincott, Prokop, Spivey, Strommen
<b>Nay:</b>	1	Senator Cavanaugh, M.
<b>Absent:</b>		
<b>Present Not Voting:</b>		

---

**Testimony:**

**Proponents:**

Neil Sullivan

**Opponents:**

Craig Beck  
Carol Bodeen

Bryan Slone

Drew Larsen  
Katie Torpy  
Benjamin Davis  
Ryan McIntosh  
Ansley Fellers  
Dexter Schrodtt  
Korby Gilbertson

Brent Smoyer

Jen Goettemoeller-Wendl  
Ken Schilz  
Natalie Peetz

**Representing:**

Opening Presenter

**Representing:**

OpenSky Policy Institute  
Nebraska Housing Developers Association,  
Nebraska Economic Developers Association  
Nebraska Chamber of Commerce & Industry, Greater  
Omaha Chamber of Commerce, Lincoln Chamber of  
Commerce  
Pheasants Forever  
The Nature Conservancy  
Nebraska Advocacy Group  
Nebraska Bankers Association  
Nebraska Grocery Industry Association  
Nebraska Independent Community Bankers  
Nebraska Realtors association, Habitat for  
Humanity-Omaha, Nebraska State Homebuilders  
Association, Homebuilders association fo Lincoln,  
Metro Omaha Builders Association Coalition  
Nebraska Travel Association, Nebraska Rural  
Broadband alliance, Northwestern Energy  
First Five Nebraska  
Keith County Area Development  
Friends of Know County



**Neutral:**

Mark McHargue

**Representing:**

Nebraska Farm Bureau

\* ADA Accommodation Written Testimony

---

**Summary of purpose and/or changes:**

LB 264, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations. LB 264 transfers funds, amends provisions related to funds, and outright repeals sections related to funds.

---

**Explanation of amendments:**

The amendment, AM835, becomes the bill. The amendment contains the Appropriations Committee's recommendation related to funds and statutory provisions to carry out the budget recommendations. The Appropriations Committee report "State of Nebraska FY 2025-26 and FY 2026-27 Biennial Budget, As Proposed by the Appropriations Committee 109th Legislature, First Session", published April 2025, contains a detailed discussion of the Committee recommendation.

Sections 1 to 85 contain transfers between various funds, as follows:

- \$8.25 million from the State Insurance Fund to the General Fund in FY25;
- \$1 million from the Flexible Spending Fund to the General Fund in FY25;
- \$125,000 from the Resource Recovery Fund to the General Fund in FY25;
- \$2.5 million from the Recreation Road Fund to the State Park Cash Revolving Fund in FY25;
- Remaining balance of the Youth Outdoor Education Innovation Fund to the General Fund in FY26;
- \$1 million from the General Fund to the Cultural Preservation Endowment Fund in FY26;
- \$25.5 million from the Military Installation Development and Support Fund to the Site and Building Development Fund in FY26;
- \$800,000 from the Flexible Spending Fund to the General Fund in FY26;
- \$4.5 million from the Site and Building Development Fund to the General Fund in FY26;
- \$27.7 million from the Water Recreation Enhancement Fund to the General Fund in FY26;
- Remaining balance of the Economic Development Cash Fund to the General Fund in FY26;
- Remaining balance of the Intern Nebraska Cash Fund to the General Fund in FY26;
- \$15 million from the Economic Recovery Contingency Fund to the General Fund in FY26;
- \$4.4 million from the Jobs and Economic Development Cash Fund to the General Fund in FY26;
- \$5.5 million from the Vehicle Title and Registration System Replacement and Maintenance Cash Fund to the General Fund in FY26;
- \$2.5 million from the Recreation Road Fund to the State Park Cash Revolving Fund in FY26;
- \$5 million from the Economic Recovery Contingency Fund to the State Park Cash Revolving Fund in FY26;
- \$1 million from the State Visitors Promotion Fund to the General Fund in FY26;
- \$4 million from the Motor Carrier Services System Replacement Fund to the General Fund in FY26;
- \$3 million from the Financial Institution Assessment Cash Fund to the General Fund in FY26;
- Remaining balance of the Customized Job Training Cash Fund to the General Fund in FY26;
- \$2 million from the Department of Revenue Enforcement Fund to the General Fund in FY26;
- \$1.75 million from the Nebraska Training and Support Cash Fund to the General Fund in FY26;
- \$1.5 million from the Employment Security Special Contingent Fund to the General Fund in FY26;
- \$1 million from the Workforce Development Fund to the General Fund in FY26;
- \$1 million from the Unclaimed Property Trust Fund to the General Fund in FY26;



- \$1 million from the Records Management Cash Fund to the General Fund in FY26;
- \$500,000 from the Department of Motor Vehicles Cash Fund to the General Fund in FY26;
- \$500,000 from the Treasury Management Cash Fund to the General Fund in FY26;
- \$400,000 from the Engineers and Architects Regulation Fund to the General Fund in FY26;
- \$1 million from the Department of Banking and Finance Settlement Cash Fund to the General Fund in FY26;
- Remaining balance of the Nuclear and Hydrogen Development Fund to the General Fund in FY26;
- \$200,000 from the Sector Partnership Program Fund to the General Fund in FY26;
- \$150,000 from the Real Property Appraiser Fund to the General Fund in FY26;
- \$75,000 from the Nebraska Job Creation and Mainstreet Revitalization Fund to the General Fund in FY26;
- \$100,000 from the Appraisal Management Company Fund to the General Fund in FY26;
- \$100,000 from the Historical Society Fund to the General Fund in FY26;
- \$100,000 from the Contractor and Professional Employer Organization Registration Fund to the General Fund in FY26;
- \$10,000 from the Support Nebraska History Fund to the General Fund in FY26;
- \$26,243 from the Public Service Commission Pipeline Regulation Fund to the General Fund in FY26;
- Remaining balance of the 211 Cash Fund to the General Fund in FY26;
- Remaining balance of the Lead-Based Paint Hazard Control Cash Fund to the General Fund in FY26;
- Remaining balance of the Biotechnology Development Cash Fund to the General Fund in FY26;
- Remaining balance of the Department of Revenue Miscellaneous Receipts Cash Fund to the General Fund in FY26;
- Remaining balance of the Competitive Telephone Marketplace Fund to the General Fund in FY26;
- \$76,156 from the Nebraska Legislative Shared Information System Cash Fund to the General Fund in FY26;
- \$354,000 from the Health and Human Services Cash Fund to the General Fund in FY26;
- \$100,000 from the Charitable Gaming Operations Fund to the General Fund in FY26;
- \$4 million from the Lead Service Line Cash Fund to the General Fund in FY26;
- \$500,000 from the Community College State Dependents Fund to the General Fund in FY26;
- \$750,000 from the Compensation Court Cash Fund to the General Fund in FY26;
- \$450,000 from the Trail Development and Maintenance Fund to the General Fund in FY26;
- \$500,000 from the Grade Crossing Protection Fund to the General Fund in FY26;
- \$500,000 from the Prison Overcrowding Contingency Fund to the General Fund in FY26;
- \$400,000 from the Shovel-Ready Capital Recovery and Investment Fund to the General Fund in FY26;
- \$4 million from the Rural Workforce Housing Investment Fund to the General Fund in FY26;
- \$4 million from the Middle Income Workforce Housing Investment Fund to the General Fund in FY26;
- \$3 million from the Nebraska Environmental Trust Fund to the Water Resources Cash Fund in FY26;
- \$8 million from the Nebraska Environmental Trust Fund to the Water Sustainability Fund in FY26;
- \$2 million from the Nebraska Environmental Trust Fund to the Soil and Water Conservation Fund in FY26;
- \$2 million from the Workforce Development Program Fund to the Nebraska Opportunity Grant Fund in FY26;
- \$250,000 from the Marijuana and Controlled Substances Tax Administration Fund to the Department of Revenue Property Assessment Division Cash Fund before June 30, 2026;
- \$3 million from the Community College Gap Assistance Fund to the Education Future Fund in FY26;
- \$1.7 million from the Nebraska Education Improvement Fund to the Education Future Fund in FY26;
- \$1 million from the Certification Fund to the Education Future Fund in FY26;
- \$100,000 from the Tuition Recovery Fund to the Education Future Fund in FY26;
- \$100,000 from the Private Postsecondary Career Schools Cash Fund to the Education Future Fund in FY26;
- \$800,000 from the State Department of Education Cash Fund to the Education Future Fund in FY26;
- \$50,000 from the Expanded Learning Opportunity Grant Fund to the Education Future Fund in FY26;
- \$50 million from the Nebraska Tobacco Settlement to the Transformational Project Fund in FY26;
- \$1 million from the General Fund to the Cultural Preservation Endowment Fund in FY27;
- \$50 million from the Nebraska Tobacco Settlement to the Transformational Project Fund in FY27;
- \$2 million from the Nebraska Environmental Trust Fund to the Soil and Water Conservation Fund in FY27;



- \$2 million from the Department of Revenue Enforcement Fund to the General Fund in FY27;
- \$500,000 from the Charitable Gaming Operations Fund to the General Fund in FY27;
- \$1.5 million from the Vehicle Title Registration System Replacement Fund to the General Fund in FY27;
- \$1 million from the Motor Carrier Services System Replacement and Maintenance Fund to the General Fund in FY27;
- \$250,000 from the Department of Motor Vehicles Ignition Interlock Fund to the General Fund in FY27;
- \$5 million from the Economic Recovery Contingency Fund to the State Park Cash Revolving Fund in FY27;
- \$1 million from the State Visitors Promotion Fund to the General Fund in FY27;
- \$3 million from the ImagiNE Nebraska Revolving Loan Fund to the General Fund in FY27;
- \$3 million from the Motor Carrier Services System Replacement Fund to the Department of Motor Vehicles Cash Fund in FY26;
- \$3 million from the Motor Carrier Services System Replacement Fund to the Department of Motor Vehicles Cash Fund in FY27;
- \$7.5 million from the Department of Motor Vehicles Cash Fund to the Operator's License Services System Replacement Fund in FY26; and
- \$6 million from the Department of Motor Vehicles Cash Fund to the Operator's License Services System Replacement Fund in FY27.

In section 86, the Soil and Water Conservation Cash Fund is amended to require a subaccount for any funds received from the Nebraska Environmental Trust Fund and expended in accordance with section 81-15,186.

In section 87, the Financial Institution Assessment Cash Fund is amended to authorize transfers to the General Fund.

In section 88, provisions related to the Charitable Gaming Operations Fund to authorize transfers for FY26 to the Compulsive Gamblers Assistance Fund.

In section 89, the Trail Development and Maintenance Fund is amended to authorize transfers to the General Fund.

In section 90, the Water Recreation Enhancement Fund is amended to expand the purposes of the fund and to authorize transfers to the General Fund.

In section 91, the State Recreation Road Fund is amended to authorize transfers to the State Park Cash Revolving Fund.

In section 92, the Surface Water Irrigation Fund is amended to authorize the crediting of investment earnings to the General Fund through FY27.

In section 93, the Compensation Court Cash Fund is amended to authorize transfers to the General Fund.

In section 94, the Sector Partnership Program Fund is amended to authorize transfers to the General Fund.

In section 95, the Biotechnology Development Cash Fund is amended to authorize transfers to the General Fund, and is terminated on July 1, 2026.

In section 96, the Military Installation Development and Support Fund is amended to authorize transfers to the Site and Building Development Fund.

In section 97, the Public Service Commission Pipeline Regulation Fund is amended to authorize transfers to the



General Fund.

In section 98, the Motor Carrier Services System Replacement and Maintenance Fund is amended to authorize transfers to the General Fund and to the Department of Motor Vehicles Cash Fund.

In section 99, the Vehicle Title and Registration System Replacement Fund is amended to authorize transfers to the General Fund.

In section 100, the Department of Motor Vehicles Cash Fund is amended to authorize transfers to the Operator's License Services System Replacement and Maintenance Fund.

In section 101, the Water Resources Cash Fund is amended to require a subaccount for any funds received from the Nebraska Environmental Trust Fund and expended in accordance with section 81-15,186.

In section 102, the Water Sustainability Fund is amended to require a subaccount for any funds received from the Nebraska Environmental Trust Fund and expended in accordance with section 81-15,186 and is also amended to eliminate an obsolete provision.

In section 103, the Perkins County Canal Project Fund is amended to authorize the crediting of investment earnings to the General Fund.

In section 104, the Jobs and Economic Development Cash Fund is amended to authorize transfers to the General Fund.

In section 105, the Nuclear and Hydrogen Development Fund is amended to authorize transfers to the General Fund.

In section 106, the post-acute care pilot program is terminated on June 30, 2025.

In section 107, transfers from the Unclaimed Property Trust Fund are authorized to the Capitol Restoration Cash Fund from 2026 through 2035 (LB 451).

In section 108, the Lead Service Line Cash Fund is amended to authorize transfers to the General Fund and eliminate provisions related to training programs.

In section 109, the Nebraska Tobacco Settlement Trust Fund is amended to authorize transfers to the Transformational Project Fund.

In section 110, the Nebraska Health Care Cash Fund is amended to change transfer amounts from the Nebraska Tobacco Settlement Trust Fund and to eliminate obsolete provisions.

In section 111, the Board of Educational Lands and Funds cash fund is amended to credit investment earnings to the fund beginning July 1, 2025.

In section 112, the Nebraska Capital Construction Fund is amended to authorize the crediting of investment earnings to the General Fund for FY26.

In section 113, the Capitol Restoration Cash Fund is amended to reflect transfers from the Unclaimed Property Trust Fund (LB 451).



In section 114, the administration authority of the Ferguson House Fund is amended to be used by the building division of the Department of Administrative Services.

In section 115, the Grade Crossing Protection Fund is amended to authorize transfers to the General Fund.

In section 116, the 211 Cash Fund is amended to authorize transfers to the General Fund.

In section 117, the Nebraska Appraisal Management Company Fund is amended to authorize transfers to the General Fund.

In section 118, the Nebraska Job Creation and Mainstreet Revitalization Fund is amended to authorize transfers to the General Fund.

In section 119, the transfers from the Tobacco Products Administration Cash Fund are amended to increase FY26 and FY27 transfers to \$9.5 million per year.

In section 120, the Marijuana and Controlled Substances Administration Cash Fund is amended to authorize transfers to the Department of Revenue Property Assessment Cash Fund.

In section 121, the ImagiNE Nebraska Revolving Loan Fund is amended to authorize transfers to the General Fund.

In section 122, the Certification Fund is amended to authorize transfers to the Education Future Fund.

In section 123, the State Department of Education Cash Fund is amended to authorize transfers to the Education Future Fund.

In section 124, the Expanded Learning Opportunity Grant Fund is amended to authorize transfers to the Education Future Fund.

In section 125, the Nebraska Education Improvement Fund is amended to authorize transfers to the Education Future Fund.

In section 126, the Department of Banking and Finance Settlement Cash Fund is amended to authorize transfers to the General Fund.

In section 127, the Workforce Development Program Fund is amended to authorize transfers to the General Fund and the Nebraska Opportunity Grant Fund.

In section 128, the State Insurance Fund is amended to authorize transfers to the General Fund.

In section 129, the Intern Nebraska Cash Fund is amended to authorize transfers to the General Fund.

In section 130, the Lead-Based Paint Hazard Control Fund is amended to authorize transfers to the General Fund.

In section 131, the Economic Development Cash Fund is amended to authorize transfers to the General Fund.

In section 132, the Youth Outdoor Education Innovation Fund is amended to authorize transfers to the General Fund.

In section 133, the Customized Job Training Cash Fund is amended to authorize transfers to the General Fund.



In section 134, the Rural Workforce Housing Investment Fund is amended to authorize transfers to the General Fund.

In section 135, the Middle Income Workforce Housing Investment Fund is amended to authorize transfers to the General Fund.

In sections 136 to 148, the Transformational Projects Act is amended to change eligibility, matching requirements for applicants, and distribution of funds.

In section 149, the Shovel-Ready Capital Recovery and Investment Fund is amended to authorize transfers to the General Fund.

In section 150, the Economic Recovery Contingency Fund is amended to authorize transfers to the General Fund and the State Park Cash Revolving Fund, to credit investment earnings to the General Fund, to eliminate transfers, and to clarify obligations of the fund.

In section 151, provisions related to the federal Coronavirus Capital Projects Funds are amended to eliminate provisions related to the Nebraska Broadband Bridge Act.

In section 152, the Community College State Dependents Fund is amended to authorize transfers to the General Fund.

In section 153, the Nebraska Environmental Trust Fund is amended to authorize transfers to the Nebraska Soil and Water Conservation Fund and the Water Sustainability Fund.

In section 154, the Support Nebraska History Fund is amended to authorize transfers to the General Fund.

In section 155, the Prison Overcrowding Contingency Fund is amended to authorize transfers to the General Fund.

In section 156, the Cash Reserve Fund is amended to eliminate obsolete transfer provisions and to transfer \$45,897,000 from the fund to the Nebraska Capital Construction Fund in FY26, \$100,000 from the fund to the Self-Insured Liability Fund in FY25, and to state intent to transfer funds as necessary for distribution beginning in FY28 to the Nebraska Transformational Project Fund.

In section 157, provisions related to crediting of investment earnings on several funds are amended beginning July 1, 2025.

In section 158, the Private Postsecondary Career Schools Cash Fund is amended to authorize transfers to the Education Future Fund.

In section 159, the Tuition Recovery Cash Fund is amended to authorize transfers to the Education Future Fund.

In section 160, the Community College Gap Assistance Program Fund is amended to authorize transfers to the Education Future Fund.

In section 161, the Nebraska Telecommunications Universal Service Fund is amended to credit all investments earnings to the General Fund through FY2028-29 and eliminate provisions related to transfers to the 211 Cash Fund.

In section 162, the 911 Service System Fund is amended to credit investment earnings to the General Fund.





Section 163 contains an operative date for the sections related to the Ferguson House Fund.

Section 164 and 165 repeal the original sections of the statutes amended by the bill.

Section 166 outright repeals the Nebraska Nonprofit Security Grant Program Act (81-829.06 to 81-829.11); the Customized Job Training Act (81-1214, 81-1215, 81-1217, 81-1218, and 81-1219); the small business grant program (81-12,234 to 81-12,237); and obsolete provisions related to the Economic Recovery Act (81-12,144).

Section 167 is the emergency clause.

The following bill is incorporated into AM835:

LB 451 (Prokop) – The bill transfers money from the Unclaimed Property Trust Fund to the Capitol Restoration Cash Fund. The Committee amended the original bill to change the dates of the transfers to begin in 2026 and end in 2035. The bill, as amended, transfers the first \$1 million in the Unclaimed Property Trust Fund each year to the Capitol Restoration Cash Fund on November 1 of each year, beginning in 2026 until 2035. The bill provides that the remaining funds are transferred to the permanent school fund. The provisions of LB451 are contained in sections 107 and 113 of AM835.

Testifiers on LB451:

Proponents:

Senator Jason Prokop , Opening Presenter

Vicki McDonald, Former State Legislators

Bob Ripley, Self

Vincent 'Josephine' Litwinowicz, Higher Power Church

Kent Rogert, Nebraska Association of Former State Legislators

Opponents: None

Neutral: None

Committee vote to attach LB451:

Yes: 7 Clements, Armendariz, Dorn, Dover, Lippincott, Prokop, Strommen;

No: 0;

Absent: 0;

Present Not Voting: 2 Cavanaugh, M., Spivey;

---

Robert Clements, Chairperson

