

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1229

Introduced by Strommen, 47; Storer, 43; Storm, 23.

Read first time January 21, 2026

Committee: Appropriations

1 A BILL FOR AN ACT relating to appropriations; to create the Rural Health
2 Transformation Fund; to provide requirements for application for and
3 use of certain funds; and to declare an emergency.
4 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** The Rural Health Transformation Fund is created. The
2 State Treasurer shall credit to the fund any money received from the
3 federal Centers for Medicare and Medicaid Services for the Rural Health
4 Transformation Program that was authorized by the One Big Beautiful Bill
5 Act, Section 71401 of Public Law 119-21. The money in the fund shall be
6 expended for purposes authorized by the federal law and no other purpose.
7 No transfers to any other fund or program of state government shall be
8 authorized by the Legislature, and no other use of such money shall be
9 implemented by the Governor. The state investment officer shall invest
10 any money in the fund available for investment pursuant to the Nebraska
11 Capital Expansion Act and the Nebraska State Funds Investment Act.
12 Investment earnings shall be credited to the fund.

13 **Sec. 2.** (1) Any application on behalf of the State of Nebraska for
14 funds from the federal Centers for Medicare and Medicaid Services for the
15 Rural Health Transformation Program that was authorized by the One Big
16 Beautiful Bill Act, Section 71401 of Public Law 119-21, shall be
17 electronically reported to the Clerk of the Legislature. Any expenditure
18 of money received pursuant to an application shall be limited to the uses
19 approved in the application. The applicant shall post all awards, direct
20 and indirect, and all grants on the website of the Department of Health
21 and Human Services.

22 (2) The applicant shall electronically report all expenditures of
23 such money to the Clerk of the Legislature on an annual basis. The report
24 shall include a list of all beneficiaries that includes direct awards and
25 indirect awards passed through from the direct awards and any outcomes
26 and metrics collected.

27 (3) The Clerk of the Legislature shall post all information received
28 under this section on the website of the Legislature.

29 **Sec. 3.** No expenditure of money from the Rural Health
30 Transformation Fund shall supplant state rural health spending from the
31 prior fiscal year. Any initiative which applies to receive any money from

1 the fund shall receive approval for a sustainability plan prior to
2 distribution of any money.

3 **Sec. 4.** Since an emergency exists, this act takes effect when
4 passed and approved according to law.