

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.