LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 298

Introduced by Speaker Scheer, 19; at the request of the Governor.

Read first time January 15, 2019

Committee: Appropriations

A BILL FOR AN ACT relating to appropriations; to amend sections 61-218, 71-7611, and 86-563, Reissue Revised Statutes of Nebraska, and sections 45-621, 81-15,175, and 84-1227, Revised Statutes Cumulative Supplement, 2018; to authorize, provide, change, and eliminate fund transfer provisions; to repeal funds; to harmonize provisions; to repeal the original sections; to outright repeal sections 81-1327 and 86-566, Reissue Revised Statutes of Nebraska; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,
Section 1. The State Treasurer shall transfer $272,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2019, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 2. The State Treasurer shall transfer $272,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2020, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 3. The State Treasurer shall transfer $11,000,000 from the General Fund to the Water Sustainability Fund on or before June 30, 2020, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 4. The State Treasurer shall transfer $11,000,000 from the General Fund to the Water Sustainability Fund on or before June 30, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 5. The State Treasurer shall transfer $3,300,000 from the General Fund to the Water Resources Cash Fund on or before June 30, 2020, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 6. The State Treasurer shall transfer $3,300,000 from the General Fund to the Water Resources Cash Fund on or before June 30, 2021, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 7. The State Treasurer shall transfer the remaining balance of the Accounting Division Cash Fund to the Election Administration Fund on or before June 30, 2020, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 8. The State Treasurer shall transfer $255,540 from the Records Management Cash Fund to the Election Administration Fund on or
before June 30, 2020, on such dates and in such amounts as directed by
the budget administrator of the budget division of the Department of
Administrative Services.

Sec. 9. The State Treasurer shall transfer $10,594 from the Records
Management Cash Fund to the Election Administration Fund on or before
June 30, 2021, on such dates and in such amounts as directed by the
budget administrator of the budget division of the Department of
Administrative Services.

Sec. 10. The State Treasurer shall transfer $55,290 from the
Nebraska Collection Agency Fund to the Secretary of State Administration
Cash Fund on or before June 30, 2020, on such dates and in such amounts
as directed by the budget administrator of the budget division of the
Department of Administrative Services.

Sec. 11. The State Treasurer shall transfer the remaining balance
of human resources management system assessment revenue plus related
accumulated interest from the Personnel Division Revolving Fund to the
Accounting Division Revolving Fund on or before June 30, 2020, on such
date as directed by the budget administrator of the budget division of
the Department of Administrative Services.

Sec. 12. Section 45-621, Revised Statutes Cumulative Supplement, 2018, is amended to read:

45-621 (1) All fees collected under the Collection Agency Act shall
be remitted to the State Treasurer for credit to a special fund to be
known as the Nebraska Collection Agency Fund. The board may use the fund
as may be necessary for the proper administration and enforcement of the
act. The fund shall be paid out only on proper vouchers approved by the
board and upon warrants issued by the Director of Administrative Services
and countersigned by the State Treasurer as provided by law. All fees and
expenses of the Attorney General in representing the board pursuant to
the act shall be paid out of such fund. Transfers from the fund to the
Election Administration Fund, the Secretary of State Administration Cash
Fund, or the General Fund may be made at the direction of the Legislature. Any money in the Nebraska Collection Agency Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) On or before July 5, 2013, the State Treasurer shall transfer one hundred thousand dollars from the Nebraska Collection Agency Fund to the Election Administration Fund.

Sec. 13. Section 61-218, Reissue Revised Statutes of Nebraska, is amended to read:

61-218 (1) The Water Resources Cash Fund is created. The fund shall be administered by the Department of Natural Resources. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The State Treasurer shall credit to the fund such money as is (a) transferred to the fund by the Legislature, (b) paid to the state as fees, deposits, payments, and repayments relating to the fund, both principal and interest, (c) donated as gifts, bequests, or other contributions to such fund from public or private entities, (d) made available by any department or agency of the United States if so directed by such department or agency, (e) allocated pursuant to section 81-15,175, and (f) received by the state for settlement of claims regarding Colorado's past use of water under the Republican River Compact.

(3) The fund shall be expended by the department (a) to aid management actions taken to reduce consumptive uses of water or to enhance streamflows or ground water recharge in river basins, subbasins, or reaches which are deemed by the department overappropriated pursuant to section 46-713 or fully appropriated pursuant to section 46-714 or are bound by an interstate compact or decree or a formal state contract or
agreement, (b) for purposes of projects or proposals described in the
grant application as set forth in subdivision (2)(h) of section
81-15,175, and (c) to the extent funds are not expended pursuant to
subdivisions (a) and (b) of this subsection, the department may conduct a
statewide assessment of short-term and long-term water management
activities and funding needs to meet statutory requirements in sections
46-713 to 46-718 and 46-739 and any requirements of an interstate compact
or decree or formal state contract or agreement. The fund shall not be
used to pay for administrative expenses or any salaries for the
department or any political subdivision.

(4) It is the intent of the Legislature that three million three
hundred thousand dollars be transferred each fiscal year from the General
Fund to the Water Resources Cash Fund for FY2011-12 through FY2022-23
FY2018-19, except that for FY2012-13 it is the intent of the Legislature
that four million seven hundred thousand dollars be transferred from the
General Fund to the Water Resources Cash Fund. It is the intent of the
Legislature that the State Treasurer credit any money received from any
Republican River Compact settlement to the Water Resources Cash Fund in
the fiscal year in which it is received.

(5)(a) Expenditures from the Water Resources Cash Fund may be made
to natural resources districts eligible under subsection (3) of this
section for activities to either achieve a sustainable balance of
consumptive water uses or assure compliance with an interstate compact or
decree or a formal state contract or agreement and shall require a match
of local funding in an amount equal to or greater than forty percent of
the total cost of carrying out the eligible activity. The department
shall, no later than August 1 of each year, beginning in 2007, determine
the amount of funding that will be made available to natural resources
districts from the Water Resources Cash Fund and notify natural resources
districts of this determination. The department shall adopt and
promulgate rules and regulations governing application for and use of the
Water Resources Cash Fund by natural resources districts. Such rules and
regulations shall, at a minimum, include the following components:

(i) Require an explanation of how the planned activity will achieve
a sustainable balance of consumptive water uses or will assure compliance
with an interstate compact or decree or a formal state contract or
agreement as required by section 46-715 and the controls, rules, and
regulations designed to carry out the activity; and

(ii) A schedule of implementation of the activity or its components,
including the local match as set forth in subdivision (5)(a) of this
section.

(b) Any natural resources district that fails to implement and
enforce its controls, rules, and regulations as required by section
46-715 shall not be eligible for funding from the Water Resources Cash
Fund until it is determined by the department that compliance with the
provisions required by section 46-715 has been established.

(6) The Department of Natural Resources shall submit electronically
an annual report to the Legislature no later than October 1 of each year,
beginning in the year 2007, that shall detail the use of the Water
Resources Cash Fund in the previous year. The report shall provide:

(a) Details regarding the use and cost of activities carried out by
the department; and

(b) Details regarding the use and cost of activities carried out by
each natural resources district that received funds from the Water
Resources Cash Fund.

(7)(a) Prior to the application deadline for fiscal year 2011-12,
the Department of Natural Resources shall apply for a grant of nine
million nine hundred thousand dollars from the Nebraska Environmental
Trust Fund, to be paid out in three annual installments of three million
three hundred thousand dollars. The purposes listed in the grant
application shall be consistent with the uses of the Water Resources Cash
Fund provided in this section and shall be used to aid management actions
taken to reduce consumptive uses of water, to enhance streamflows, to
recharge ground water, or to support wildlife habitat in any river basin
determined to be fully appropriated pursuant to section 46-714 or
designated as overappropriated pursuant to section 46-713.

(b) If the application is granted, funds received from such grant
shall be remitted to the State Treasurer for credit to the Water
Resources Cash Fund for the purpose of supporting the projects set forth
in the grant application. The department shall include in its grant
application documentation that the Legislature has authorized a transfer
of three million three hundred thousand dollars from the General Fund
into the Water Resources Cash Fund for each of fiscal years 2011-12 and
2012-13 and has stated its intent to transfer three million three hundred
thousand dollars to the Water Resources Cash Fund for fiscal year
2013-14.

(c) It is the intent of the Legislature that the department apply
for an additional three-year grant that would begin in fiscal year
2014-15, and an additional three-year grant from the Nebraska
Environmental Trust Fund that would begin in fiscal year 2017-18, and an
additional three-year grant from the Nebraska Environmental Trust Fund
that would begin in fiscal year 2020-21 if the criteria established in
subsection (4) of section 81-15,175 are achieved.

(8) The department shall establish a subaccount within the Water
Resources Cash Fund for the accounting of all money received as a grant
from the Nebraska Environmental Trust Fund as the result of an
application made pursuant to subsection (7) of this section. At the end
of each calendar month, the department shall calculate the amount of
interest earnings accruing to the subaccount and shall notify the State
Treasurer who shall then transfer a like amount from the Water Resources
Cash Fund to the Nebraska Environmental Trust Fund.

Sec. 14. Section 71-7611, Reissue Revised Statutes of Nebraska, is
amended to read:
71-7611 (1) The Nebraska Health Care Cash Fund is created. The State Treasurer shall transfer (a) sixty million three hundred thousand dollars on or before July 15, 2014, (b) sixty million three hundred fifty thousand dollars on or before July 15, 2015, (c) sixty million three hundred fifty thousand dollars on or before July 15, 2016, (d) sixty million seven hundred thousand dollars on or before July 15, 2017, (e) five hundred thousand dollars on or before May 15, 2018, (f) sixty-one million six hundred thousand dollars on or before July 15, 2018, and (g) sixty-one million three hundred fifty thousand dollars on or before July 15, 2019, and (h) sixty million four hundred fifty thousand dollars on or before every July 15 thereafter from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund, except that such amount shall be reduced by the amount of the unobligated balance in the Nebraska Health Care Cash Fund at the time the transfer is made. The state investment officer shall advise the State Treasurer on the amounts to be transferred first from the Nebraska Medicaid Intergovernmental Trust Fund until the fund balance is depleted and from the Nebraska Tobacco Settlement Trust Fund thereafter in order to sustain such transfers in perpetuity. The state investment officer shall report electronically to the Legislature on or before October 1 of every even-numbered year on the sustainability of such transfers. The Nebraska Health Care Cash Fund shall also include money received pursuant to section 77-2602. Except as otherwise provided by law, no more than the amounts specified in this subsection may be appropriated or transferred from the Nebraska Health Care Cash Fund in any fiscal year.

The State Treasurer shall transfer ten million dollars from the Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on June 28, 2018, and June 28, 2019.

It is the intent of the Legislature that no additional programs are funded through the Nebraska Health Care Cash Fund until funding for all...
programs with an appropriation from the fund during FY2012-13 are
restored to their FY2012-13 levels.

(2) Any money in the Nebraska Health Care Cash Fund available for
investment shall be invested by the state investment officer pursuant to
the Nebraska Capital Expansion Act and the Nebraska State Funds
Investment Act.

(3) The University of Nebraska and postsecondary educational
institutions having colleges of medicine in Nebraska and their affiliated
research hospitals in Nebraska, as a condition of receiving any funds
appropriated or transferred from the Nebraska Health Care Cash Fund,
shall not discriminate against any person on the basis of sexual
orientation.

(4) The State Treasurer shall transfer fifty thousand dollars on or
before July 15, 2016, from the Nebraska Health Care Cash Fund to the
Board of Regents of the University of Nebraska for the University of
Nebraska Medical Center. It is the intent of the Legislature that these
funds be used by the College of Public Health for workforce training.

(5) It is the intent of the Legislature that the cost of the staff
and operating costs necessary to carry out the changes made by Laws 2018,
LB439, and not covered by fees or federal funds shall be funded from the

Sec. 15. Section 81-15,175, Revised Statutes Cumulative Supplement,
2018, is amended to read:

81-15,175 (1) The board may make an annual allocation each fiscal
year from the Nebraska Environmental Trust Fund to the Nebraska
Environmental Endowment Fund as provided in section 81-15,174.01. The
board shall make annual allocations from the Nebraska Environmental Trust
Fund and may make annual allocations each fiscal year from the Nebraska
Environmental Endowment Fund for projects which conform to the
environmental categories of the board established pursuant to section
81-15,176 and to the extent the board determines those projects to have
merit. The board shall establish a calendar annually for receiving and
evaluating proposals and awarding grants. To evaluate the economic,
financial, and technical feasibility of proposals, the board may
establish subcommittees, request or contract for assistance, or establish
advisory groups. Private citizens serving on advisory groups shall be
reimbursed for their actual and necessary expenses pursuant to sections
81-1174 to 81-1177.

(2) The board shall establish rating systems for ranking proposals
which meet the board's environmental categories and other criteria. The
rating systems shall include, but not be limited to, the following
considerations:

(a) Conformance with categories established pursuant to section
81-15,176;

(b) Amount of funds committed from other funding sources;

(c) Encouragement of public-private partnerships;

(d) Geographic mix of projects over time;

(e) Cost-effectiveness and economic impact;

(f) Direct environmental impact;

(g) Environmental benefit to the general public and the long-term
nature of such public benefit; and

(h) Applications recommended by the Director of Natural Resources
and submitted by the Department of Natural Resources pursuant to
subsection (7) of section 61-218 shall be awarded fifty priority points
in the ranking process for the 2011 grant application if the Legislature
has authorized annual transfers of three million three hundred thousand
dollars to the Water Resources Cash Fund for each of fiscal years 2011-12
and 2012-13 and has stated its intent to transfer three million three
hundred thousand dollars to the Water Resources Cash Fund in fiscal year
2013-14. Priority points shall be awarded if the proposed programs set
forth in the grant application are consistent with the purposes of
reducing consumptive uses of water, enhancing streamflows, recharging
ground water, or supporting wildlife habitat in any river basin
determined to be fully appropriated pursuant to section 46-714 or
designated as overappropriated pursuant to section 46-713.

(3) A grant awarded under this section pursuant to an application
made under subsection (7) of section 61-218 shall be paid out in the
following manner:

(a) The initial three million three hundred thousand dollar
installment shall be remitted to the State Treasurer for credit to the
Water Resources Cash Fund no later than fifteen business days after the
date that the grant is approved by the board;

(b) The second three million three hundred thousand dollar
installment shall be remitted to the State Treasurer for credit to the
Water Resources Cash Fund no later than May 15, 2013; and

(c) The third three million three hundred thousand dollar
installment shall be remitted to the State Treasurer for credit to the
Water Resources Cash Fund no later than May 15, 2014, if the Legislature
has authorized a transfer of three million three hundred thousand dollars
from the General Fund to the Water Resources Cash Fund for fiscal year
2013-14.

(4) It is the intent of the Legislature that the Department of
Natural Resources apply for an additional three-year grant from the
Nebraska Environmental Trust Fund that would begin in fiscal year
2014-15, and a three-year grant that would begin in fiscal year 2017-18,
and a three-year grant that would begin in fiscal year 2020-21, and such
application shall be awarded fifty priority points in the ranking process
as set forth in subdivision (2)(h) of this section if the following
criteria are met:

(a) The Natural Resources Committee of the Legislature has examined
options for water funding and has submitted a report electronically to
the Clerk of the Legislature and the Governor by December 1, 2012,
(i) An outline and priority listing of water management and funding needs in Nebraska, including instream flows, residential, agricultural, recreational, and municipal needs, interstate obligations, water quality issues, and natural habitats preservation;

(ii) An outline of statewide funding options which create a dedicated, sustainable funding source to meet the needs set forth in the report; and

(iii) Recommendations for legislation;

(b) The projects and activities funded by the department through grants from the Nebraska Environmental Trust Fund under this section have resulted in enhanced streamflows, reduced consumptive uses of water, recharged ground water, supported wildlife habitat, or otherwise contributed towards conserving, enhancing, and restoring Nebraska's ground water and surface water resources. On or before July 1, 2014, the department shall submit electronically a report to the Natural Resources Committee of the Legislature providing demonstrable evidence of the benefits accrued from such projects and activities; and

(c) In addition to the grant reporting requirements of the trust, on or before July 1, 2014, the department provides to the board a report which includes documentation that:

(i) Expenditures from the Water Resources Cash Fund made to natural resources districts have met the matching fund requirements provided in subdivision (5)(a) of section 61-218;

(ii) Ten percent or less of the matching fund requirements has been provided by in-kind contributions for expenses incurred for projects enumerated in the grant application. In-kind contributions shall not include land or land rights; and

(iii) All other projects and activities funded by the department through grants from the Nebraska Environmental Trust Fund under this section were matched not less than forty percent of the project or activity cost by other funding sources.
(5) The board may establish a subcommittee to rate grant applications. If the board uses a subcommittee, the meetings of such subcommittee shall be subject to the Open Meetings Act. The subcommittee shall (a) use the rating systems established by the board under subsection (2) of this section, (b) assign a numeric value to each rating criterion, combine these values into a total score for each application, and rank the applications by the total scores, (c) recommend an amount of funding for each application, which amount may be more or less than the requested amount, and (d) submit the ranked list and recommended funding to the board for its approval or disapproval.

(6) The board may commit funds to multiyear projects, subject to available funds and appropriations. No commitment shall exceed three years without formal action by the board to renew the grant or contract. Multiyear commitments may be exempt from the rating process except for the initial application and requests to renew the commitment.

(7) The board shall adopt and promulgate rules and regulations and publish guidelines governing allocations from the fund. The board shall conduct annual reviews of existing projects for compliance with project goals and grant requirements.

(8) Every five years the board may evaluate the long-term effects of the projects it funds. The evaluation may assess a sample of such projects. The board may hire an independent consultant to conduct the evaluation and may report the evaluation findings to the Legislature and the Governor. The report submitted to the Legislature shall be submitted electronically.

Sec. 16. Section 84-1227, Revised Statutes Cumulative Supplement, 2018, is amended to read:

84-1227 There is hereby established in the state treasury a special fund to be known as the Records Management Cash Fund which, when appropriated by the Legislature, shall be expended by the Secretary of State for the purposes of providing records management services and
assistance to local agencies, for development and maintenance of the portal for providing electronic access to public records or electronic information and services, and for grants to a state or local agency as provided in subdivision (1)(j) of section 84-1204. All fees and charges for the purpose of records management services and analysis received by the Secretary of State from the local agencies shall be remitted to the State Treasurer for credit to such fund. Transfers may be made from the fund to the General Fund, or the Secretary of State Administration Cash Fund, or the Election Administration Fund at the direction of the Legislature. The State Treasurer, at the direction of the budget administrator of the budget division of the Department of Administrative Services, shall transfer five hundred thousand dollars from the Records Management Cash Fund to the Information Management Revolving Fund on or before June 30, 2016. Any money in the Records Management Cash Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 17. Section 86-563, Reissue Revised Statutes of Nebraska, is amended to read:

86-563 In establishing and maintaining the system:

(1) The division:

(a) Shall provide the computer network and services for the system with assistance from the division of communications of the office;

(b) Shall, within available resources, assist local, state, and federal collaborative efforts to encourage coordination of information systems and data sharing;

(c) Shall coordinate its activities and responsibilities with the functions of the division of communications to minimize overlap and duplication of technical services between the divisions in supporting the system, its applications, and application development; and

(d) May undertake and coordinate planning studies to determine the
feasibility, benefits, costs, requirements, and options for the intergovernmental transfer of data;

(2) The officer:

(a) Shall approve and coordinate the design, development, installation, training, and maintenance of applications by state agencies for use on the system. Any agency proposing to add an application to the system shall submit an evaluation to the officer that examines the cost-effectiveness, technical feasibility, and potential use of the proposed application; that identifies the total costs of the application, including design, development, testing, installation, operation, and any changes to the computer network that are necessary for its operation; and that provides a schedule that shows the estimated completion dates for design, development, testing, installation, training, and full operational status. The officer shall not approve an application by a state agency for use on the system unless his or her review shows that the application is cost effective and technically feasible, that funding is available, and that the proposed schedule is reasonable and feasible;

(b) Shall approve changes in the design of applications by state agencies for use on the system. The officer may require such information from the agency as necessary to determine that the proposed change in design is cost effective and technically feasible, that funding is available, and that the proposed schedule for implementation is reasonable and feasible;

(c) May contract with other governmental entities or private vendors in carrying out the duties relating to the intergovernmental data services program;

(d) Shall establish a rate schedule that reflects the rates adopted by the division of communications and the information management services division, plus any additional costs of the system. Such fees may reflect a base cost for access to the system, costs for actual usage of the system, costs for special equipment or services, or a combination of
these factors. The officer may charge for the costs of changes to the system that are requested by or are necessary to accommodate a request by a user. All fees shall be set to recover all costs of operation;

(e) May enter into agreements with other state and local governments, the federal government, or private-sector entities for the purpose of sale, lease, or licensing for third-party resale of applications and system design. Proceeds from such agreements shall be deposited to the Data Systems Cash Fund;

(f) Shall determine whether a local application shall be a component of the system. No local application shall be resident or operational in any component of the system without explicit authorization of the officer; and

(g) Shall approve or disapprove the attachment of any peripheral device to the system and may prescribe standards and specifications that such devices must meet;

(3) The officer shall be responsible for the proper operation of the system, applications, and peripheral devices purchased or developed by the expenditure of state funds. The ownership of such system, applications, and peripheral devices shall be vested with the state; and

(4) All communications and telecommunications services for the intergovernmental data services program and the system shall be secured from the division of communications.

Sec. 18. Original sections 61-218, 71-7611, and 86-563, Reissue Revised Statutes of Nebraska, and sections 45-621, 81-15,175, and 84-1227, Revised Statutes Cumulative Supplement, 2018, are repealed.

Sec. 19. The following sections are outright repealed: Sections 81-1327 and 86-566, Reissue Revised Statutes of Nebraska.

Sec. 20. Since an emergency exists, this act takes effect when passed and approved according to law.