

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 858

Introduced by Avery, 28; Harms, 48.

Read first time January 06, 2012

Committee: Government, Military and Veterans Affairs

A BILL

1 FOR AN ACT relating to state contracts for services; to amend
2 sections 71-5666, 71-5667, 71-5668, 73-501, 73-502,
3 73-503, 73-504, 73-506, 73-508, and 73-509, Reissue
4 Revised Statutes of Nebraska, sections 79-8,137 and
5 79-8,137.04, Revised Statutes Cumulative Supplement,
6 2010, and section 73-507, Reissue Revised Statutes of
7 Nebraska, as amended by sections 3 and 5, Legislative
8 Bill 4, One Hundred Second Legislature, First Special
9 Session, 2011; to provide additional requirements for
10 contracts in excess of twenty-five million dollars; to
11 change exception provisions; to provide duties for state
12 agencies and the materiel division of the Department of
13 Administrative Services; to define and redefine terms; to
14 eliminate obsolete provisions; to harmonize provisions;
15 and to repeal the original sections.

16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 71-5666, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 71-5666 Each student loan recipient shall execute an
4 agreement with the state. Such agreement shall be exempt from the
5 requirements of sections 73-501 to 73-509 and section 12 of this act
6 and shall include the following terms, as appropriate:

7 (1) The borrower agrees to practice the equivalent of one
8 year of full-time practice of an approved specialty in a designated
9 health profession shortage area in Nebraska for each year of
10 education for which a loan is received and agrees to accept medicaid
11 patients in his or her practice;

12 (2) If the borrower practices an approved specialty in a
13 designated health profession shortage area in Nebraska, the loan
14 shall be forgiven as provided in this section. Practice in a
15 designated area shall commence within three months of the completion
16 of formal education, which may include a period not to exceed five
17 years to complete specialty training in an approved specialty. The
18 commission may approve exceptions to the three-month restriction upon
19 showing good cause. Loan forgiveness shall occur on a quarterly
20 basis, with completion of the equivalent of three months of full-time
21 practice resulting in the cancellation of one-fourth of the annual
22 loan amount;

23 (3) If the borrower practices an approved specialty in
24 Nebraska but not in a designated health profession shortage area,
25 practices a specialty other than an approved specialty in Nebraska,

1 or practices outside Nebraska, the borrower shall repay one hundred
2 fifty percent of the outstanding loan principal with interest at a
3 rate of eight percent simple interest per year from the date of
4 default. Such repayment shall commence within six months of the
5 completion of formal education, which may include a period not to
6 exceed five years to complete specialty training in an approved
7 specialty, and shall be completed within a period not to exceed twice
8 the number of years for which loans were awarded;

9 (4) If a borrower who is a medical, dental, or doctorate-
10 level mental health student determines during the first or second
11 year of medical, dental, or doctorate-level mental health education
12 that his or her commitment to the loan program cannot be honored, the
13 borrower may repay the outstanding loan principal, plus six percent
14 simple interest per year from the date the loan was granted, prior to
15 graduation from medical or dental school or a mental health practice
16 program without further penalty or obligation. Master's level mental
17 health and physician assistant student loan recipients shall not be
18 eligible for this provision;

19 (5) If the borrower discontinues the course of study for
20 which the loan was granted, the borrower shall repay one hundred
21 percent of the outstanding loan principal. Such repayment shall
22 commence within six months of the date of discontinuation of the
23 course of study and shall be completed within a period of time not to
24 exceed the number of years for which loans were awarded; and

25 (6) In the event of a borrower's total and permanent

1 disability or death, the unpaid debt accrued under the Rural Health
2 Systems and Professional Incentive Act shall be canceled.

3 Sec. 2. Section 71-5667, Reissue Revised Statutes of
4 Nebraska, is amended to read:

5 71-5667 Loan agreements executed prior to July 1, 2007,
6 under the Nebraska Medical Student Assistance Act or the Rural Health
7 Systems and Professional Incentive Act may be renegotiated and new
8 agreements executed to reflect the terms required by section 71-5666.
9 No funds repaid by borrowers under the terms of agreements executed
10 prior to July 1, 2007, shall be refunded. Any repayments being made
11 under the terms of prior agreements may be discontinued upon
12 execution of a new agreement if conditions permit. Any agreement
13 renegotiated pursuant to this section shall be exempt from the
14 requirements of sections 73-501 to 73-509 and section 12 of this act.

15 Sec. 3. Section 71-5668, Reissue Revised Statutes of
16 Nebraska, is amended to read:

17 71-5668 Each loan repayment recipient shall execute an
18 agreement with the department and a local entity. Such agreement
19 shall be exempt from the requirements of sections 73-501 to 73-509
20 and section 12 of this act and shall include, at a minimum, the
21 following terms:

22 (1) The loan repayment recipient agrees to practice his
23 or her profession, and a physician, dentist, nurse practitioner, or
24 physician assistant also agrees to practice an approved specialty, in
25 a designated health profession shortage area for at least three years

1 and to accept medicaid patients in his or her practice;

2 (2) In consideration of the agreement by the recipient,
3 the State of Nebraska and a local entity within the designated health
4 profession shortage area will provide equal funding for the repayment
5 of the recipient's qualified educational debts, in amounts up to
6 twenty thousand dollars per year per recipient for physicians,
7 dentists, and psychologists and up to ten thousand dollars per year
8 per recipient for physician assistants, nurse practitioners,
9 pharmacists, physical therapists, occupational therapists, and mental
10 health practitioners toward qualified educational debts for up to
11 three years. The department shall make payments directly to the
12 recipient; and

13 (3) If the loan repayment recipient discontinues practice
14 in the shortage area prior to completion of the three-year
15 requirement, the recipient shall repay to the state one hundred
16 twenty-five percent of the total amount of funds provided to the
17 recipient for loan repayment. Upon repayment by the recipient to the
18 department, the department shall reimburse the local entity its share
19 of the funds.

20 Sec. 4. Section 73-501, Reissue Revised Statutes of
21 Nebraska, is amended to read:

22 73-501 The purposes of sections 73-501 to 73-509 and
23 section 12 of this act are to establish a standardized, open, and
24 fair process for selection of contractual services and to create an
25 accurate reporting of expended funds for contractual services. This

1 process shall promote a standardized method of selection for state
2 contracts for services, assuring a fair assessment of qualifications
3 and capabilities for project completion. There shall also be an
4 accountable, efficient reporting method of expenditures for these
5 services.

6 Sec. 5. Section 73-502, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 73-502 For purposes of sections 73-501 to 73-509 and
9 section 12 of this act:

10 (1) Contract for services means any contract that
11 directly engages the time or effort of an independent contractor
12 whose purpose is to perform an identifiable task, study, or report
13 rather than to furnish an end item of supply, goods, equipment, or
14 material;

15 (2) Division means the materiel division of the
16 Department of Administrative Services;

17 ~~(2)~~ (3) Emergency means necessary to meet an urgent or
18 unexpected requirement or when health and public safety or the
19 conservation of public resources is at risk;

20 (4) Occasional means seasonal, irregular, or fluctuating
21 in nature;

22 ~~(3) Materiel division means the materiel division of the~~
23 ~~Department of Administrative Services established in section 81-1118;~~

24 ~~(4)~~ (5) Sole source means of such a unique nature that
25 the contractor selected is clearly and justifiably the only

1 practicable source to provide the service. Determination that the
2 contractor selected is justifiably the sole source is based on either
3 the uniqueness of the service or sole availability at the location
4 required; ~~and~~

5 ~~(5)~~ (6) State agency ~~or agency~~ means any state agency,
6 board, or commission of this state other than the University of
7 Nebraska, the Nebraska state colleges, the courts, the Legislature,
8 or any officer or state agency established by the Constitution of
9 Nebraska; and -

10 (7) Temporary means a finite period of time with respect
11 to a specific task or result relating to a contract for services.

12 Sec. 6. Section 73-503, Reissue Revised Statutes of
13 Nebraska, is amended to read:

14 73-503 (1) All state agencies shall process and document
15 all contracts for services through the state accounting system. The
16 Director of Administrative Services shall specify the format and type
17 of information for state agencies to provide and approve any
18 alternatives to such formats. All state agencies shall enter the
19 information on new contracts for services and amendments to existing
20 contracts for services. ~~No later than September 15, 2003, all state~~
21 ~~agencies shall have entered such information about all contracts for~~
22 ~~services made prior to April 1, 2003, that are still in effect. State~~
23 agency directors shall ensure that contracts for services are coded
24 appropriately into the state accounting system.

25 (2) The requirements of this section also apply to the

1 courts, the Legislature, and any officer or state agency established
2 by the Constitution of Nebraska, but not to the University of
3 Nebraska.

4 (3) The Nebraska state colleges shall document all
5 contracts for services through the state accounting system.

6 (4) The Director of Administrative Services shall
7 establish a centralized data base, either through the state
8 accounting system or through an alternative system, which
9 specifically identifies where a copy of each contract for services
10 may be found.

11 Sec. 7. Section 73-504, Reissue Revised Statutes of
12 Nebraska, is amended to read:

13 73-504 Except as provided in section 73-507:

14 (1) All state agencies shall comply with the review and
15 competitive bidding processes provided in this section for contracts
16 for services. Unless otherwise exempt, no state agency shall expend
17 funds for contracts for services without complying with this section;

18 (2) All proposed state agency contracts for services in
19 excess of fifty thousand dollars shall be bid in the manner
20 prescribed by the ~~materiel~~-division procurement manual or a process
21 approved by the Director of Administrative Services. Bidding may be
22 performed at the state agency level or by the ~~materiel~~-division. Any
23 state agency may request that the ~~materiel~~-division conduct the
24 competitive bidding process;

25 (3) If the bidding process is at the state agency level,

1 then state agency directors shall ensure that bid documents for each
2 contract for services in excess of fifty thousand dollars are
3 prereviewed by the ~~materiel~~-division and that any changes to the
4 proposed contract that differ from the bid documents in the proposed
5 contract for services are reviewed by the ~~materiel~~-division before
6 signature by the parties;

7 (4) State agency directors, in cooperation with the
8 ~~materiel~~-division, shall be responsible for appropriate public notice
9 of an impending contractual services project in excess of fifty
10 thousand dollars in accordance with the ~~materiel~~-division's
11 procurement manual and sections 73-501 to 73-509 and section 12 of
12 this act; and

13 (5) State agency directors, in cooperation with the
14 ~~materiel~~-division, shall be responsible for ensuring that a request
15 for contractual services in excess of fifty thousand dollars is filed
16 with the ~~materiel~~-division for dissemination or web site access to
17 vendors interested in competing for contracts for services.

18 Sec. 8. Section 73-506, Reissue Revised Statutes of
19 Nebraska, is amended to read:

20 73-506 State agency contracts for services shall be
21 subject to the following requirements:

22 (1) Payments shall be made when contractual deliverables
23 are received or in accordance with specific contractual terms and
24 conditions;

25 (2) State agencies ~~may~~ shall not enter into contracts for

1 services with an unspecified or unlimited duration; ~~and~~

2 (3) State agencies ~~may~~ shall not structure contracts for
3 services to avoid any of the requirements of sections 73-501 to
4 73-509 and section 12 of this act; ~~and~~ -

5 (4) State agencies shall not enter into contracts for
6 services in excess of twenty-five million dollars unless the state
7 agency has complied with section 12 of this act.

8 Sec. 9. Section 73-507, Reissue Revised Statutes of
9 Nebraska, as amended by section 5, Legislative Bill 4, One Hundred
10 Second Legislature, First Special Session, 2011, is amended to read:

11 73-507 (1) Subject to review by the Director of
12 Administrative Services, the ~~materiel~~—division shall provide
13 procedures to grant limited exceptions from ~~the provisions of~~
14 sections 73-504, 73-508, and 73-509 for:

15 (a) Sole source and emergency contracts; and

16 (b) Other circumstances or specific contracts when any of
17 the requirements of sections 73-504, 73-508, and 73-509 are not
18 appropriate for or are not compatible with the circumstances or
19 contract. The ~~materiel~~—division shall provide a written rationale
20 which shall be kept on file when granting an exception under this
21 subdivision.

22 (2) The following types of contracts for services are not
23 subject to sections 73-504, 73-508, and 73-509 and section 12 of this
24 act:

25 (a) Contracts for services subject to the Nebraska

1 Consultants' Competitive Negotiation Act;

2 (b) Contracts for services subject to federal law,
3 regulation, or policy or state statute, under which a state agency is
4 required to use a different selection process or to contract with an
5 identified contractor or type of contractor;

6 (c) Contracts for professional legal services and
7 services of expert witnesses, hearing officers, or administrative law
8 judges retained by state agencies for administrative or court
9 proceedings;

10 (d) Contracts involving state or federal financial
11 assistance passed through by a state agency to a political
12 subdivision;

13 (e) Contracts with a value of twenty-five million dollars
14 or less with direct providers of medical, behavioral, or
15 developmental health services, child care, or child welfare services
16 to an individual;

17 (f) Agreements for services to be performed for a state
18 agency by another state or local government agency or contracts made
19 by a state agency with a local government agency for the direct
20 provision of services to the public;

21 (g) Agreements for services between a state agency and
22 the University of Nebraska, the Nebraska state colleges, the courts,
23 the Legislature, or other officers or state agencies established by
24 the Constitution of Nebraska;

25 (h) Department of Insurance contracts for financial or

1 actuarial examination, for rehabilitation, conservation,
2 reorganization, or liquidation of licensees, and for professional
3 services related to residual pools or excess funds under the agency's
4 control;

5 (i) Department of Roads contracts for all road and bridge
6 projects;

7 (j) Nebraska Investment Council contracts; and

8 (k) Contracts under section 3 of this act.

9 Sec. 10. Section 73-508, Reissue Revised Statutes of
10 Nebraska, is amended to read:

11 73-508 Except as provided in section 73-507, all
12 proposals for sole source contracts for services in excess of fifty
13 thousand dollars shall be preapproved by the ~~materiel~~ division except
14 in emergencies. In case of an emergency, contract approval by the
15 state agency director or his or her designee is required. A copy of
16 the contract and state agency justification of the emergency shall be
17 provided to the Director of Administrative Services within three
18 business days after contract approval. The state agency shall retain
19 a copy of the justification with the contract in the state agency
20 files. The Director of Administrative Services shall maintain a
21 complete record of such sole source contracts for services.

22 Sec. 11. Section 73-509, Reissue Revised Statutes of
23 Nebraska, is amended to read:

24 73-509 Each proposed contract for services in excess of
25 fifty thousand dollars which requests services that are now performed

1 or have, within the year immediately preceding the date of the
2 proposed contract, been performed by a state employee covered by the
3 classified personnel system or by any labor contract shall use a pre-
4 process prescribed by the ~~materiel~~ division. The pre-process shall
5 include evaluation of the displacement of the employee of the state
6 agency or position held by the employee of the state agency within
7 the preceding year and of the disadvantages of such a contract for
8 services against the expected advantages, whether economic or
9 otherwise. Documentation of each evaluation shall be maintained in
10 the contract file by the state agency.

11 Sec. 12. (1) A state agency shall not enter into a
12 proposed contract for services in excess of twenty-five million
13 dollars until the state agency has submitted to the division a copy
14 of the proposed contract and proof-of-need analysis described in this
15 section and has subsequently received certification from the division
16 to enter into the contract.

17 (2) The division shall develop guidelines for state
18 agencies to use in conducting a proof-of-need analysis. The
19 guidelines shall require state agencies to provide at least the
20 following information:

21 (a) A description of the service that is the subject of
22 the proposed contract;

23 (b) The reason for purchase of the service rather than
24 the use or hiring of state employees, including, but not limited to,
25 whether there is an administrative restriction on hiring additional

1 state employees;

2 (c) A review of any long-term actual cost savings of the
3 contract and an explanation of the analysis used to determine such
4 savings;

5 (d) An explanation of the process by which the state
6 agency will include adequate control mechanisms to ensure that the
7 services are provided pursuant to the terms of the contract,
8 including a description of the method by which the control mechanisms
9 will ensure the quality of services provided by the contract;

10 (e) Identification of the specific state agency employee
11 who will monitor the contract for services for performance;

12 (f) Identification and description of whether the service
13 requested is temporary or occasional;

14 (g) An assessment of the feasibility of alternatives
15 within the state agency to contract for performance of the services;

16 (h) A justification for entering into the contract for
17 services if:

18 (i) The proposed contract will not result in cost savings
19 to the state; and

20 (ii) The public's interest in having the particular
21 service performed directly by the state agency exceeds the public's
22 interest in the proposed contract;

23 (i) Any federal requirements that the service be provided
24 by a person other than the state agency;

25 (j) Demonstration by the state agency that it has taken

1 formal and positive steps to consider alternatives to such contract,
2 including reorganization, reevaluation of services, and reevaluation
3 of performance; and

4 (k) A description of any relevant legal issues, including
5 barriers to contracting for the service or requirements that the
6 state agency contract for the service.

7 (3) The division shall certify a proof-of-need analysis
8 by determining whether the analysis contains the information required
9 by this section and shall report its determination to the state
10 agency no more than thirty days after receipt of the analysis. If the
11 division certifies the analysis, the state agency may enter into the
12 proposed contract. If the division does not certify the analysis, it
13 shall inform the state agency of the additional information required.

14 (4) If the division certifies a proof-of-need analysis
15 pursuant to this section, the state agency shall file the proposed
16 contract, proof-of-need analysis, and proof of certification with the
17 Legislative Fiscal Analyst.

18 Sec. 13. Section 79-8,137, Revised Statutes Cumulative
19 Supplement, 2010, is amended to read:

20 79-8,137 (1)(a) Prior to receiving any money from a loan
21 pursuant to the Attracting Excellence to Teaching Program, an
22 eligible student shall enter into a contract with the department.
23 Such contract shall be exempt from the requirements of sections
24 73-501 to 73-509 and section 12 of this act.

25 (b) For eligible students who applied for the first time

1 prior to April 23, 2009, the contract shall require that if (i) the
2 borrower is not employed as a teacher in Nebraska for a time period
3 equal to the number of years required for loan forgiveness pursuant
4 to subsection (2) of this section and is not enrolled as a full-time
5 student in a graduate program within six months after obtaining an
6 undergraduate degree for which a loan from the program was obtained
7 or (ii) the borrower does not complete the requirements for
8 graduation within five consecutive years after receiving the initial
9 loan under the program, then the loan must be repaid, with interest
10 at the rate fixed pursuant to section 45-103 accruing as of the date
11 the borrower signed the contract, and an appropriate penalty as
12 determined by the department may be assessed. If a borrower fails to
13 remain enrolled at an eligible institution or otherwise fails to meet
14 the requirements of an eligible student, repayment of the loan shall
15 commence within six months after such change in eligibility. The
16 State Board of Education may by rules and regulations provide for
17 exceptions to the conditions of repayment pursuant to this
18 subdivision based upon mitigating circumstances.

19 (c) For eligible students who apply for the first time on
20 or after April 23, 2009, the contract shall require that if (i) the
21 borrower is not employed as a full-time teacher teaching in an
22 approved or accredited school in Nebraska and teaching at least a
23 portion of the time in the shortage area for which the loan was
24 received for a time period equal to the number of years required for
25 loan forgiveness pursuant to subsection (3) of this section and is

1 not enrolled as a full-time student in a graduate program within six
2 months after obtaining an undergraduate degree for which a loan from
3 the program was obtained or (ii) the borrower does not complete the
4 requirements for graduation within five consecutive years after
5 receiving the initial loan under the program, then the loan shall be
6 repaid with interest at the rate fixed pursuant to section 45-103
7 accruing as of the date the borrower signed the contract and actual
8 collection costs as determined by the department. If a borrower fails
9 to remain enrolled at an eligible institution or otherwise fails to
10 continue to be an eligible student, repayment of the loan shall
11 commence within six months after such change in eligibility. The
12 State Board of Education may by rule and regulation provide for
13 exceptions to the conditions of repayment pursuant to this
14 subdivision based upon mitigating circumstances.

15 (2) If the borrower applied for the first time prior to
16 April 23, 2009, and (a) successfully completes the teacher education
17 program and becomes certified pursuant to sections 79-806 to 79-815,
18 (b) becomes employed as a teacher in this state within six months of
19 becoming certified, and (c) otherwise meets the requirements of the
20 contract, payments shall be suspended for the number of years that
21 the borrower is required to remain employed as a teacher in this
22 state under the contract. For each year that the borrower teaches in
23 Nebraska pursuant to the contract, payments shall be forgiven in an
24 amount equal to the amount borrowed for one year, except that if the
25 borrower teaches in a school district that is in a local system

1 classified as very sparse as defined in section 79-1003 or teaches in
2 a school district in which at least forty percent of the students are
3 poverty students as defined in section 79-1003, payments shall be
4 forgiven each year in an amount equal to the amount borrowed for two
5 years.

6 (3) If the borrower applies for the first time on or
7 after April 23, 2009, and (a) successfully completes the teacher
8 education program and major for which the borrower is receiving a
9 forgivable loan pursuant to the program and becomes certified
10 pursuant to sections 79-806 to 79-815 with an endorsement in the
11 shortage area for which the loan was received, (b) becomes employed
12 as a full-time teacher teaching at least a portion of the time in the
13 shortage area for which the loan was received in an approved or
14 accredited school in this state within six months of becoming
15 certified, and (c) otherwise meets the requirements of the contract,
16 payments shall be suspended for the number of years that the borrower
17 is required to remain employed as a teacher in this state under the
18 contract. Beginning after the first two years of teaching full-time
19 in Nebraska following graduation for the degree for which the loan
20 was received, for each year that the borrower teaches full-time in
21 Nebraska pursuant to the contract, the loan shall be forgiven in an
22 amount equal to three thousand dollars, except that if the borrower
23 teaches full-time in a school district that is in a local system
24 classified as very sparse as defined in section 79-1003, teaches in a
25 school building in which at least forty percent of the formula

1 students are poverty students as defined in section 79-1003, or
2 teaches in an accredited or approved private school in Nebraska in
3 which at least forty percent of the enrolled students qualified for
4 free lunches as determined by the most recent data available from the
5 department, payments shall be forgiven each year in an amount equal
6 to six thousand dollars.

7 Sec. 14. Section 79-8,137.04, Revised Statutes Cumulative
8 Supplement, 2010, is amended to read:

9 79-8,137.04 (1) Prior to receiving any money from a loan
10 pursuant to the Enhancing Excellence in Teaching Program, an eligible
11 student shall enter into a contract with the department. Such
12 contract shall be exempt from the requirements of sections 73-501 to
13 73-509 and section 12 of this act. The contract shall require that if
14 (a) the borrower is not employed as a full-time teacher teaching in
15 an approved or accredited school in Nebraska for a time period equal
16 to the number of years required for loan forgiveness pursuant to
17 subsection (2) of this section or (b) the borrower does not complete
18 the requirements for graduation within five consecutive years after
19 receiving the initial loan under the program, then the loan shall be
20 repaid, with interest at the rate fixed pursuant to section 45-103
21 accruing as of the date the borrower signed the contract and actual
22 collection costs as determined by the department. If a borrower fails
23 to remain enrolled at an eligible institution or otherwise fails to
24 meet the requirements of an eligible student, repayment of the loan
25 shall commence within six months after such change in eligibility.

1 The State Board of Education may by rules and regulations provide for
2 exceptions to the conditions of repayment pursuant to this subsection
3 based upon mitigating circumstances.

4 (2) If the borrower (a) successfully completes the
5 eligible graduate program and major for which the borrower is
6 receiving a forgivable loan pursuant to the Enhancing Excellence in
7 Teaching Program and maintains certification pursuant to sections
8 79-806 to 79-815, (b) maintains employment as a teacher in an
9 approved or accredited school in this state, and (c) otherwise meets
10 the requirements of the contract, payments shall be suspended for the
11 number of years that the borrower is required to remain employed as a
12 teacher in this state under the contract. Beginning after the first
13 two years of teaching full-time in Nebraska following graduation for
14 the degree for which the loan was received, for each year that the
15 borrower teaches full-time in Nebraska pursuant to the contract, the
16 loan shall be forgiven in an amount equal to three thousand dollars,
17 except that if the borrower teaches full-time in a school district
18 that is in a local system classified as very sparse as defined in
19 section 79-1003, teaches in a school building in which at least forty
20 percent of the students are poverty students as defined in section
21 79-1003, or teaches in an accredited or approved private school in
22 Nebraska in which at least forty percent of the enrolled students
23 qualified for free lunches as determined by the most recent data
24 available from the department, payments shall be forgiven each year
25 in an amount equal to six thousand dollars.

1 Sec. 15. Section 3, Legislative Bill 4, One Hundred
2 Second Legislature, First Special Session, 2011, is amended to read:

3 Sec. 3. (1) The department may collaborate with a federal
4 agency or agencies in a review under the National Environmental
5 Policy Act involving a supplemental environmental impact statement
6 for oil pipeline projects within, through, or across the state. Prior
7 to entering into such shared jurisdiction and authority with a
8 federal agency or agencies, the department shall enter into a
9 memorandum of understanding with such federal agency or agencies that
10 sets forth the responsibilities and schedules that will lead to an
11 effective and timely review under the National Environmental Policy
12 Act involving a supplemental environmental impact statement.

13 (2) Since the objectives of the process are to ensure
14 adequate information gathering, full and careful agency and public
15 review, objective preparation of a supplemental environmental impact
16 statement, adherence to a defined schedule, and an appropriate role
17 for a pipeline carrier which avoids the appearance of conflicts of
18 interest, it is the intent of the Legislature that the state fully
19 fund the process of preparation of a supplemental environmental
20 impact statement and that no fees will be required of an applicant.
21 The department may contract with outside vendors in the process of
22 preparation of a supplemental environmental impact statement. The
23 department shall make every reasonable effort to ensure that each
24 vendor has no conflict of interest or relationship to any pipeline
25 carrier that applies for an oil pipeline permit.

1 (3) In order for the process to be efficient and
2 expeditious, the department's contracts with vendors pursuant to this
3 section for a supplemental environmental impact statement shall not
4 be subject to the Nebraska Consultants' Competitive Negotiation Act
5 or sections 73-301 to 73-306 or 73-501 to 73-509 and section 12 of
6 this act.

7 (4) After the supplemental environmental impact statement
8 is prepared, the department shall submit it to the Governor. Within
9 thirty days after receipt of the supplemental environmental impact
10 statement from the department, the Governor shall indicate, in
11 writing, to the federal agency or agencies involved in the review as
12 to whether he or she approves any of the routes reviewed in the
13 supplemental environmental impact statement.

14 Sec. 16. Original sections 71-5666, 71-5667, 71-5668,
15 73-501, 73-502, 73-503, 73-504, 73-506, 73-508, and 73-509, Reissue
16 Revised Statutes of Nebraska, sections 79-8,137 and 79-8,137.04,
17 Revised Statutes Cumulative Supplement, 2010, and section 73-507,
18 Reissue Revised Statutes of Nebraska, as amended by sections 3 and 5,
19 Legislative Bill 4, One Hundred Second Legislature, First Special
20 Session, 2011, are repealed.