

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB661

Hearing Date: Monday February 23, 2015
Committee On: Appropriations
Introducer: Speaker Hadley
One Liner: Provide fund transfers, create a fund, and authorize certain transfers

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

Vote Results:

Aye: 9 Senators Bolz, Haar, Hilkemann, Kintner, Kuehn, Mello, Nordquist, Stinner, Watermeier
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents: Gerry Oligmueller	Representing: Introducer - Governor's Office
Opponents:	Representing:
Neutral:	Representing:

Summary of purpose and/or changes:

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 661, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations. The bill as introduced includes new fund or transfer items.

Explanation of amendments:

The amendment becomes the bill.

Sections 1 and 2 transfer \$3.3 million each year from the General Fund to the Water Resources Cash Fund.

Sections 3 and 4 transfer \$11 million each year from the General Fund to the Water Sustainability Fund.

Sections 5 and 6 transfer \$3 million each year from the Water Sustainability Fund to the Nebraska Resources Development Fund.

Section 7 and 8 transfer \$198 million each year from the General Fund to the Property Tax Credit Cash Fund.

Sections 9 and 10 transfer up to \$750,000 each year from the General Fund to the Nebraska Cultural Preservation Endowment Fund. These transfers are pursuant to current statutory provisions found in section 82-331.

Section 11 transfers \$147,000 from the City of the Metropolitan Class Development Fund to the General Fund on July 1, 2015.

Section 12 transfers \$98,000 from the City of the Primary Class Development Fund to the General Fund on July 1, 2015.

Section 13 transfers \$150,000 from the Convention Center Support Fund to the General Fund on July 1, 2015.

Section 14 provides for a transfer of \$1 million each year from the State Recreation Road Fund to the State Park Cash Revolving Fund. This money will be used by the Game and Parks Commission for state park system equipment replacement including such items as picnic tables, fire grates and grills, cabin furnishings, mowers, tractors and trucks.

Sections 15 and 16 transfer \$200,000 each from the Resource Recovery Fund and the Nebraska Collection Agency Fund to the General Fund in fiscal year 21015-16.

Section 17 creates the Republican River Compact Litigation Contingency Cash Fund and authorizes a transfer of up to \$5.5 million in the current fiscal year from the Cash Reserve Fund. The actual transfer takes place in the Cash Reserve Fund Bill (LB662). This funding will be used to pay the court ordered settlement pursuant to Kansas v. Nebraska, No. 126 Original. We have also included language so that DAS will release the funding only after getting written certification from the Attorney General. Any money remaining after the settlement payout will lapse back to the Cash Reserve Fund.

Sections 18 and 19 create the Health Care Homes for the Medically Underserved Fund. The fund's purpose is to enhance the ability of Nebraska's federally qualified health centers to provide patient-centered medical homes to low-income medically underserved populations. 25% of the federal Medicaid fraud settlement funds accruing to Nebraska annually shall be appropriated to the fund.

Sections 20-22 address the Water Sustainability Fund. They provide a Legislative finding and intent regarding water project funding and transfers to the Water Sustainability Fund, require establishment of subaccounts for approved projects, and revise the date of Appropriations Committee review of the fund to the fiscal year 2023-15 biennial budget.

Sections 23 and 24 address the Nebraska Resources Development Fund. They allow for transfers into the fund and allocations to be made to Nebraska Resource Development projects that are beyond the levels approved as of March 30, 2014.

Sections 25-27 revise existing law governing funding for development districts to establish that the Department of Economic Development is the funding agency.

Section 28 makes some changes for the Convention Center Support Fund. First, it allows for transfers to the General Fund at the direction of the Legislature. Second, it automates the transfer from this fund to the Civic and Community Center Financing Fund. These are things that take place upon certification by the Department of Revenue. It's currently required by law. We're just automating the process in this section.

Section 29 revises the Civic and Community Center Financing Fund to 1) Require a \$500,000 distribution to development districts beginning in FY2015-16; 2) Maintain the annual allocation to the State College Sports Facility Cash Fund at \$250,000 rather than increasing it to \$400,000; and 3) Authorize a \$100,000 annual transfer from the Civic and Community Center Financing Fund to the General Fund.

Section 30 amends the State Recreation Road Fund to allow two things: 1) money may be transferred to the State Parks Cash Revolving Fund at the direction of the Legislature through July 31, 2016. This language change is required to affect the transfers made in section 14. 2) It provides that any time the balance in the State Recreation Road Fund exceeds \$14 million, the excess is to be transferred to the Game and Parks State Park Improvement and Maintenance Fund. Essentially, this is the provisions of LB374, but with a \$14 million trigger instead of the bill's \$15 million amount.

Section 31 revises the Water Sustainability Fund to establish intent for two \$3 million transfers to the Nebraska

Resources Development Fund. These are the transfers that are made back in sections 5 and 6.

Section 32 strikes some obsolete transfer language from section 71-7611, which is the Nebraska Health Care Cash Fund. We're also transferring \$50,000 from the Health Care Cash Fund to the Board of Regents of the University of Nebraska for the University of Nebraska Medical Center. This funding is to be transferred on or before July 15, 2016 and used by the College of Public Health for workforce training.

Section 33 changes the distribution of Cigarette Tax revenue. Current stature calls for every fiscal year, beginning July 1, 2016, \$5,070,000 to be place in the Nebraska Public Safety Communication System Cash Fund. We are changing that amount to \$3.8 million. We go on to place \$1,250,000 per year in the Nebraska Health Care Cash Fund. This begins July 1, 2016.

Section 34 allows for assessments charged by the Director of Personnel to state agencies, boards, and commissions for human service management services provided by the divisions. The assessment shall be adequate to cover actual and necessary expenses associated with providing the services. The assessments are placed in the Personnel Division Revolving Fund.

Section 35 authorizes a transfer of \$300,000 from the Health and Human Services Cash Fund to the Lead Based Paint Hazard Control Cash Fund on or before July 15, 2015. The intent of this transfer is that it comes from funds credited to the Medicaid Fraud Settlement Fund, contained within the Health and Human Services Cash Fund.

Section 36 established the Lead Based Paint Hazard Control Cash Fund in the Department of Economic Development. The purpose of the fund is providing a grant to a city of the metropolitan class to carry out lead based paint hazard control on owner-occupied properties.

Section 37 and 38 amend the Coordinating Commission for Postsecondary Education Act. They would enact amended provisions of LB584 and create the Oral Health Training and Services Fund to be administered by the Coordinating Commission for Postsecondary Education to contract for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using tele health as defined in section 71-8503.

The amendment contains the emergency clause.

Heath Mello, Chairperson