

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB331

Hearing Date: Tuesday February 21, 2017
Committee On: Appropriations
Introducer: Speaker Scheer
One Liner: Create funds, provide for transfers, and change provisions governing funds

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

Vote Results:
Aye: 6 Senators Bolz, Hilkemann, McDonnell, Stinner, Vargas, Wishart
Nay: 3 Senators Clements, Kuehn, Watermeier
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:
Gerry Oligmueller

Representing:
Introducer - Governor's Office

Opponents:

Representing:

Neutral:
Mark Brohman

Representing:
Nebraska Environmental Trust

Summary of purpose and/or changes:

LB 331, introduced by the Speaker at the request of the Governor, is a part of the Governor's biennial budget recommendations. This bill provides for fund transfers, the creation of funds, and changes provisions governing the administration and use of funds. This legislative bill contains the emergency clause and is operative on July 1, 2017.

Explanation of amendments:

The amendment becomes the bill. The amendment contains the Appropriations Committee recommendations as to fund transfers, creation of funds and changes governing the administration and use of funds, in those instances where statutory changes are necessary or desirable. Refer to "State of Nebraska FY2017-18 and FY2018-19 Biennial Budget, As Proposed by the Appropriations Committee, 105th Legislature, First Session," published April, 2017, page 25, for a list of transfers into the General Fund, including those transfers requiring statutory authorization in this bill.

Specifically the amendment contains the following:

Sections 1 and 2 each transfer \$221,000,000 from the General Fund to the Property Tax Credit Cash Fund. The transfers shall take place on or before December 15, 2017, and December 15, 2018, respectively, on such date as directed by the budget administrator.

Sections 3 and 4 each transfer \$10,670,000 from the General Fund to the Water Sustainability Fund. The transfers shall take place on or before June 30, 2018, and June 30, 2019, respectively, on such dates and in such amounts as directed by the budget administrator.

Sections 5 and 6 each transfer \$3,300,000 from the General Fund to the Water Resources Cash Fund. The transfers shall take place on or before June 30, 2018, and June 30, 2019, respectively, on such dates and in such amounts as directed by the budget administrator.

Section 7 transfers \$1,200,000 from the Health and Human Services Cash Fund to the General Fund on or before June 30, 2018, at the direction of the budget administrator. The Legislature's intent is that this transfer be from funds credited to the False Medicaid Claims Act Cash Fund, a subfund of the Health and Human Services Cash Fund.

Sections 8 and 9 each transfer up to \$1,500,000 from the Petroleum Release Remedial Action Cash Fund to the Superfund Cost Share Cash Fund. The transfers shall take place on or before June 30, 2018, and June 30, 2019, respectively, on such dates and in such amounts as directed by the budget administrator. The transfers shall be made as required by the Department of Environmental Quality and used pursuant to subdivision (2)(i) of section 66-1519.

Sections 10 and 11 transfer \$700,000 and \$200,000, respectively from the Litter Reduction and Recycling Fund to the General Fund on or before June 30, 2018, and June 30, 2019, respectively, on such dates and in such amounts as directed by the budget administrator.

Section 12 creates the Shared Services Revolving Fund for the Department of Administrative Services. The fund shall consist of money received from state agencies for shared services provided by DAS.

Section 13 creates the Combined Law Enforcement Information Network Cash Fund for the Nebraska State Patrol. The fund shall consist of fees collected by the Patrol from users of the network and shall be used to pay the costs of operating, maintaining and enhancing the network.

Section 14 creates the Treasury Agency Forfeitures Cash Fund. All forfeitures and proceeds received by the State Patrol under the federal equitable sharing provisions distributed by federal Treasury agencies as of July 1, 2017, shall be deposited in the fund.

Section 15 creates the Accounting Division Cash Fund and shall consist of funds transferred from the State Building Renewal Assessment Fund and the Building Renewal Allocation Fund. The new fund shall be used to finance the consolidation, implementation, operation, and migration for the state's existing enterprise resource planning platform, the human resources management platform, an eProcurement platform, and other financial recordkeeping platforms to an off-premise software driven platform or platforms (i.e. The Cloud).

Section 16 allows for transfers from the Racing Commission's Cash Fund to the General Fund at the direction of the Legislature and directs the State Treasurer to transfer \$150,000 on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 17 transfers the unexpended, unobligated balance in the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Fund existing on June 30, 2017, to the General Fund.

Section 18 transfers the balance in the Veteran Cemetery Construction Fund to the General Fund on or before June 30, 2018.

Section 19 directs the State Treasurer to transfer the unobligated balance in the City of the Primary Class Development Fund to the General Fund on or before June 30, 2017, and terminates that fund on July 1, 2017.

Section 20 directs the State Treasurer to transfer the unobligated balance in the City of the Metropolitan Class Development Fund to the General Fund on or before June 30, 2017, and terminates that fund on July 1, 2017.

Section 21 shifts the maintenance of the State DNA Sample and Data Base Fund from the Department of Justice to the Nebraska State Patrol.

Section 22 allows for transfers from the Game and Parks Commission Capital Maintenance Fund to the General Fund at the direction of the Legislature through June 30, 2019. In addition, the State Treasurer is directed to transfer \$4,500,000 between June 1, 2018, and June 30, 2018, on such date as directed by the budget administrator. The State Treasurer shall also transfer \$4,500,000 between June 1, 2019, and June 30, 2019, on such date as directed by the budget administrator.

Section 23 directs the State Treasurer to transfer \$200,000 on July 1, 2017 (or as soon thereafter as possible), and \$200,000 on July 1, 2018 (or as soon thereafter as possible), from the Community Corrections Uniform Data Analysis Cash Fund to the Nebraska Law Enforcement Training Center Cash Fund.

Section 24 directs the State Treasurer to transfer \$1,500,000 from the Compensation Court Cash Fund to the General Fund after June 15, 2018, and before June 30, 2018, on such dates as directed by the budget administrator. In addition, language providing blanket authority for transfers from the Compensation Court Cash Fund to the General Fund is stricken.

Section 25 allows for transfers from the Boiler Inspection Cash Fund to the General Fund at the direction of the Legislature and directs the State Treasurer to transfer \$150,000 on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 26 directs the State Treasurer to transfer \$100,000 from the Nebraska Brand Inspection and Theft Prevention Fund to the General Fund on or before June 30, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 27 allows for transfers from the State Settlement Cash Fund to the General Fund and directs the State Treasurer to transfer \$750,000 on or before June 30, 2018, and again on or before June 30, 2019, on such dates and in such amounts as determined by the budget administrator.

Section 28 directs the State Treasurer to transfer the unobligated June 30, 2017, balance in the Nebraska Snowmobile Trail Cash Fund to the General Fund on or before July 31, 2017.

Section 29 directs the State Treasurer to transfer \$25,000 from the Department of Motor Vehicles Ignition Interlock Fund to the Violence Prevention Cash Fund on October 1, 2017, or as soon thereafter as administratively possible. Another \$25,000 transfer is also to be made on October 1, 2018, or as soon thereafter as administratively possible.

Section 30 directs the State Treasurer to transfer \$500,000 from the Nebraska Motor Vehicle Industry Licensing Fund to the General Fund on or before June 30, 2018, on such dates and in such amounts as determined by the budget administrator.

Section 31 extends Legislative intent that the Department of Natural Resources apply for an additional three-year grant from the Nebraska Environmental Trust Fund for the Water Resources Cash Fund that would begin in fiscal year 2017-18.

Section 32 allows for transfers from the Roads Operations Cash Fund to the General Fund at the direction of the Legislature through June 30, 2019. The State Treasurer is directed to transfer \$15,000,000 on or before June 30, 2018, on such date as directed by the budget administrator. Another transfer of \$15,000,000 is to be made on or after July 1, 2018, but on or before June 30, 2019, on such date as directed by the budget administrator.

Section 33 allows the money in the Petroleum Release Remedial Action Cash Fund to pay up to \$1,500,000 each fiscal year of the Department of Environmental Quality's cost share obligations and operation and maintenance obligations under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980. Additionally, transfers from the Petroleum Release Remedial Action Cash Fund to the Superfund Cost Share Cash Fund are authorized under the direction of the Legislature.

Section 34 creates the State Anatomical Board Cash Fund under the University of Nebraska Medical Center.

Section 35 directs the State Treasurer to transfer \$3,700,000 from the Health and Human Services Cash Fund to the General Fund on or before June 30, 2018, on such dates and in such amounts as directed by the budget administrator. The intent of this transfer is that funds come from money credited to the Wholesale Drug Distributor Licensing subfund.

Section 36 increases transfer amounts going from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska Tobacco Settlement Trust fund to the Nebraska Health Care Cash Fund by \$350,000 each year by July 15, beginning in 2017. Additionally, the State Treasurer is directed to transfer \$10,000,000 from the Nebraska Medicaid Intergovernmental Trust Fund to the General Fund on June 28, 2018, and June 29, 2019.

Section 37 allows transfers to be made from the Nebraska Capital Construction Fund to the Capitol Restoration Cash Fund at the direction of the Legislature and also strikes obsolete language from that section of statute.

Section 38 allows for transfers from the Nebraska Capital Construction Fund to the Capitol Restoration Cash Fund as directed by the Legislature and allows the Capitol Restoration Cash Fund to pay the expenditures for a project manager for the Capitol Heating, Ventilation, and Air Conditioning Systems Replacement Project.

Section 40 directs the State Treasurer to transfer:

- \$783,667 from the Building Renewal Allocation Fund to the General Fund on or after June 15, 2018, but before June 30, 2018,
- \$200,000 from the Building Renewal Allocation Fund to the General Fund on or after June 15, 2019, but before June 30, 2019,
- \$1,716,333 from the Building Renewal Allocation Fund to the Accounting Division Cash Fund on July 1, 2017, or as soon thereafter as administratively possible, and
- \$2,300,000 from the Building Renewal Allocation Fund to the Accounting Division Cash Fund on July 1, 2018, or as soon thereafter as administratively possible.

Section 41 directs the State Treasurer to transfer \$3,432,667 from the State Building Renewal Assessment Fund to the Accounting Division Cash Fund on July 1, 2017, or as soon thereafter as administratively possible. Another transfer of \$4,600,000 is to be made on July 1, 2018, or as soon thereafter as administratively possible.

Section 42 allows for transfers from the Mechanical Safety Inspection Fund to the General Fund at the direction of the Legislature and directs the State Treasurer to transfer \$150,000 on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 43 allows for transfers from the Contractor and Professional Employer Organization Registration Cash Fund to the General Fund at the direction of the Legislature and directs the State Treasurer to transfer \$1,700,000 on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 44 directs the State Treasurer to transfer \$7,000,000 from the Health and Human Services Cash Fund to the General Fund on or before June 30, 2018, on such dates and in such amounts as directed by the budget administrator. It is the intent of the Legislature that this transfer be from funds credited to the Cancer Research subfund which were in excess of appropriations.

Section 45 directs the State Treasurer to transfer \$200,000 from the State Real Estate Commission's Fund to the General Fund on or before June 30, 2018, on such dates and in such amounts as directed by the budget administrator. Another transfer of \$200,000 shall be made on or before June 30, 2019, on such dates and in such amounts as directed by the budget administrator.

Section 46 changes language requiring the Department of Economic Development to award at least \$2,000,000, but not more than \$4,000,000 for a financial assistance program for businesses operating in Nebraska that employ no more

than 500 employees. The new language is permissive and there is no \$2,000,000 floor.

Section 47 changes language requiring the Department of Economic Development to award at least \$1,000,000, but not more than \$2,000,000 for a small business assistance program. The new language is permissive and there is no \$1,000,000 floor.

Section 48 allows for transfers from the Nebraska Litter Reduction and Recycling Fund to the General Fund at the direction of the Legislature.

Section 49 extends Legislative intent that the Department of Natural Resources apply for an additional three-year grant from the Nebraska Environmental Trust Fund for the Nebraska Environmental Endowment Fund that would begin in fiscal year 2017-18.

Section 50 allows for transfers from the Engineers and Architects Regulation Fund to the General Fund at the direction of the Legislature. The State Treasurer is directed to transfer \$300,000 on or before June 15, 2018, on such dates and in such amounts as directed by the budget administrator.

Section 51 states the Legislature's intent to transfer \$500,000 from the General Fund to the Nebraska Cultural Preservation Endowment Fund annually on December 31 beginning in 2019, and continuing through 2028. Current language provides for such transfers beginning December 31, 2017, and continuing through December 31, 2026.

Section 52 directs the State Treasurer to transfer the June 30, 2017, unobligated balance in the Oral Health Training and Services Fund to the Cash Reserve Fund on such date as directed by the budget administrator.

Section 53 directs any interest earned by the Nebraska Universal Service Fund beginning July 1, 2017, until June 30, 2019, to be transferred to the General Fund on a quarterly basis. In addition, obsolete language is stricken.

Section 54 directs any interest earned by the Enhanced Wireless 911 Fund beginning July 1, 2017, until June 30, 2019, to be transferred to the General Fund on a quarterly basis. In addition, obsolete language is stricken.

John Stinner, Chairperson