

**ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022**  
**COMMITTEE STATEMENT**  
**LB1012**

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**Hearing Date:** Monday January 24, 2022  
**Committee On:** Appropriations  
**Introducer:** Speaker Hilgers  
**One Liner:** Provide for funds transfers, create funds, and change and eliminate provisions regarding a fund and reimbursement provisions

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

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**Vote Results:**  
**Aye:** 9 Senators Clements, Dorn, Erdman, Hilkemann, Kolterman, McDonnell, Stinner, Vargas, Wishart  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Lee Will  
Janele Carpenter  
Alana Schriver

**Representing:**

State Budget Administrator  
Nebraska Health Care Association  
Nebraska Association of Service Providers

**Opponents:**

Craig Beck  
Shirley Niemeyer  
Danielle Conrad  
Gregory Laby

**Representing:**

Opensky Policy Institute  
Self  
ALCU of Nebraska  
Self

**Neutral:**

Chris Costello

**Representing:**

Green Energy Water Park

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**Summary of purpose and/or changes:**

LB 1012 is the Funds Transfer bill. LB 1012 contains provisions related to funds and funds transfers pursuant to the Governor's recommendation for mid-biennium budget adjustments.

Section 1 to 3 transfer \$500,000 on April 30, 2022, and \$1 million on July 1, 2022, from the General Fund to the Community College State Dependents Fund and create the Community College State Dependents Fund.

Section 4 create the Statewide Tourism and Recreational Water Access and Resource Sustainability Fund.

Section 5 creates the Perkins County Canal Project Fund.

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Section 6 amends the permitted uses of the United States Space Command Headquarters Assistance Fund to permit the fund to be used to contribute to the support and profile of the Strategic Air Command and Offut Air Force Base in Bellevue, NE.

Section 7 is the repealer. Section 8 outright repeals section 81-167. The bill has the emergency clause.

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**Explanation of amendments:**

The amendment becomes the bill, and incorporates provisions from the Appropriations Committee recommendation. Details of the Committee's recommendation may be found in the booklet entitled, "Appropriations Committee Budget Proposal-Mid Biennium Budget Adjustments, FY 2021-22 and FY 2022-23" dated March 2022.

Section 1 to 3 transfer \$500,000 on April 30, 2022, and \$1 million on July 1, 2022, from the General Fund to the Community College State Dependents Fund and create the Community College State Dependents Fund.

Section 4 creates the Perkins County Canal Project Fund. The fund can be used for design, engineering, permitting, and options to purchase land related to building a canal as outlined by the South Platte River Compact and to contract with an independent firm for the purposes of completing a study of such canal.

Section 5 creates the Military Base Development and Support Fund. The fund shall be used to contribute to construction, development, or support on any military base, located in Nebraska, for purposes of improving mission retention and recruitment; supporting the morale, health, and mental wellness of military members and families; and growing the economic impact of military bases in Nebraska.

Section 6 creates the Trail Development and Maintenance Fund. The fund shall be used to provide grants to natural resources districts to assist in completing the Missouri-Pacific trail between the cities of Lincoln and Omaha.

Section 7 creates the Jobs and Economic Development Initiative Fund. The fund shall be used for water and recreational projects pursuant to the Jobs and Economic Development Initiative Act. An amount, not to exceed twenty million dollars, shall be available for site selection costs, feasibility and public water supply studies, and flood mitigation costs related to any projects pursuant to the Jobs and Economic Development Initiative Act. No funds shall be expended for any other project unless additional conditions are met.

Section 8 creates the Water Recreation Enhancement Fund. The fund shall be used for water and recreational projects pursuant to the Water Recreation Enhancement Act.

Sections 9 and 10 create the Surface Water Irrigation Infrastructure Fund, which shall be used to provide grants to irrigation districts, and authorize the Department of Natural Resources to establish procedures and criteria for awarding grants for repair or construction of physical structures for irrigation projects.

Section 11 amends the Health Care Cash Fund statute to amend the transfer on July 15, 2022, to the fund from \$51 million to \$66.2 million and to authorize a transfer of \$15 million from the Health Care Cash Fund to the University of Nebraska for pancreatic cancer research at the University of Nebraska Medical Center. Such transfer is contingent on certification of matching funds.

Section 12 amends provisions related to the 211 Information and Referral Network to increase grant award amounts from \$300,000 per year to \$955,000 per year.

Section 13 amends the Governor's Emergency Cash Fund to authorize transfers to the Cash Reserve Fund and the General

Fund at the direction of the Legislature and includes a transfer of \$14 million to the Cash Reserve Fund by June 30, 2023.

Section 14 to 16 amend provisions related to the internship programs to redefine terms, expand eligibility, increase grant award amounts for internships, clarify eligible reimbursable expenses, require reporting, and provide for contracting with a non-profit entity to carry out provisions.

Section 17 to 20 amend provisions related to the Site and Building Development Fund to allow initiatives that improve military installations to include a grant for the establishment of the United State Strategic Command Nuclear Command, Control, and Communications public-private-partnership facility and to require matching funds for any such project.

Section 21 to 24 amend provisions of the Business Innovation Act to define redevelopment areas, to require preference for projects within economic redevelopment areas, to include innovation hubs within the scope of the act, to increase the annual total amount for microloans from \$2 million to \$3 million, and to increase the maximum award amount for microloans from \$100,000 to \$150,000.

Section 25 and 26 amend provisions of the Nebraska Rural Projects Act to specify that no less than \$50 million of matching funds shall be paid in total under the act, no more than \$30 million out of the initial \$50 million appropriated can be paid for any one project, and if more than \$50 million is appropriated, no one project can receive more than 60% of the amount appropriated in excess of \$50 million.

Section 27 amends the Nebraska Cultural Preservation Endowment Fund to extend transfers from the General Fund until 2030. This is a technical correction from the 2021 enacted budget.

Section 28 amends the Vocational and Life Skills Programming Fund to limit use of the fund to grants for certain entities, and to expand the list of priorities for the Department of Correctional Services in awarding such grants. There is also an annual transfer of \$5 million from the Prison Overcrowding Contingency Fund for each of the next 3 years.

Section 29 amends the Prison Overcrowding Contingency Fund to permit transfers to the Vocational and Life Skills Programming Fund.

Section 30 amends provisions related to the State Colleges Facilities Program to specify certain projects at Peru State College and Wayne State College pursuant to the program.

Section 31 amends the Universal Service Fund to increase the annual transfer from \$300,000 to \$955,000 to the 211 Cash Fund, beginning July 1, 2022, for purposes of the 211 Information and Referral Network grants.

Section 32 is the repealer. Section 33 outright repeals section 81-167. Section 34 is the emergency clause.

The committee amendment includes all, or a portion of, the provisions of the following bills:

LB 759 Change a limitation relating to microloans under the Business Innovation Act

LB 911 Change the grant amount for the 211 Information and Referral Network

LB 1074 Create the Surface Water Irrigation Infrastructure Fund and provide for a transfer from the Cash Reserve Fund

LB 1090 Change award limits under the Business Innovation Act

LB 1114 Change provisions of the Business Innovation Act relating to purposes, funding preferences, and the small business investment program

LB 1167 Appropriate federal funds to the Department of Economic Development for internships and expanding and retaining Nebraska's workforce

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John Stinner, Chairperson