

LEGISLATIVE BILL 661

Approved by the Governor May 20, 2015

Introduced by Speaker Hadley, 37; at the request of the Governor.

A BILL FOR AN ACT relating to state government; to amend sections 2-1587, 13-1905, 13-1906, 13-1907, 13-2610, 81-1201.21, 81-1354.05, 81-3119, and 85-1401, Reissue Revised Statutes of Nebraska, and sections 2-1507, 2-1513, 2-1588, 13-2704, 39-1390, 61-222, 71-7611, and 77-2602, Revised Statutes Cumulative Supplement, 2014; to provide for fund transfers; to create funds; to provide for and change the source and use of certain funds; to state findings and intent; to change provisions relating to certain funds, financial assistance, and cigarette tax proceeds as prescribed; to provide for oral health training and services contracts; to repeal the original sections; and to declare an emergency.

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

Section 1. The State Treasurer shall transfer \$3,300,000 from the General Fund to the Water Resources Cash Fund on or before June 30, 2016, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 2. The State Treasurer shall transfer \$3,300,000 from the General Fund to the Water Resources Cash Fund on or before June 30, 2017, on such dates and in such amounts 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, 2016, 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, 2017, 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 \$3,000,000 from the Water Sustainability Fund to the Nebraska Resources Development Fund on or before August 1, 2015.

Sec. 6. The State Treasurer shall transfer \$3,000,000 from the Water Sustainability Fund to the Nebraska Resources Development Fund on or before August 1, 2016.

Sec. 7. The State Treasurer shall transfer \$202,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2015, 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 \$202,000,000 from the General Fund to the Property Tax Credit Cash Fund on or before December 15, 2016, on such date as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 9. The State Treasurer shall transfer an amount as directed by the budget administrator of the budget division of the Department of Administrative Services, pursuant to subsections (3) and (4) of section 82-331, not to exceed \$750,000, from the General Fund to the Nebraska Cultural Preservation Endowment Fund on December 31, 2015, or as soon thereafter as administratively possible.

Sec. 10. The State Treasurer shall transfer an amount as directed by the budget administrator of the budget division of the Department of Administrative Services, pursuant to subsections (3) and (4) of section 82-331, not to exceed \$750,000, from the General Fund to the Nebraska Cultural Preservation Endowment Fund on December 31, 2016, or as soon thereafter as administratively possible.

Sec. 11. The State Treasurer shall transfer \$147,000 from the City of the Metropolitan Class Development Fund to the General Fund on July 1, 2015, or as soon thereafter as administratively possible.

Sec. 12. The State Treasurer shall transfer \$98,000 from the City of the Primary Class Development Fund to the General Fund on July 1, 2015, or as soon thereafter as administratively possible.

Sec. 13. The State Treasurer shall transfer \$150,000 from the Convention Center Support Fund to the General Fund on July 1, 2015, or as soon thereafter as administratively possible.

Sec. 14. The State Treasurer, at the direction of the budget administrator of the budget division of the Department of Administrative Services, shall transfer \$1,000,000 from the State Recreation Road Fund to the State Park Cash Revolving Fund between July 1, 2015, and July 31, 2015. The State Treasurer, at the direction of the budget administrator of the budget division of the Department of Administrative Services, shall transfer \$1,000,000 from the State Recreation Road Fund to the State Park Cash Revolving Fund between July 1, 2016, and July 31, 2016.

Sec. 15. The State Treasurer shall transfer \$200,000 from the Resource Recovery Fund to the General Fund on or before July 5, 2015.

Sec. 16. The State Treasurer shall transfer \$200,000 from the Nebraska Collection Agency Fund to the General Fund on or before July 5, 2015.

Sec. 17. The Republican River Compact Litigation Contingency Cash Fund is created. The Director of Administrative Services shall use the fund to make payments in an amount up to \$5,500,000 in accordance with any court order pursuant to Kansas v. Nebraska, No. 126 Original. Such payment or payments shall only be made by the Department of Administrative Services upon written certification by the Attorney General of the amount necessary to satisfy the court-ordered amount. The fund shall receive revenue from fund transfers as authorized by the Legislature and from fees, charges, and any other revenue source specifically designated by the Legislature for deposit in the fund. Further, upon the written certification of the Attorney General to the Director of Administrative Services that the State of Nebraska has satisfied in full its payment requirements ordered by the court pursuant to Kansas v. Nebraska, No. 126 Original, the fund shall be terminated and any remaining balance shall be transferred to the Cash Reserve Fund. Any money in the Republican River Compact Litigation Contingency 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. 18. The Health Care Homes for the Medically Underserved Fund is created within the Department of Health and Human Services. 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. The purpose of the fund is to enhance the ability of Nebraska's federally qualified health centers to provide patient-centered medical homes to low-income medically underserved populations.

Sec. 19. (1) Twenty-five percent of the federal medicaid fraud settlement funds accruing to Nebraska annually shall be deposited in the Health Care Homes for the Medically Underserved Fund for distribution to federally qualified health centers in Nebraska. Such funds shall be distributed proportionately based on the unduplicated number of patients served in the previous year by such federally qualified health centers as reported through the uniform data system of the Health Resources and Services Administration of the United States Department of Health and Human Services.

(2) Funds distributed pursuant to subsection (1) of this section shall be used for the following purposes:

(a) Hiring, training, certifying, and maintaining staff dedicated to patient-centered chronic disease management, including, but not limited to, case managers, health educators, social workers, outreach and enrollment workers, and community health workers;

(b) Providing services, including, but not limited to, interpreter services, transportation services, and social work assistance;

(c) Capital improvements, including, but not limited to, facility expansion, leasing additional space, and furnishing, equipment, or redesign of facilities to support patient-centered care;

(d) Medication management, including, but not limited to, clinical pharmacy services, pharmacists, clinical pharmacists, technology for monitoring and real-time notification, and care managers;

(e) Information technology, including, but not limited to, telehealth services, analytics tools, patient registries, and updates to electronic health records systems; and

(f) Reimbursement to health care providers, including, but not limited to, physicians, nurse practitioners, dietitians, diabetic educators, behavioral health providers, and oral health providers.

Sec. 20. The Legislature finds that water sustainability programs, projects, and activities are complex, multiyear endeavors that require a stable source of state funding support in order for the required matching funds to be secured and for projects to be completed in a timely and successful manner. It is the intent of the Legislature that transfers of money from the General Fund to the Water Sustainability Fund be maintained at the level established in section 61-222 for a minimum of ten fiscal years.

Sec. 21. Section 2-1507, Revised Statutes Cumulative Supplement, 2014, is amended to read:

2-1507 (1) It is the intent of the Legislature that the Water Sustainability Fund be equitably distributed statewide to the greatest extent possible for the long term and give priority funding status to projects which are the result of federal mandates.

(2) Distributions to assist municipalities with the cost of constructing, upgrading, developing, and replacing sewer infrastructure facilities as part of a combined sewer overflow project shall be based on a demonstration of need and shall equal ten percent of the total annual appropriation to the Water Sustainability Fund if (a) applicants have applied for such funding as required under section 2-1509 and (b) any such application has been recommended for further consideration by the director and is subsequently approved for allocation by the commission pursuant to subsection (1) of section 2-1511. If more than one municipality demonstrates a need for funds pursuant to this subsection, funds shall be distributed proportionally based on population.

(3) Any money in the Water Sustainability Fund may be allocated by the commission to applicants in accordance with sections 2-1506 to 2-1513. Such money may be allocated in the form of grants or loans for water sustainability programs, projects, or activities undertaken within the state. The allocation of funds to a program, project, or activity in one form shall not of itself preclude additional allocations in the same or any other form to the same program, project, or activity.

(4) When the commission has approved an allocation of funds to a program,

project, or activity, the Department of Natural Resources shall establish a subaccount in the Water Sustainability Fund and credit the entire amount of the allocation to the subaccount. Individual subaccounts shall be established for each program, project, or activity approved by the commission. Additional allocations to a program, project, or activity shall be credited to the same subaccount as the original allocation. Subaccounts shall not be subject to transfer out of the Water Sustainability Fund, except that the commission may authorize the transfer of excess or unused funds from a subaccount and into the unreserved balance of the fund.

(5 4) A natural resources district is eligible for funding from the Water Sustainability Fund only if the district has adopted or is currently participating in the development of an integrated management plan pursuant to subdivision (1)(a) or (b) of section 46-715.

(6 5) The commission shall utilize the resources and expertise of and collaborate with the Department of Natural Resources, the University of Nebraska, the Department of Environmental Quality, the Nebraska Environmental Trust Board, and the Game and Parks Commission on funding and planning for water programs, projects, or activities.

(7 6) A biennial report shall be made to the Clerk of the Legislature describing the work accomplished by the use of funds towards the goals of the Water Sustainability Fund beginning on December 31, 2015. The report submitted to the Clerk of the Legislature shall be submitted electronically.

Sec. 22. Section 2-1513, Revised Statutes Cumulative Supplement, 2014, is amended to read:

2-1513 The Appropriations Committee of the Legislature shall, beginning with the ~~FY2019-21~~ FY2023-25 biennial budget review process, conduct a biennial analysis of the financial status of the Water Sustainability Fund, including a review of the committed and uncommitted balance of the fund and the financial impact of pending programs, projects, or activities. The committee shall base its recommendation for transfers to the Water Sustainability Fund upon information provided in the review process.

Sec. 23. Section 2-1587, Reissue Revised Statutes of Nebraska, is amended to read:

2-1587 (1) There is hereby created the Nebraska Resources Development Fund to be administered by the department. The State Treasurer shall credit to the fund, to carry out sections 2-1586 to 2-1595, such money as is (a) appropriated to or transferred into the fund by the Legislature, (b) paid to the state as fees, deposits, payments, and repayments relating to the fund, both principal and interest, and (c) donated as gifts, bequests, or other contributions to such fund from public or private entities. Funds made available by any department or agency of the United States may also be credited to this fund if so directed by such department or agency. The money in the fund shall not be subject to any fiscal year or biennium limitation requiring reappropriation of the unexpended balance at the end of the fiscal year or biennium. Transfers may be made from the fund to the General Fund at the direction of the Legislature.

(2) To aid in the funding of projects and to prevent excessive fluctuations in appropriation requirements for the Nebraska Resources Development Fund, the department shall create a reserve fund to be used only for projects requiring total expenditures from the Nebraska Resources Development Fund in excess of five million dollars. Unless disapproved by the Governor, the department may credit to such reserve fund that portion of any appropriation to the Nebraska Resources Development Fund which exceeds five million dollars. The department may also credit to the reserve fund such other funds as it determines are available.

(3) Any money in the Nebraska Resources Development 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. 24. Section 2-1588, Revised Statutes Cumulative Supplement, 2014, is amended to read:

2-1588 (1) No money in the Nebraska Resources Development Fund may be reallocated by the commission in accordance with sections 2-1586 to 2-1595 for utilization by the department, by any state office, agency, board, or commission, or by any political subdivision of the state which has the authority to develop the state's water and related land resources after March 30, 2014. The commission may commit appropriated funds to projects approved as of March 30, 2014, not to exceed amounts specifically allocated to such projects prior to March 30, 2014, unless specific appropriations or transfers to exceed the March 30, 2014, allocation amounts are approved by the Legislature. If such specific appropriations or transfers are made, the commission shall develop procedures to allocate the additional funding to projects approved as of March 30, 2014. Allocations shall not exceed funds appropriated for such purpose. Any of such funds remaining after all such project costs have been completely funded shall be transferred to the Water Sustainability Fund by the State Treasurer. Prior to March 30, 2014, the Nebraska Resources Development Fund ~~fund~~ may be allocated in the form of grants or loans or for acquiring state interests in water and related land resources programs and projects undertaken within the state. The allocation of funds to a program or project in one form shall not of itself preclude additional allocations in the same or any other form to the same program or project. Funds may also be allocated to assist natural resources districts in the preparation of management plans as provided in section 46-709. Funds so allocated shall not be subject to sections 2-1589 to 2-1595.

(2) No project, including all related phases, segments, parts, or

divisions, shall receive more than ten million dollars from the fund. On July 1 of each year after 1993, the director shall adjust the project cost and payment limitation of this subsection by an amount equal to the average percentage change in a readily available construction cost index for the prior three years.

(3) Prior to September 1 of each even-numbered year, a biennial report shall be made to the Governor and the Clerk of the Legislature describing the work accomplished by the use of such development fund during the immediately preceding two-year period. The report submitted to the Clerk of the Legislature shall be submitted electronically. The report shall include a complete financial statement. Each member of the Legislature shall receive an electronic copy of such report upon making a request to the director.

Sec. 25. Section 13-1905, Reissue Revised Statutes of Nebraska, is amended to read:

13-1905 If state funding is available for distribution pursuant to section 13-1906, the Department of Economic Development shall ~~Governor shall designate a state administrative agency to~~ certify development districts for funding eligibility. Certification shall be based on the following requirements:

(1) The development district shall be formed as provided in section 13-1902;

(2) The development district shall have a staff which shall at a minimum include a full-time director to provide assistance to the local governments which are members of the development district; and

(3) The agreement creating the development district shall insure that all of the local governments within the Nebraska planning and development region may at any time join in the development district.

Sec. 26. Section 13-1906, Reissue Revised Statutes of Nebraska, is amended to read:

13-1906 (1) The Department of Economic Development ~~state administrative agency~~ shall distribute financial assistance from the state, if available, to the various development districts as they are certified in the manner prescribed in subsection (2) of this section.

(2)(a) Fifty percent of the total sum allocated shall be divided equally among the certified development districts. In certified districts formed by regional councils, funds may be prorated among the cooperating regional councils based upon a formula approved by the governing boards of each of the cooperating regional councils and accepted by the department ~~state administrative agency~~.

(b) Twenty percent of the total sum allocated shall be divided among the certified development districts based upon their proportional share of the population of all certified development districts in the state. For purposes of this subdivision, population shall mean the number of residents as shown by the latest federal decennial census, except that the population of a county shall mean the number of residents in the unincorporated areas of the county.

(c) Thirty percent of the total sum allocated shall be divided among the certified development districts based upon their proportional share of the local governments located within all certified development districts.

(3) Distributions to newly certified development districts shall not reduce financial assistance to previously funded development districts. State financial assistance shall not exceed the total local dollars received by the development district as verified by the department ~~state administrative agency~~. For purposes of this subsection, local dollars received shall mean the total local dues received by a development district from any local government as a condition of membership in a development district.

Sec. 27. Section 13-1907, Reissue Revised Statutes of Nebraska, is amended to read:

13-1907 (1) The Department of Economic Development ~~state administrative agency~~ shall adopt and promulgate rules and regulations to carry out sections 13-1901 to 13-1907 which shall include standardized reporting and application procedures. Each development district shall submit annual performance and financial reports to the department ~~state administrative agency~~ which shall address the activities performed and services delivered.

(2) The Governor shall, from time to time, evaluate the effectiveness and activities of the development districts receiving assistance. If the Governor finds a development district to be ineffective, he or she may take action, including the withholding of assistance authorized under section 13-1906.

Sec. 28. Section 13-2610, Reissue Revised Statutes of Nebraska, is amended to read:

13-2610 (1) Upon the annual certification under section 13-2609, the State Treasurer shall transfer after the audit the amount certified to the Convention Center Support Fund. The Convention Center Support Fund is created. Transfers may be made from the fund to the General Fund at the direction of the Legislature. Any money in the Convention Center Support Fund ~~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)(a) It is the intent of the Legislature to appropriate from the fund to any political subdivision for which an application for state assistance under the Convention Center Facility Financing Assistance Act has been approved an amount not to exceed (i) seventy percent of the state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels, (ii) seventy-five million dollars for any one

approved project, or (iii) the total cost of acquiring, constructing, improving, or equipping the eligible facility. State assistance shall not be used for an operating subsidy or other ancillary facility.

(b) Ten percent of such funds appropriated to a city of the metropolitan class under this subsection shall be equally distributed to areas with a high concentration of poverty to (i) showcase important historical aspects of such areas or areas within close geographic proximity of the area with a high concentration of poverty or (ii) assist with the reduction of street and gang violence in such areas.

(c) Each area with a high concentration of poverty that has been distributed funds under subdivision (b) of this subsection shall establish a development fund and form a committee which shall identify and research potential projects to be completed in the area with a high concentration of poverty or in an area within close geographic proximity of such area if the project would have a significant or demonstrable impact on such area and make final determinations on the use of state sales tax revenue received for such projects.

(d) A committee formed in subdivision (c) of this subsection shall include the following three members:

(i) The member of the city council whose district includes a majority of the census tracts which each contain a percentage of persons below the poverty line of greater than thirty percent, as determined by the most recent federal decennial census, within the area with a high concentration of poverty;

(ii) The commissioner of the county whose district includes a majority of the census tracts which each contain a percentage of persons below the poverty line of greater than thirty percent, as determined by the most recent federal decennial census, within the area with a high concentration of poverty; and

(iii) A resident of the area with a high concentration of poverty, appointed by the other two members of the committee.

(e) A committee formed in subdivision (c) of this subsection shall solicit project ideas from the public and shall hold a public hearing in the area with a high concentration of poverty. Notice of a proposed hearing shall be provided in accordance with the procedures for notice of a public hearing pursuant to section 18-2115. The committee shall research potential projects and make the final determination regarding the annual distribution of funding to such projects.

(f) For purposes of this subsection, an area with a high concentration of poverty means an area within the corporate limits of a city of the metropolitan class consisting of one or more contiguous census tracts, as determined by the most recent federal decennial census, which contain a percentage of persons below the poverty line of greater than thirty percent, and all census tracts contiguous to such tract or tracts, as determined by the most recent federal decennial census.

(3) State assistance to the political subdivision shall no longer be available upon the retirement of the bonds issued to acquire, construct, improve, or equip the facility or any subsequent bonds that refunded the original issue or when state assistance reaches the amount determined under subdivision (2)(a) of this section, whichever comes first.

(4) The remaining thirty percent of state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels, shall be appropriated by the Legislature to the Civic and Community Center Financing Fund. Upon the annual certification required pursuant to section 13-2609 and following the transfer to the Convention Center Support Fund required pursuant to subsection (1) of this section, the State Treasurer shall transfer an amount equal to the remaining thirty percent from the Convention Center Support Fund to the Civic and Community Center Financing Fund.

(5) Any municipality that has applied for and received a grant of assistance under the Civic and Community Center Financing Act may not receive state assistance under the Convention Center Facility Financing Assistance Act.

Sec. 29. Section 13-2704, Revised Statutes Cumulative Supplement, 2014, is amended to read:

13-2704 (1) The Civic and Community Center Financing Fund is created. The fund shall be administered by the department. 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. Transfers may be made from the fund to the General Fund, the Department of Revenue Enforcement Fund, and the State Colleges Sport Facilities Cash Fund at the direction of the Legislature.

(2)(a) The department shall use the Civic and Community Center Financing Fund for the following purposes:

(i) For grants of assistance as described in section 13-2704.01;

(ii) For grants of assistance as described in section 13-2704.02; and

(iii) For reasonable and necessary costs of the department directly related to the administration of the fund, not to exceed the amount needed to employ a one-half full-time equivalent employee.

(b) The fund may not be used for programming, marketing, advertising, or facility-staffing activities.

(3) The State Treasurer shall transfer two hundred fifty thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund on October 1 of 2012, 2013, and 2014. Commencing October

1, 2015, and every year thereafter, the State Treasurer shall transfer three ~~four~~ hundred thousand dollars from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Cash Fund.

Sec. 30. Section 39-1390, Revised Statutes Cumulative Supplement, 2014, is amended to read:

39-1390 The State Recreation Road Fund is created. The money in the fund shall be transferred by the State Treasurer, on the first day of each month, to the Department of Roads and shall be expended by the Director-State Engineer with the approval of the Governor for construction and maintenance of dustless-surface roads to be designated as state recreation roads as provided in this section, except that (1) transfers may be made from the fund to the State Park Cash Revolving Game and Parks State Park Improvement and Maintenance Fund at the direction of the Legislature through July 31, 2016, and (2) if the balance in the State Recreation Road Fund exceeds fourteen million dollars on the first day of each month, the State Treasurer shall transfer the amount greater than fourteen million dollars to the Game and Parks State Park Improvement and Maintenance Fund 2014. Except as to roads under contract as of March 15, 1972, those roads, excluding state highways, giving direct and immediate access to or located within state parks, state recreation areas, or other recreational or historical areas, shall be eligible for designation as state recreation roads. Such eligibility shall be determined by the Game and Parks Commission and certified to the Director-State Engineer, who shall, after receiving such certification, be authorized to commence construction on such recreation roads as funds are available. In addition, those roads, excluding state highways, giving direct and immediate access to a state veteran cemetery are state recreation roads. After construction of such roads they shall be shown on the map provided by section 39-1311. Preference in construction shall be based on existing or potential traffic use by other than local residents. Unless the State Highway Commission otherwise recommends, such roads upon completion of construction shall be incorporated into the state highway system. If such a road is not incorporated into the state highway system, the Department of Roads and the county within which such road is located shall enter into a maintenance agreement establishing the responsibility for maintenance of the road, the maintenance standards to be met, and the responsibility for maintenance costs. Any money in the State Recreation Road 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. 31. Section 61-222, Revised Statutes Cumulative Supplement, 2014, is amended to read:

61-222 The Water Sustainability Fund is created in the Department of Natural Resources. The fund shall be used in accordance with the provisions established in Laws 2014, LB1098, and for costs directly related to the administration of the fund.

The fund shall consist of money transferred to the fund by the Legislature, other funds as appropriated by the Legislature, and money donated as gifts, bequests, or other contributions from public or private entities. Funds made available by any department or agency of the United States may also be credited to the fund if so directed by such department or agency. 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. Investment earnings from investment of money in the fund shall be credited to the fund.

It is the intent of the Legislature that twenty-one million dollars be transferred from the General Fund to the Water Sustainability Fund in fiscal year 2014-15 and that eleven million dollars be transferred from the General Fund to the Water Sustainability Fund each fiscal year beginning in fiscal year 2015-16. It is the intent of the Legislature that three million dollars be transferred annually from the Water Sustainability Fund to the Nebraska Resources Development Fund in FY2015-16 and in FY2016-17.

Sec. 32. Section 71-7611, Revised Statutes Cumulative Supplement, 2014, is amended to read:

71-7611 (1) The Nebraska Health Care Cash Fund is created. The State Treasurer shall transfer ~~(a) fifty six million one hundred thousand dollars no later than July 15, 2009, (b) fifty nine million one hundred thousand dollars on or before July 15, 2010, July 15, 2011, July 15, 2012, and July 15, 2013, and (c) sixty million~~ three one hundred thousand dollars on or before July 15, 2014, and 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 upon consultation with the Nebraska Investment Council shall advise the State Treasurer on the amounts to be transferred from the Nebraska Medicaid Intergovernmental Trust Fund and from the Nebraska Tobacco Settlement Trust Fund under this section 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 ~~amount~~ specified in this subsection may be appropriated or transferred from the Nebraska Health Care Cash Fund in any fiscal year.

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.

Sec. 33. Section 77-2602, Revised Statutes Cumulative Supplement, 2014, is amended to read:

77-2602 (1) Every stamping agent engaged in distributing or selling cigarettes at wholesale in this state shall pay to the Tax Commissioner of this state a special privilege tax. This shall be in addition to all other taxes. It shall be paid prior to or at the time of the sale, gift, or delivery to the retail dealer in the several amounts as follows: On each package of cigarettes containing not more than twenty cigarettes, sixty-four cents per package; and on packages containing more than twenty cigarettes, the same tax as provided on packages containing not more than twenty cigarettes for the first twenty cigarettes in each package and a tax of one-twentieth of the tax on the first twenty cigarettes on each cigarette in excess of twenty cigarettes in each package.

(2) Beginning October 1, 2004, the State Treasurer shall place the equivalent of forty-nine cents of such tax in the General Fund. The State Treasurer shall reduce the amount placed in the General Fund under this subsection by the amount prescribed in subdivision (3)(d) of this section. For purposes of this section, the equivalent of a specified number of cents of the tax shall mean that portion of the proceeds of the tax equal to the specified number divided by the tax rate per package of cigarettes containing not more than twenty cigarettes.

(3) The State Treasurer shall distribute the remaining proceeds of such tax in the following order:

(a) First, beginning July 1, 1980, the State Treasurer shall place the equivalent of one cent of such tax in the Nebraska Outdoor Recreation Development Cash Fund. For fiscal year distributions occurring after FY1998-99, the distribution under this subdivision shall not be less than the amount distributed under this subdivision for FY1997-98. Any money needed to increase the amount distributed under this subdivision to the FY1997-98 amount shall reduce the distribution to the General Fund;

(b) Second, beginning July 1, 1993, the State Treasurer shall place the equivalent of three cents of such tax in the Health and Human Services Cash Fund to carry out sections 81-637 to 81-640. For fiscal year distributions occurring after FY1998-99, the distribution under this subdivision shall not be less than the amount distributed under this subdivision for FY1997-98. Any money needed to increase the amount distributed under this subdivision to the FY1997-98 amount shall reduce the distribution to the General Fund;

(c) Third, beginning October 1, 2002, and continuing until all the purposes of the Deferred Building Renewal Act have been fulfilled, the State Treasurer shall place the equivalent of seven cents of such tax in the Building Renewal Allocation Fund. The distribution under this subdivision shall not be less than the amount distributed under this subdivision for FY1997-98. Any money needed to increase the amount distributed under this subdivision to the FY1997-98 amount shall reduce the distribution to the General Fund;

(d) Fourth, until July 1, 2009, the State Treasurer shall place in the Municipal Infrastructure Redevelopment Fund the sum of five hundred twenty thousand dollars each fiscal year to carry out the Municipal Infrastructure Redevelopment Fund Act. The Legislature shall appropriate the sum of five hundred twenty thousand dollars each year for fiscal year 2003-04 through fiscal year 2008-09;

(e) Fifth, beginning July 1, 2001, and continuing until June 30, 2008, the State Treasurer shall place the equivalent of two cents of such tax in the Information Technology Infrastructure Fund. The distribution under this subdivision shall not be less than two million fifty thousand dollars. Any money needed to increase the amount distributed under this subdivision to two million fifty thousand dollars shall reduce the distribution to the General Fund;

(f) Sixth, beginning July 1, 2001, and continuing until June 30, 2016, the State Treasurer shall place one million dollars each fiscal year in the City of the Primary Class Development Fund. If necessary, the State Treasurer shall reduce the distribution of tax proceeds to the General Fund pursuant to subsection (2) of this section by such amount required to fulfill the one million dollars to be distributed pursuant to this subdivision;

(g) Seventh, beginning July 1, 2001, and continuing until June 30, 2016, the State Treasurer shall place one million five hundred thousand dollars each fiscal year in the City of the Metropolitan Class Development Fund. If necessary, the State Treasurer shall reduce the distribution of tax proceeds to the General Fund pursuant to subsection (2) of this section by such amount

required to fulfill the one million five hundred thousand dollars to be distributed pursuant to this subdivision; ~~and~~

(h) Eighth, beginning July 1, 2008, and continuing until June 30, 2009, the State Treasurer shall place the equivalent of two million fifty thousand dollars of such tax in the Nebraska Public Safety Communication System Cash Fund. Beginning July 1, 2009, and continuing until June 30, 2016, the State Treasurer shall place the equivalent of two million five hundred seventy thousand dollars of such tax in the Nebraska Public Safety Communication System Cash Fund. Beginning July 1, 2016, and every fiscal year thereafter, the State Treasurer shall place the equivalent of three five million eight hundred twenty seven thousand dollars of such tax in the Nebraska Public Safety Communication System Cash Fund. If necessary, the State Treasurer shall reduce the distribution of tax proceeds to the General Fund pursuant to subsection (2) of this section by such amount required to fulfill the distribution pursuant to this subdivision; ~~and -~~

(i) Ninth, beginning July 1, 2016, and every fiscal year thereafter, the State Treasurer shall place the equivalent of one million two hundred fifty thousand dollars of such tax in the Nebraska Health Care Cash Fund. If necessary, the State Treasurer shall reduce the distribution of tax proceeds to the General Fund pursuant to subsection (2) of this section by such amount required to fulfill the distribution pursuant to this subdivision.

(4) If, after distributing the proceeds of such tax pursuant to subsections (2) and (3) of this section, any proceeds of such tax remain, the State Treasurer shall place such remainder in the Nebraska Capital Construction Fund.

(5) The Legislature hereby finds and determines that the projects funded from the Municipal Infrastructure Redevelopment Fund and the Building Renewal Allocation Fund are of critical importance to the State of Nebraska. It is the intent of the Legislature that the allocations and appropriations made by the Legislature to such funds or, in the case of allocations for the Municipal Infrastructure Redevelopment Fund, to the particular municipality's account not be reduced until all contracts and securities relating to the construction and financing of the projects or portions of the projects funded from such funds or accounts of such funds are completed or paid or, in the case of the Municipal Infrastructure Redevelopment Fund, the earlier of such date or July 1, 2009, and that until such time any reductions in the cigarette tax rate made by the Legislature shall be simultaneously accompanied by equivalent reductions in the amount dedicated to the General Fund from cigarette tax revenue. Any provision made by the Legislature for distribution of the proceeds of the cigarette tax for projects or programs other than those to (a) the General Fund, (b) the Nebraska Outdoor Recreation Development Cash Fund, (c) the Health and Human Services Cash Fund, (d) the Municipal Infrastructure Redevelopment Fund, (e) the Building Renewal Allocation Fund, (f) the Information Technology Infrastructure Fund, (g) the City of the Primary Class Development Fund, (h) the City of the Metropolitan Class Development Fund, ~~and (i) the Nebraska Public Safety Communication System Cash Fund, and (j) the Nebraska Health Care Cash Fund~~ shall not be made a higher priority than or an equal priority to any of the programs or projects specified in subdivisions (a) through ~~(j i)~~ of this subsection.

Sec. 34. Section 81-1201.21, Reissue Revised Statutes of Nebraska, is amended to read:

81-1201.21 (1) There is hereby created the Job Training Cash Fund. The fund shall be under the direction of the Department of Economic Development. Money may be transferred to the fund pursuant to subdivision (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the direction of the Legislature. The department shall establish a subaccount for all money transferred from the Cash Reserve Fund to the Job Training Cash Fund on or after July 1, 2005.

(2) The department shall use the Job Training Cash Fund or the subaccount established in subsection (1) of this section (a) to provide reimbursements for job training activities, including employee assessment, preemployment training, on-the-job training, training equipment costs, and other reasonable costs related to helping industry and business locate or expand in Nebraska, (b) to provide upgrade skills training of the existing labor force necessary to adapt to new technology or the introduction of new product lines, or (c) to provide grants pursuant to section 81-1210.02. The department shall give a preference to job training activities carried out in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act.

(3) The department shall establish a subaccount within the fund to provide training grants for training employees and potential employees of businesses that (a) employ twenty-five or fewer employees on the application date, (b) employ, or train for potential employment, residents of rural areas of Nebraska, or (c) are located in or employ, or train for potential employment, residents of high-poverty areas as defined in section 81-1203. The department shall calculate the amount of prior year investment income earnings accruing to the fund and allocate such amount to the subaccount for training grants under this subsection. The subaccount shall also be used as provided in the Teleworker Job Creation Act and as provided in section 81-1210.02. The department shall give a preference to training grants for businesses located in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act.

(4) The State Treasurer shall transfer two hundred fifty thousand dollars from the Job Training Cash Fund to the General Fund no later than July 15 of

2015 and 2016.

(5) ~~4~~ Any money in the Job Training Cash Fund 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. 35. Section 81-1354.05, Reissue Revised Statutes of Nebraska, is amended to read:

81-1354.05 (1) The Personnel Division Revolving Fund is created. The fund shall be administered by the personnel division of the Department of Administrative Services. The fund shall consist of (a) all All funds received by the personnel division for employee recognition programs and advertising and (b) assessments charged by the Director of Personnel to state agencies, boards, and commissions for human service management services provided by the division. Such assessments shall be adequate to cover actual and necessary expenses associated with providing the services. The fund shall be used to pay for expenses incurred by the division to provide such services.

(2) State agencies, boards, and commissions shall make the personnel division assessment payments to the fund (a) in one payment no later than August 1 of each year, (b) in two equal payments the first of which shall be made no later than August 1 and the second of which shall be made no later than February 1 of each year, or (c) in four equal payments to be made no later than August 1, October 1, February 1, and April 1 of each year, at the discretion of the personnel administrator.

(3) shall be credited to the fund. 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. Any money in the Employee Recognition Revolving Fund on July 1, 2000, shall be transferred to the Personnel Division Revolving Fund.

Sec. 36. Section 81-3119, Reissue Revised Statutes of Nebraska, is amended to read:

81-3119 The Health and Human Services Cash Fund is created and shall consist of funds from contracts, grants, gifts, or fees. Transfers may be made from the fund to the General Fund at the direction of the Legislature. The State Treasurer shall transfer three hundred thousand dollars on or before July 15, 2015, from the Health and Human Services Cash Fund to the Lead-Based Paint Hazard Control Cash Fund. It is the intent of the Legislature that the transfer to the Lead-Based Paint Hazard Control Cash Fund shall be from funds credited to the Medicaid Fraud Settlement Fund. The State Treasurer shall transfer one million five hundred thousand dollars on or before July 15, 2013, from the Health and Human Services Cash Fund to the Rural Health Professional Incentive Fund. Any money in the Health and Human Services 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. 37. The Lead-Based Paint Hazard Control Cash Fund is created in the Department of Economic Development. The fund shall receive transfers as authorized by the Legislature. The department shall use the entirety of the fund to award a grant to a city of the metropolitan class to carry out lead-based paint hazard control on owner-occupied properties, contingent upon formal notification by the United States Department of Housing and Urban Development that it intends to award a grant to a city of the metropolitan class to carry out the federal Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. 4852, as such section existed on January 1, 2015. 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. The fund terminates on July 1, 2016.

Sec. 38. Section 85-1401, Reissue Revised Statutes of Nebraska, is amended to read:

85-1401 Sections 85-1401 to 85-1420 and section 39 of this act shall be known and may be cited as the Coordinating Commission for Postsecondary Education Act.

Sec. 39. (1) The Legislature finds that:

(a) The availability and accessibility of quality, affordable oral health care for all residents of the State of Nebraska is a matter of public concern and represents a compelling need affecting the general welfare of all residents;

(b) The development and sustainability of a skilled workforce in the practice of dentistry is a public health priority for the State of Nebraska; and

(c) According to research sponsored by the Office of Oral Health and Dentistry of the Department of Health and Human Services, the Nebraska Rural Health Advisory Commission, and the Health Professions Tracking Service of the College of Public Health of the University of Nebraska Medical Center:

(i) A majority of the ninety-three counties of the State of Nebraska are general dentistry shortage areas as designated by the Nebraska Rural Health Advisory Commission and more than twenty percent of the ninety-three counties have no dentist;

(ii) Eighty-two counties are shortage areas in pediatric dentistry as designated by the Nebraska Rural Health Advisory Commission;

(iii) The uneven distribution of dentists in the State of Nebraska is a public health concern and twenty-four percent of the dentists in Nebraska are estimated to be planning to retire by 2017;

(iv) Sixty percent of the children in the State of Nebraska experience dental disease by the time they are in the third grade; and

(v) It is estimated that more than twenty-five thousand children attending

public schools in Omaha, Nebraska, do not have a means of continuing dental care.

(2) It is the intent of the Legislature to provide for the development of a skilled and diverse workforce in the practice of dentistry and oral health care in order to provide for the oral health of all residents of Nebraska, to assist in dispersing the workforce to address the disparities of the at-risk populations in the state, and to focus efforts in areas and demographic groups in which access to a skilled workforce in the practice of dentistry and oral health care is most needed. In order to accomplish these goals, the Legislature recognizes that it is necessary to contract with professional dental education institutions committed to addressing the critical oral health care needs of the residents of Nebraska.

(3) The Oral Health Training and Services Fund is created. The Coordinating Commission for Postsecondary Education shall administer the fund to contract for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using telehealth as defined in section 71-8503 for the residents of Nebraska. 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.

(4) To be eligible to enter into a contract under this section, an applicant shall be a corporation exempt for federal tax purposes under section 501(c)(3) of the Internal Revenue Code and shall submit a plan to the commission as prescribed in subsection (5) of this section to provide oral health training, including assistance for the graduation of dental students at a Nebraska dental college, to provide discounted or charitable oral health services focusing on lower-income and at-risk populations within the state, and to target the unmet oral health care needs of residents of Nebraska. In addition, the applicant shall submit at least five letters of intent with school districts or federally qualified health centers as defined in section 1905(1)(2)(B) of the federal Social Security Act, 42 U.S.C. 1396d(1)(2)(B), as such act and section existed on January 1, 2010, in at least five different counties throughout the state to provide discounted or charitable oral health services for a minimum of ten years. An application to enter into a contract under this section shall be made no later than January 1, 2017.

(5) The plan shall include (a) a proposal to provide oral health training at a reduced fee to students in dental education programs who agree to practice dentistry for at least five years after graduation in a dental health profession shortage area designated by the Nebraska Rural Health Advisory Commission pursuant to section 71-5665, (b) a proposal to provide discounted or charitable oral health services for a minimum of ten years to residents of Nebraska, and (c) a proposal to provide oral health services to residents of Nebraska using telehealth as defined in section 71-8503.

(6) Any party entering into a contract under this section shall agree that any funds disbursed pursuant to the contract shall only be used for services and equipment related to the proposals in the plan and shall not be used for any other program operated by the contracting party. If any of the funds disbursed pursuant to the contract are used for equipment, such funds shall only be used for patient-centered oral health care equipment, including, but not limited to, dental chairs for patients, lighting for examination and procedure rooms, and other equipment used for oral health services for patients and for training students in dental education programs, and shall not be used for travel, construction, or any other purpose not directly related to the proposals in the plan.

(7) The contract shall require matching funds from other sources in a four-to-one ratio with the funds to be disbursed under the contract. The party entering into the contract shall specify the source and amount of all matching funds. No applicant shall receive an award amount under a contract under this section of more than eight million dollars. If more than one applicant meets the requirements of this section to enter into a contract and provides evidence that private or other funds have been received by the applicant as matching funds for such a contract in an amount greater than or equal to sixteen million dollars, each of such applicants shall receive an award amount under a contract equal to eight million dollars divided by the number of such applicants. If one of such applicants qualifies for a contract award amount of less than four million dollars, any other such applicant may receive a contract award amount up to eight million dollars minus the amount awarded to the applicant qualifying for less than four million dollars. The contract amount shall be awarded first to the applicant qualifying for the lowest contract award amount. The contract shall require full and detailed reporting of the expenditure of funds disbursed pursuant to the contract. Any party entering into a contract under this section shall report electronically to the Legislature within one hundred twenty days after the expenditure of the funds disbursed pursuant to the contract detailing the nature of the expenditures made as a result of the contract. In addition, any party entering into a contract under this section shall report electronically to the Legislature on an annual basis the charitable oral health services provided in school districts and federally qualified health centers and the number of recipients and the placements of students receiving oral health training at a reduced fee in dental education programs.

Sec. 40. Original sections 2-1587, 13-1905, 13-1906, 13-1907, 13-2610, 81-1201.21, 81-1354.05, 81-3119, and 85-1401, Reissue Revised Statutes of Nebraska, and sections 2-1507, 2-1513, 2-1588, 13-2704, 39-1390, 61-222, 71-7611, and 77-2602, Revised Statutes Cumulative Supplement, 2014, are

repealed.

Sec. 41. Since an emergency exists, this act takes effect when passed and approved according to law.