

ESUCC

Legislative Committee Meeting

Wednesday, February 1, 2017, 12:00 PM

Executive Committee Meeting ESUCC Board Meeting LPS Admin Building 5905 O Street

Lincoln, NE DL ESUs 4, 6, 7, 9, 10, 13, 6949 South 110th Street, LaVista, NE 68128

Attendance Taken at 11:54 AM.

Beatty ESU 16:	Present
Bell ESU 10:	Absent
Jeff West (NE):	Present
Dr Kraig Lofquist:	Absent
Standish ESU 18:	Present
Dan Schnoes (NE) (ESU 03):	Present
Paul Calvert (ESU 15):	Present

1. Call to Order

2. Roll Call

3. Agenda Item

3.1. January 6, 2017 Western NE Legislative Day

3.2. Tax Reform Meeting

3.3. Legislative Bills 2017

3.3.1. LB 22 - Provide, change, and eliminate provisions relating to appropriations and reduce appropriations

3.3.2. LB 144 - Change agricultural and horticultural adjusted valuations for calculating state aid to schools

3.3.3. LB 175 - Adopt the Student Online Personal Protection Act

3.3.4. LB 219 - Change retirement system provisions relating to authorized benefit elections and actuarial assumptions

3.3.5. LB 232 - Provide a property tax exemption for property leased to the state or a governmental subdivision

- 3.3.6. LB 266 - Change the valuation of agricultural land and horticultural land
- 3.3.7. LB 312 - Change and eliminate revenue and taxation provisions
- 3.3.8. LB 327 - Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2019
- 3.3.9. LB 338 - Adopt the Agricultural Valuation Fairness Act
- 3.3.10. LB 409 - Change the base limitation and local effort rate for school districts
- 3.3.11. LB 415 - Provide and change notification requirements and duties and benefits for certain retirement system members, change certain annuity and disability benefit provisions, and provide duties for school districts and the Public Employees Retirement Board relating to retirement
- 3.3.12. LB 431 - Change provisions relating to cash reserves under the Nebraska Budget Act
- 3.3.13. LB 432 - Eliminate provisions of the Nebraska Budget Act relating to allowances for delinquent taxes and anticipated litigation
- 3.3.14. LB 479 - Change public hearing provisions and redefine a term under the Nebraska Budget Act
- 3.3.15. LB 484 - Create the School Financing Review Commission
- 3.3.16. LB503 - Prohibit certain provisions in collective-bargaining agreements
- 3.3.17. LB 521 - Change provisions related to early childhood education in the Tax Equity and Educational Opportunities Support Act
- 3.3.18. LB 540 - Provide for a temporary aid adjustment factor in the Tax Equity and Educational Opportunities Support Act
- 3.3.19. LB552 - Provide for the Children's Connection program
- 3.3.20. LB 568 - Change provisions related to temporary teaching certificates
- 3.3.21. LB 575 - Provide funding for schools offering certain programs and courses as prescribed
- 3.3.22. LB 576 - Limit increases in property tax bills

- 3.3.23. LB 595 - Provide for the use of physical force or physical restraint or removal from a class in response to student behavior
- 3.3.24. LB 608 - Adopt the Parental Choice Scholarship Program
- 3.3.25. LB 630 - Adopt the Independent Public Schools Act
- 3.3.26. LB 633 - Authorize school districts to levy a tax and exceed budget authority for school security measures and student technology
- 3.3.27. LB 634 - Include virtual school students in the state aid to schools formula
- 3.3.28. LB 662 - Establish a grading system for schools and school districts
- 3.3.29. LB664 - Prohibit a political subdivision from using taxes or fees to employ a lobbyist

3.4. Legislative Planning Update

- 3.4.1. Legislative Goals
 - 3.4.1.1. Governor Meeting
 - 3.4.1.2. Marketing - Individual Visits
 - 3.4.1.3. Marketing - Whole Group Presentation, February 23, 2017
 - 3.4.1.3.1. ESUCC Data
 - 3.4.1.4. ESUCC/ESU Promotional Flyer

4. Next Meetings Agenda Items

5. Executive Session

6. Adjournment

{{Name: Agenda Item Name}}
{{Discussion: Agenda Item Discussion}}
{{Comments: Agenda Item Comments}}
{{Actions: Agenda Item Actions}}

Education Community Meeting AGENDA

December 20, 2016, 8:30-11:30

NCSA, Lincoln

Agenda:

8:30 Legislative updates and Intel

- Education chair
- 4% reduction in current FY

9:00 Report by NDE on federal agenda and ESSA

9:30 Updates on the Nebraska Education Collaboration

10:00 Break

10:15 Discuss legislative agenda

- TEEOSA- release valve
- School finance review commission
- Early childhood
- Career education
- Expanded learning
- Nutrition
- other

11:30 Adjourn

Next meeting: January 9th, 1:30-3:30

Topline messages:

TEEOSA isn't working for most school districts, and it certainly won't work for the future we imagine

We have a revenue problem

Local control (school boards are elected, just like senators)

Goals:

Serve all kids in the state

Principles:

Access to resources

Equity

Investments in education can lead to decreased costs in other parts of government

Stability is important

Short term:

Defend funding in current biennium (instead of taking 4% reduction)

Release valve. Raise \$1.05: DoE to model a few scenarios

Tax more services, foundation outside of the formula or special ed or some mechanism that helps all districts (not just equalized)

Long term:

School finance review commission (as a bill or not, depending on committee leadership)

Homework:

Tangible examples of cuts that will happen

Education Community Meeting AGENDA

October 31, 2016, 10:30-12:30

NCSA, Lincoln

Agenda:

10:30 Threats and opportunities- Commissioner Blomstedt & OpenSky Policy Ins.

- Overview, Commissioner Blomstedt (10 min)
- Budget Update, OpenSky (5 min)
- NDE Budget Proposal, Commissioner Blomstedt (20 min)
- Education Collaboration initiative and other “pipeline” investments, OpenSky (20 min)
- School finance strategies, Commissioner Blomstedt (15 min)

11:40 Communications

- Review and discuss education toolkit

12:00 Outreach & Advocacy

- Engaging local champions
- Taking your story to the media/legislature

Public education is an asset, not the enemy

Nebraska's outstanding public schools are the envy of many states. They are the foundation of opportunity in our state and they help our communities thrive by powering our strong workforce and providing our children with the skills they need to prosper. As Nebraska lawmakers struggle with a budget shortfall and pressure to lower property taxes, some are portraying our schools as the cause of our state's property tax issues and other budget challenges. This idea is misguided and places blame in exactly the wrong place. Policy choices that would limit school spending and/or cut funding for schools ultimately will harm our state and its economy.

Our public school system is producing tremendous outcomes for our state and for our local communities.

- Nebraska's four-year graduation rate is 88.9 percent; one of the highest in the nation.
- Nebraska students consistently score above average on college entrance tests.
- 76 percent of Nebraska high school graduates go to college.
- (Share success stories from your own district)

Education investments are economic development.

- Increased investment in education increases the quality of the workforce, which makes the state more attractive to businesses as access to a quality workforce is one of the top things businesses look for when they choose a location.
- Increased investment in education can help spark entrepreneurship and instill in our children the skills they need to prosper in the future.
- Our state's outstanding public schools also are a powerful recruiting tool as employees look to move to places where their children can attend excellent schools.
- Improving the quality of our workforce to create more high-wage, high-skilled jobs has been recommended by experts as the best way to grow Nebraska's economy. Education is the best tool we have for improving our workforce.

Now is the time to increase – not cut -- our investment in education.

- With statewide enrollment growing and our world rapidly changing, our schools need more – not less -- support to prepare our students to succeed.
- Research shows increased investments in education have high “bang for the buck” in terms of economic development. For example,
 - Increased state investment in quality early childhood education offers 6 to 1 returns on dollars invested;
 - Investments in mandatory summer school for struggling students offers 13 to 1 ROI as do investments in career academies; and
 - Investment in targeted workforce training offers 6 to 1 ROI.
- Shortchanging our children now is shortchanges our state's future workforce and economy. Conversely, investing in our children now sets our state up for a stronger future.

School spending is not out of line in Nebraska.

- Across the state, total school spending has grown at an average rate of 4.17 percent per year (FY95-FY15). Average state budget growth in the same period was 4.5 percent.
- In 2015, the Legislative Fiscal Office found overall school spending growth over the past decade was the lowest in 30 years.
- School districts are already subject to two mechanisms of spending control -- limits to annual budget growth and a property tax levy cap.
- School districts and their boards work hard to make sure tax dollars are used in the best possible ways.
- Forcing further cuts to school spending will limit the ability of local communities to determine what is best for their students and will harm our schools and our children at a time when our educational needs are growing.

Schools already are making difficult cuts to balance their budgets.

- Busing has been reduced in some districts, making it harder for children to get to school and for parents to balance their home and work lives.
- Alternative school programs that provide vital assistance to at-risk children have been cut.
- Foreign language programs that help our children succeed in the global economy have been eliminated.
- In many classrooms, students use badly-outdated text books, which leaves them less prepared for success in and out of the classroom.
- In one district, 20 teachers were cut over the same time period that enrollment grew by 1,200 students. This leads to larger class sizes, which research shows is detrimental to learning.
- Building repair and maintenance are being deferred, leading to further issues such as broken boilers and other infrastructure failures. This jeopardizes student safety and leads to repairs that are more costly than properly maintaining the facilities.
- Programs such as those for high-achieving students could be in jeopardy if more funding is cut, limiting opportunities for our children to reach their full potential.
- *(Share stories from your own districts about cuts that have already been made.)*

Low levels of state funding for education is at the heart of Nebraska's property tax issues, not school spending. (See appendix A)

- Nebraska ranks 49th in the country in the percentage of K-12 funding that comes from the state.
- Nebraska has long struggled with high reliance on property taxes to fund K-12 schools due to a low level of state funding. Every major study of Nebraska taxes since 1967 has noted this.
- Increasing state aid to education to help lower property taxes was the top recommendation of the 2013 Tax Modernization Committee.
- Further cuts to state funding for schools will either cause property taxes to increase or the quality of education we offer our children to decrease.

What would a reduction to state school funding mean for our school districts?

- Nebraska Department of Education's FY2018-FY2019 budget proposal requests an increase in state aid and Special Education funding.
 - The department requested a 5.2 percent -- or \$49.7 million --TEEOSA increase in FY18 and 6.1 percent -- or \$61 million -- increase in FY19.
 - The department requested 10 percent increases in Special Education funding for each year of the biennium, which would be \$22.2 million in FY18 and \$24.4 million in FY19.
- However, if the current state budget shortfall is closed with across-the-board budget cuts, state aid will be less in FY 18-19 than it was in FY 17.
- There also is concern that state aid could take the brunt of state budget cuts, which would lead to even deeper cuts to K-12 funding.
- (Share what a cut to state school funding would mean to your district.)

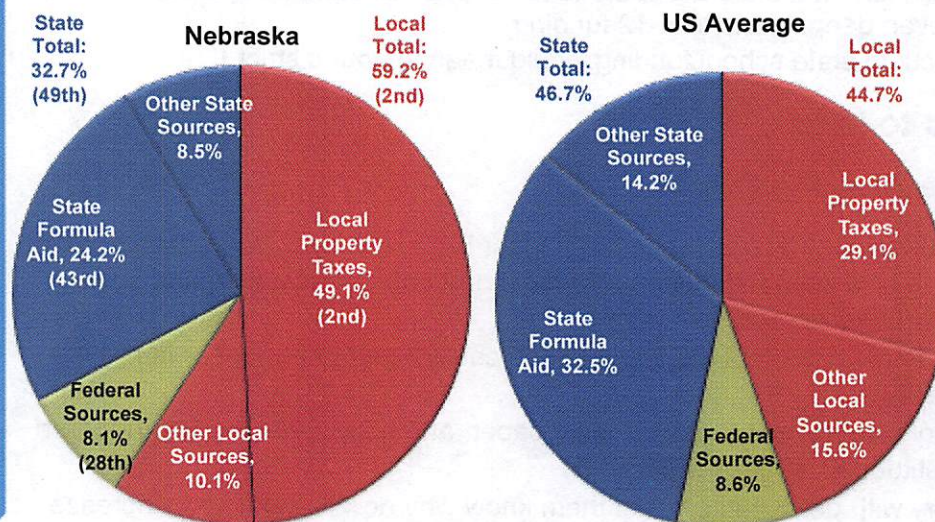
What you can do to help.

You can make a difference and here's how:

- With a tough budget year ahead, state funding for K-12 is likely to be on the chopping block. Determine how school funding cuts would hurt your organization and your constituents/members/supporters.
- Find and develop a story about the impact. This could be an individual or family or community-level story.
- Share your story with the editor of your local paper, and bring others with you (board members, constituents). **(See Appendix B)**
- Share your story with policymakers. Let them know why now is the time to increase support for our public schools, not take it away. Ask your constituents and school board members to engage with policymakers as well.
- Inform and mobilize your grassroots constituents/members/supporters by sharing stories and statistics through social media, newsletters, etc. **(See Appendix C)**
- Ask school board members and constituents to reach the media through letters to editors, op-eds, and other means. **(See Appendices D and E)**
- Create an echo chamber and share other stories from throughout the education community with your leaders and constituents.
- When appropriate, use online petitions and other measures to garner support for school funding.
- Talk to your neighbors, relatives and friends to help them understand the importance of public education and the need to properly fund our schools.

Appendix A – Nebraska v. National Average in Education Funding

How NE Compares to the National Average in Education Funding



Source: US Census Bureau, 2014 Annual Survey of School System Finances



Clear thinking for a stronger Nebraska

Appendix B – Example OP-ED from school officials

(Vernon Fisher and John Skretta: School funding should be equitable (Item appeared in the Omaha World-Herald on July 18, 2016))

Fisher is superintendent of South Sioux City Community Schools. Skretta is superintendent of Norris Public Schools.

Let's change the rhetoric around school finance.

At this moment, your local school superintendent and school board are hard at work preparing budgets for the next school year. They are doing so without a unified, statewide vision for public education, in an environment of fiscal uncertainty and under the cloud of a divided political climate.

Nebraskans must exert the will and display the courage to change our rhetoric and participate in the challenging process of collaborating on a vision for public education and providing a more equitable tax structure; neither can be accomplished in isolation.

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This will not be an easy task, nor will any meaningful change occur without fully understanding the complexities behind tax relief and school spending.

As two Nebraska school superintendents, we will use our districts to illustrate the complexities of this task.

Norris and South Sioux City are growing districts in different locations and with different demographics. Both have experienced increasing enrollments combined with limited state resources. How our schools are funded looks different and illustrates the complexity of addressing tax relief in Nebraska.

The Norris story

Norris is a school district that receives fewer resources annually from the state, becoming more and more dependent on revenue generated through property taxes to support quality education for its students.

Norris' certified state aid for 2016-17, \$4.86 million, is the lowest level of funding our district has received in more than a decade. It is down more than 10 percent from the previous year, which was an 8 percent cut from the \$5.9 million received in 2014-15.

A decade ago, when our state aid was \$4.45 million, Norris was a school district of 1,772 students, and costs were considerably lower. Norris' enrollment last year was 2,241, a 2.89 percent enrollment increase from the year before.

Norris is now in the distressing plight of having almost three-fourths of its funding reliant on local property taxes. This phenomenon is playing out in many districts across our state, which is why Nebraska has the unenviable distinction of being top in the nation in the use of local revenue as a percentage of the total needed to fund K-12 education.

The reduction in state aid to Norris has occurred at a time of perennial growth for the district. Each year brings new enrollment highs, as residential development increases in southern Lancaster County in the form of acreages and housing development in rapidly growing Hickman, one of a number of small communities making up the Norris system.

The disproportionate burden of property taxes has fallen on the shoulders of our farmers. While the total number of agricultural acres has declined in our district because of increasing residential development, the value of this precious commodity has skyrocketed.

Lancaster County data from the Nebraska Department of Revenue notes that the cumulative percentage increase in real ag land valuations since 2011 is a mind-blowing 106 percent. Ironically, however, these increases are occurring in a context of three straight years of declining farm income because of low commodities prices, with debt-to-equity ratios for farms increasing.

While valuations have continued to rise, figures from the U.S. Department of Agriculture show that the price of corn has fallen 87 percent during this same five-year span.

In short, the bank ledger is not penciling out for Nebraska farmers, the backbone of our state's economy. While assessed values based on sales of comparable parcels have resulted in significant valuation increases, if the production value of the land does not equate to these increases, it puts our farmers in a negative revenue cycle, as it has for the last several years.

The South Sioux story

South Sioux City is considered the poster child for "equalization aid" because of our unusual situation of existing needs vs. resources.

South Sioux City is a community of 14,000 and is expected to realize steady population growth in the foreseeable future. The school district has seen consistent growth in student enrollment, with a current population of 3,900. More than 12 percent of our South Sioux students (nearly double the state average) are English Language Learners, whose native language is not English. These students require additional resources to educate so they become proficient users of the English language.

Couple that with the fact the district hovers around the 75 percent mark in terms of students identified for free and reduced price lunch, and it is quite apparent that more students are enrolling from families who live in poverty.

South Sioux City is a property-poor district, as reflected in the total valuation per student. According to the Nebraska Department of Revenue, South Sioux City Community Schools has the fifth-lowest total valuation per pupil in Nebraska.

The district is heavily dependent on resources from the state, with approximately 60 percent of its budget supported by state aid. However, such aid has remained relatively flat over the past six years.

In the 2010-11 school year, the district received \$26.17 million in state aid. This past school year, the district received \$26.58 million.

In terms of per-pupil cost, this was only \$17.35 more each year per student. To put this in real-world perspective, this increase in revenue does not cover the cost of purchasing a textbook, let alone other valuable resources for students.

From a property tax perspective, 20 percent of the district's budget is composed of revenue generated through property taxes, and approximately 5 percent of the property taxes come from agricultural land. The school district's valuation growth has slowed over the past four years, moving from increases of 4.8 percent to 1.75 percent this last year.

These slight valuation gains have resulted in revenue increases that do not cover costs associated with career and technical education or technology.

Even when adding the two revenue sources together (state aid and local property tax revenue), our school district struggles to keep up with increases in costs required to provide quality programs.

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Investing in education

If the focus of our elected officials manifests itself mostly in tax-cut proposals and restrictions on spending that rob school boards of local control, this is a sad sign for the future of education in Nebraska.

We urge all our elected state officials to join the ranks of public education advocates who are working hard to marshal the forces and gather the resources needed in order to:

- » Make universal preschool a reality.
- » Ensure every child has technological literacy.
- » Commit to college- and career-readiness.

As schools transition from budget planning to budget adoption, take an interest in your local school and its governing board.

Understand that, while alluring, conversations about tax cuts must be seen in the broader context of the value of public education and prosperity of future generations.

Public education in Nebraska continues to be an excellent investment in our children, and therefore, in our future.

Appendix C – Constituent Contact

From the Desk of Mike Lucas - [School Funding - Beating a Dead Horse](#)

(Posted on Sept. 1, 2016)

The 2015-16 fiscal year for York Public Schools came to an end on August 31st. York Public Schools now has even more data to show that our over-reliance on local property taxes isn't due to "local spending" like some state-level officials want us to believe, it is due to the ineffective way our schools are funded.

- We spent \$22,968 LESS than we did the year before
 - o This comes to about \$11,200 per student, which is well below the statewide average of cost per pupil, a measure that some use to determine "efficiency" of school spending
- Our average annual spending increase since 2008 has been only 1.5%
 - o We've made tough cuts and now have 5.25 fewer teachers today than we did 10 years ago
- ♣ We also have 18 fewer support staff members than we did 10 years ago
- Our enrollment has grown by more than 12% in that same time span
- HERE'S THE REAL KICKER, HOWEVER
 - o Our total revenue for 2015-16 was \$80,467 LESS than the year before
 - ♣ Despite our local property taxes INCREASING by \$999,780
 - Let that sink in for a minute.....\$999,780 more in local property taxes than the year before yet

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our total revenue goes down....

- You see, local property taxes aren't lining our school district pockets with cash – they're simply replacing state and federal revenues, often at a deficit

As we look ahead to the 2016-17 fiscal year, the picture gets even worse but we continue to hear state-level officials say that the state doesn't levy property taxes and "the problem" lies with locally elected boards that spend too much. Locally elected officials get thrown under the bus when this is a statewide issue and the school funding formula is underfunded and manipulated to gobble up local property taxes.

- Our state aid DECREASES another \$1.25 Million
 - o We are up against the maximum levy lid so we will request \$300,000 more in local property taxes from you
- However, despite you paying more local property taxes again, our total revenue is projected to DECREASE by another \$600,000
- We plan to increase our spending by about \$40,000 (.002%) and have a decent chance of not increasing at all

We're working hard on this issue and have reached out to many farmers and large landowners and will continue to do so. We want to work hand-in-hand with our agriculture community as we work for true property tax relief. We're trying to bring some possible solutions to York County this fall/winter for discussion. Thanks for your support.

Mike Lucas
York Public Schools

Appendix D – Example OP-ED from school board member

(The following piece was written by Jim Paloucek, a North Platte attorney and former president of the North Platte Public School District school board.)

Don't throw funding out with the bathwater (Appeared in The North Platte Telegraph on Wednesday, August 19, 2015)

"Don't throw the baby out with the bathwater" echoes as our local and state representatives confront the drumbeat to address ever-increasing property taxes.

The reverberations are particularly loud when suggestions turn to reducing financial support of local school districts which, to use North Platte's public schools for example, levy approximately half of the property taxes paid by real estate owners. This summer and fall, the Unicameral's Education (on which our Senator Groene serves) and Revenue Committees are studying

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Nebraska's funding of education ostensibly with an eye toward shifting more of the load away from property taxes.

Educational funding in Nebraska is, at best, a convoluted mess that involves uncountable, ever-changing parts which have a variety of ways of fitting together, or not. There is a formula in state statute, passed by the Unicameral, which determines the amount of money local school districts receive from the state to supplement local property tax revenue. The formula is akin to a jigsaw puzzle for which the pieces are always in motion and are constantly changing shapes. To further complicate things, the state government has a penchant for piling costly mandates on local schools without funding the expense of those directives. And then there are the state's collective bargaining laws, also statutes passed by our Unicameral, which basically dictate to school districts the compensation packages that must be provided to teachers. The end product is a system of revenues and expenses like a Rubik's Cube that has a hundred squares on each side with the colors changing as the rows are rotated.

That is why it is scary when it is even hinted that there is some simple fix to the question of funding education and the burden it imposes on taxpayers. There isn't. If the obligation of educating our children is to be met, any relief on the funding front will require careful, collaborative and hard work and compromises across numerous fronts. Any assertion that school boards can very simply address the property tax problem by cutting their levies may be a politically popular rally cry, but following that contention through just part of the education funding maze suggests something else.

Using North Platte's public schools as an example, it has been suggested that the school board could reduce the operating and building fund levies from the proposed budget amount of \$1.05 to 95 cents. Ninety-five cents is the minimum levy required by state law to avoid drastic reduction of the \$11.5 million the district is to receive from the state under the state's formula. But if the levy goes below \$1.00 and down to 95 cents, the district would lose approximately \$270,000 from the formula's "averaging adjustment." And NPPSD Business Manager Stuart Simpson estimates that the reduction of the levy to 95 cents would reduce the school's property tax receipts by approximately \$2 million.

So what would \$2.27 million in less revenue do to North Platte's public schools? One thing to remember is that about 85 percent of the dollars the district spends is payroll — employees' salaries and benefits. Reducing \$2.27 million in spending would require cutting payroll. Another thing to recall is that the state's collective bargaining laws essentially control what the district must pay its individual teachers in salary and benefits, meaning that payroll can't be cut by reducing teachers' compensation packages. To cut \$2.27 million in spending, the reality is that teachers' jobs would have to be cut. The average per teacher cost at NPPSD is approximately \$60,000. In real-life, practical terms, reducing the levy to 95 cent would likely eliminate more than 30 teaching positions from a staff of around 300 teachers. That would mean larger class sizes by about 10 percent, eliminating programs, and probably closing at least one elementary building. Few would suggest that such results would serve students well.

There are no quick fixes that will produce property tax relief when it comes to current Nebraska educational funding laws. Cutting dollars to schools has concrete ramifications to districts and their ability to deliver for their students and communities. Let's be careful — and thoughtful.

Read also Paloucek's piece, titled "Property tax relief not so easy," which appeared in The North Platte Telegraph on March 16, 2016 at <http://bit.ly/Paloucek>.

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Appendix E – Sample letter to the editor

School spending in Nebraska is not out of control nor is it the cause of our state's property tax issues. Low state support for K-12 education means we need to rely more on property taxes to support our schools and increasing state aid to schools has repeatedly been recommended as the best way to lower property taxes in Nebraska. Furthermore, increased investment in our schools is one of the most powerful economic development choices our state leaders can make as it helps ensure our children have the opportunity to succeed and prosper in their jobs, their homes and their communities. Cutting school spending fails to get to the heart of the property tax issue and will lead to damaging cuts to our outstanding schools, which are essential to helping our state and our communities thrive.

FORESIGHT LAW + POLICY

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WASHINGTON, D.C. 20005

Presidential and Congressional Transition: Education Policy Outlook

Nebraska Department of Education | December 20, 2016
Lincoln, Nebraska

Presentation Overview

2017 Education Policy Outlook

- Presidential Transition Team and Process
- Insights from the Campaign's Ed Policies
- U.S. Department of Education Priorities
- 115th Congress Leadership and Priorities
- Discussion/Q&A

Transition Education Policy Leadership

The transition's official/unofficial team has close ties to President G.W. Bush and Jeb Bush, but also key Members of Congress.

- **James Manning** – (Fmr. A.S. Postsecondary Ed – Spellings)
 - **William Evers** – (Fmr. A.S. Planning, Policy and Evaluation – Spellings)
 - **Townsend McNitt** – (Deputy CoS at U.S. ED - Spellings)
 - **Rob Goad** – (L.D. Rep. Luke Messer (IN))
-
- **Outside Experts (e.g. Terrell Halaska** – (Fmr. A.S. Leg Affairs – Spellings)
 - **HELP and Education and the Workforce Committee Staffers**

U.S. Department of Education Leadership

Although the president's selection for Secretary of Education is consequential, observers should also pay close attention to the Department of Education's broader leadership.

- **Betsy DeVos** –Secretary of Education Nominee (American Federal for Children/Foundation for Excellence in Education)
- ? – Deputy Secretary
- ? – Assistance Secretary for Elementary and Secondary Education
- ? – Under Secretary (Higher Education)
- ? - Assistant Secretary for Planning, Evaluation and Policy
- ? – Assistant Secretary for Post-Secondary Education

Trump Campaign Education Policies

The president-elect's campaign avoided detailed policy, but did focus on three education ideas during the general election:

- Establishing a new \$20 billion federal investment in **school choice**, connected to a \$100 billion investment by states;
- Capping periodic **student loan repayments** at 12.5 percent of income, along with granting loan forgiveness after 15 years; and
- Creating a new **childcare and child enhancement tax credit** for low income families. (Childcare tax credits were cited again this week by the president-elect's Treasury Secretary nominee.)

New Administration Education Priorities?

DeVos's nomination signals a strong administration commitment to school choice, but the Administration must also develop plans and make decisions about a much broader agenda.

- **What will “School Choice” mean to the Administration and how will it be funded?**
 - A primary focus on vouchers, charters, or both?
 - Would Congress approve significant new funding for choice? If so, how would the spending align with the Budget Control Act's spending caps and ESSA's Charter Schools program?
- **Every Student Succeeds Act:** Significant ESSA rulemaking will be completed this year, but the new team must consider possible revisions to regulations and assume responsibility for reviewing and approving state consolidated plans due in April and September.
- **Higher Education Act:** Senate/House ed committees will prioritize HEA. Will the Administration have higher education priorities? Re-privatizing the student loan system? Terminate the new teacher prep regulations?
- **Childcare and Enhancement:** Early learning has bipartisan support. Will the new administration follow through on the issue? Possibly leveraging ESSA's Charter School program's early learning provisions?

Congressional Outlook

- DeVos nomination hearing tentatively scheduled for January 12.
- Education policy is not likely to be an early focus of Congress's work, given other priorities including ACA, infrastructure, trade, Supreme Court nomination and other issues.
- Ed committees will be busy. Updates to several major federal laws are behind schedule e.g., HEA, CTE, ESRA, Head Start, and IDEA.
- Senate Republicans still do not have 60-vote threshold required to drive legislation, or presidential nominees, through the legislative body without at least some Democratic support. Will the majority use the budget reconciliation process to address education policy?
- Will divisions within the Republican caucus, particularly over spending, pose significant challenges to the majority's work?

Congressional Education Policy Leadership

The top leadership of the House and Senate education authorizing committees will not change in the 115th Congress, except for Chairman Kline's retirement.

Senate Help Committee Leadership

- Senator Alexander (R-TN)
- Senator Patty Murray (D-WA)

House Education and the Workforce Committee

- Representative Virginia Foxx (R-NC)
- Representative Bobby Scott (D-VA)

Education Committees Priorities

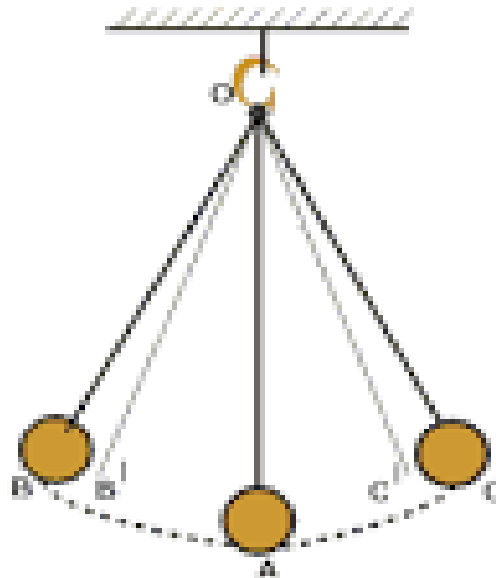
Chairman Alexander and Chairwoman Foxx have expressed a strong desire to focus on reauthorization of the Higher Education Act. Other issues on the committees' agendas include:

- Perkins Career and Technical Education Act
- ESSA Implementation Oversight
- Administration Priorities
- Education Sciences Reform Act (IES/NCES/SLDS)
- Student Data Privacy (FERPA w/higher ed implications or expansion of FTC authority?)
- U.S. Ed Nominee Hearings (Senate)

Reaction to the Election?

The Republican Congress may behave in an unorthodox way in 2017 (e.g. with regard to increased spending), but we expect the pendulum to swing back (eventually) to a more traditional conservative role.

**Reaction to
Populist
Outcry in 2017
and Beyond?**



**Eventual Reset
and \$\$
“Hangover”?**

Q & A

New Investments Breakout Session:

Purpose: To brainstorm policy proposals that represent investments in K-12 education that the education community can collectively support – to “fill the pipeline” with proactive policy ideas.

What are new investments that will improve public education in Nebraska? (5 minutes)

Ideas to consider:

- early childhood
- expanded learning opportunities (“full service community schools”)
- school-to-career
- special education
- alignment between PK-12 system and post-secondary education
- whole child (physical, mental, and behavioral health)
- Grow Nebraska – “business, communities, and agencies aligning efforts”
- Job opportunities for teens and young adults
- Teacher shortages – matching the need
- DHHS-involved students
- Poverty funding

Early Childhood

- 1.0 in TEEOSA formula
- Transportation funding for 4-year-olds
- ½ cent levy authority for ESUs for ECE

Expanded Learning Opportunities

- Expand existing grant opportunities – currently, \$2M in grant programs is not enough
- Focus on school-to-career, skills & trades

Special Education

- Increase reimbursement percentage to 80%
- Use “impact aid” concept
- Take out of formula

Other Ideas:

- Use of lottery funds
- Taking poverty, ECE, & Special ed out of TEEOSA formula
- Transparency regarding educational outcomes of foster youth
- Utilize business incentive programs to require collaboration with local school districts – business that receive credits must contribute

Participants:

Stephen Grizzle, Renee Hyde, Steve Joel, Craig Christensen, Linda Richards, Vern Fisher, Brian Halstead, David Ludwig, Tiffany Seibert Joekel, Micaela LaRose

MONITOR	LB 22 - Provide, change, and eliminate provisions relating to appropriations and reduce appropriations
OPPOSED	LB 144 - Change agricultural and horticultural adjusted valuations for calculating state aid to schools
SUPPORT	LB 175 - Adopt the Student Online Personal Protection Act
SUPPORT	LB 219 - Change retirement system provisions relating to authorized benefit elections and actuarial assumptions
MONITOR	LB 232 - Provide a property tax exemption for property leased to the state or a governmental subdivision
MONITOR	LB 266 - Change the valuation of agricultural land and horticultural land
MONITOR	LB 312 - Change and eliminate revenue and taxation provisions
MONITOR	LB 327 - Appropriate funds for the expenses of Nebraska State Government for the biennium ending June 30, 2019
MONITOR	LB 338 - Adopt the Agricultural Valuation Fairness Act
OPPOSE	LB 409 - Change the base limitation and local effort rate for school districts
MONITOR	LB 415 - Provide and change notification requirements and duties and benefits for certain retirement system members, change certain annuity and disability benefit provisions, and provide duties for school districts and the Public Employees Retirement Board relating to retirement
OPPOSE	LB 431 - Change provisions relating to cash reserves under the Nebraska Budget Act
OPPOSE	LB 432 - Eliminate provisions of the Nebraska Budget Act relating to allowances for delinquent taxes and anticipated litigation
OPPOSE	LB 479 - Change public hearing provisions and redefine a term under the Nebraska Budget Act
SUPPORT	LB 484 - Create the School Financing Review Commission
OPPOSE	LB503 - Prohibit certain provisions in collective-bargaining agreements

SUPPORT	LB 521 - Change provisions related to early childhood education in the Tax Equity and Educational Opportunities Support Act
MONITOR	LB 540 - Provide for a temporary aid adjustment factor in the Tax Equity and Educational Opportunities Support Act
SUPPORT	LB552 - Provide for the Children's Connection program
	LB 568 - Change provisions related to temporary teaching certificates
SUPPORT	LB 575 - Provide funding for schools offering certain programs and courses as prescribed
MONITOR	LB 576 - Limit increases in property tax bills
OPPOSE	LB 595 - Provide for the use of physical force or physical restraint or removal from a class in response to student behavior
OPPOSE	LB 608 - Adopt the Parental Choice Scholarship Program
OPPOSE	LB 630 - Adopt the Independent Public Schools Act
MONITOR	LB 633 - Authorize school districts to levy a tax and exceed budget authority for school security measures and student technology
MONITOR	LB 634 - Include virtual school students in the state aid to schools formula
OOPOSE	LB 662 - Establish a grading system for schools and school districts
NEU/OPP	LB664 - Prohibit a political subdivision from using taxes or fees to employ a lobbyist

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 22

Introduced by Speaker Scheer, 19; at the request of the Governor.

Read first time January 05, 2017

Committee: Appropriations

1 A BILL FOR AN ACT relating to appropriations; to amend Laws 2015, LB259A,
2 section 2; Laws 2015, LB469A, section 1; Laws 2015, LB605A, section
3 8; Laws 2015, LB657, sections 10, 11, 12, 13, 14, 15, 16, 17, 19,
4 21, 25, 26, 27, 28, 29, 32, 34, 38, 39, 44, 51, 53, 54, 55, 56, 58,
5 67, 68, 71, 80, 83, 84, 85, 90, 94, 95, 97, 99, 100, 101, 107, 108,
6 112, 113, 114, 119, 126, 127, 129, 131, 133, 134, 136, 137, 138,
7 139, 140, 145, 150, 152, 153, 154, 155, 163, 166, 167, 169, 171,
8 174, 175, 178, 179, 188, 191, 192, 194, 195, 202, 204, 211, 213,
9 216, 218, 219, 221, 223, 224, 226, 232, 233, 234, 235, 236, 237,
10 238, 239, 240, 241, 242, 244, 245, 246, 247, 249, 256, and 260; Laws
11 2015, LB659, sections 7, 15, and 17; Laws 2015, LB660, sections 35
12 and 40; Laws 2016, LB956, sections 7, 10, 39, 41, 42, 44, 45, 46,
13 47, 48, 49, 51, 52, 53, 54, 55, 56, 61, 62, 63, 65, 66, and 67; and
14 Laws 2016, LB1038A, section 1; to define terms; to provide, change,
15 and eliminate provisions relating to appropriations; to reduce
16 appropriations; to state intent; to repeal the original sections;
17 and to declare an emergency.
18 Be it enacted by the people of the State of Nebraska,

Section 1. DEFINITION OF APPROPRIATION PERIOD.

For purposes of this act and any other legislative bill passed by the One Hundred Fifth Legislature, First or Second Session, which appropriates funds, FY2014-15 means the period July 1, 2014, through June 30, 2015; FY2015-16 means the period July 1, 2015, through June 30, 2016; FY2016-17 means the period July 1, 2016, through June 30, 2017; FY2017-18 means the period July 1, 2017, through June 30, 2018; and FY2018-19 means the period July 1, 2018, through June 30, 2019.

Sec. 2. APPROPRIATION LANGUAGE.

There are hereby appropriated, for FY2015-16 and FY2016-17, the sums set forth in this act to each agency for each program from the respective funds for the general operations of state government, postsecondary education, capital construction, and state aid, except as otherwise appropriated.

Sec. 3. UNEXPENDED BALANCES AND CERTIFIED ENCUMBRANCES.

All General Fund appropriations existing on June 30, 2015, in excess of expended and certified encumbrance amounts are hereby lapsed unless otherwise provided. All Cash Fund and Revolving Fund appropriations existing on June 30, 2015, in excess of expended and certified encumbrance amounts are hereby lapsed unless otherwise expressly provided. All certified encumbrance amounts on June 30, 2015, and June 30, 2016, are hereby reappropriated for FY2015-16 and FY2016-17, respectively, which amounts shall be in addition to the amounts shown in this act.

Sec. 4. REAPPROPRIATION OF BALANCES, FY2015-16 to FY2016-17.

In addition to the appropriations set forth in this act, there are hereby reappropriated all unexpended appropriation balances existing on June 30, 2016, for FY2016-17 to the respective agencies, programs, and funds listed in this act, except as otherwise provided in this act.

Sec. 5. NEBRASKA ACCOUNTING SYSTEM MANUAL DEFINITIONS.

The definitions contained in the Nebraska Accounting System Manual,

1 and any amendments thereto, on file with the Clerk of the Legislature are
2 hereby adopted by the Legislature as the definitions for this act, except
3 as provided in section 151 of this act.

4 Sec. 6. DRAWING AND PAYING WARRANTS.

5 The Director of Administrative Services shall draw warrants upon the
6 proper fund in the state treasury for an amount not to exceed the
7 appropriations set forth in this act upon presentation of proper
8 documentation. The State Treasurer shall pay the warrants out of the
9 appropriate funds.

10 Sec. 7. AGENCY NO. 5 – SUPREME COURT

11 Program No. 235 - State Probation Contractual Services

	<u>FY2015-16</u>	<u>FY2016-17</u>
12		
13 <u>SALARY LIMIT</u>	<u>-0-</u>	<u>51,836</u>

14 Sec. 8. AGENCY NO. 5 – SUPREME COURT

15 Program No. 570 - Court Automation

	<u>FY2015-16</u>	<u>FY2016-17</u>
16		
17 <u>SALARY LIMIT</u>	<u>-0-</u>	<u>5,500</u>

18 Sec. 9. AGENCY NO. 12 – STATE TREASURER

19 Program No. 475 - Able Savings Program

	<u>FY2015-16</u>	<u>FY2016-17</u>
20		
21 <u>SALARY LIMIT</u>	<u>-0-</u>	<u>45,000</u>

22 Sec. 10. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

23 Program No. 354 - Child Welfare Aid

	<u>FY2015-16</u>	<u>FY2016-17</u>
24		
25 <u>GENERAL FUND</u>	<u>-0-</u>	<u>7,803,559</u>
26 <u>PROGRAM TOTAL</u>	<u>-0-</u>	<u>7,803,559</u>

27 There is included in the appropriation to this program for FY2016-17
28 \$7,803,559 General Funds for state aid, which shall only be used for such
29 purpose.

30 Sec. 11. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

1 Program No. 424 - Developmental Disability Aid

2	<u>FY2015-16</u>	<u>FY2016-17</u>	
3	<u>GENERAL FUND</u>	<u>-0-</u>	<u>1,163,144</u>
4	<u>PROGRAM TOTAL</u>	<u>-0-</u>	<u>1,163,144</u>

5 There is included in the appropriation to this program for FY2016-17
6 \$1,163,144 General Funds for state aid, which shall only be used for such
7 purpose.

8 Sec. 12. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES9 Program No. 594 - State Insurance

10	<u>FY2015-16</u>	<u>FY2016-17</u>	
11	<u>REVOLVING FUND</u>	<u>-0-</u>	<u>4,500,000</u>
12	<u>PROGRAM TOTAL</u>	<u>-0-</u>	<u>4,500,000</u>

13 Sec. 13. Laws 2015, LB259A, section 2, is amended to read:

14 Sec. 2. There is hereby appropriated ~~\$13,800,000~~ ~~\$19,600,000~~ from
15 the General Fund for FY2016-17 to the Department of Revenue, for Program
16 109, to aid in carrying out the provisions of Legislative Bill 259, One
17 Hundred Fourth Legislature, First Session, 2015.

18 There is included in the appropriation to this program for FY2016-17
19 \$13,800,000 General Funds for state aid, which shall only be used for
20 such purpose.

21 No expenditures for permanent and temporary salaries and per diems
22 for state employees shall be made from funds appropriated in this
23 section.

24 Sec. 14. Laws 2015, LB469A, section 1, is amended to read:

25 Section 1. There is hereby appropriated (1) \$411,750 from the
26 General Fund for FY2015-16 and (2) ~~\$209,733~~ ~~\$218,472~~ from the General
27 Fund for FY2016-17 to the State Energy Office, for Program 106, to aid in
28 carrying out the provisions of Legislative Bill 469, One Hundred Fourth
29 Legislature, First Session, 2015.

30 The unexpended General Fund appropriation balance existing on June
31 30, 2016, less \$407,510, is hereby reappropriated.

1 Total expenditures for permanent and temporary salaries and per
2 diems from funds appropriated in this section shall not exceed \$54,754
3 for FY2015-16 or \$56,068 for FY2016-17.

4 Sec. 15. Laws 2015, LB605A, section 8, is amended to read:

5 Sec. 8. There is hereby appropriated (1) \$-0- from the General Fund
6 for FY2015-16 and (2) \$580,109 ~~\$600,109~~ from the General Fund for
7 FY2016-17 to the Nebraska Commission on Law Enforcement and Criminal
8 Justice, for Program 198, to aid in carrying out the provisions of
9 Legislative Bill 605, One Hundred Fourth Legislature, First Session,
10 2015.

11 Total expenditures for permanent and temporary salaries and per
12 diems from funds appropriated in this section shall not exceed \$-0- for
13 FY2015-16 or \$49,052 for FY2016-17.

14 There is included in the appropriation to this program for
15 FY2015-16 \$-0- General Funds for state aid, which shall only be used for
16 such purpose. There is included in the appropriation to this program for
17 FY2016-17 \$480,000 ~~\$500,000~~ General Funds for state aid, which shall only
18 be used for such purpose.

19 Sec. 16. Laws 2015, LB657, section 10, is amended to read:

20 Sec. 10. AGENCY NO. 3 – LEGISLATIVE COUNCIL

21 Program No. 122 - Legislative Services

	FY2015-16	FY2016-17
22		
23 <u>GENERAL FUND</u>	<u>9,271,131</u>	<u>9,188,429</u>
24 ~~GENERAL FUND~~	~~9,271,131~~	~~9,574,405~~
25 CASH FUND	130,000	130,000
26 FEDERAL FUND est.	39,270	39,270
27 <u>PROGRAM TOTAL</u>	<u>9,440,401</u>	<u>9,357,699</u>
28 ~~PROGRAM TOTAL~~	~~9,440,401~~	~~9,743,675~~
29 SALARY LIMIT	6,834,905	7,047,126

30 There is included in the appropriation to this program for FY2015-16
31 \$75,000 Cash Funds and for FY2016-17 \$75,000 Cash Funds from the Nebraska

1 Health Care Cash Fund for the purpose of ongoing health-related research
2 and public policy development by the Health and Human Services Committee
3 of the Legislature. Such funds may be used for, but shall not be limited
4 to, hiring temporary legal research assistance, consulting and research
5 contracts, reimbursement for necessary and appropriate expenses incurred
6 in connection with such research and policy development, and actual and
7 necessary travel reimbursement for task forces and committees established
8 to conduct health policy work.

9 The unexpended General Fund appropriation balance existing on June
10 30, 2015, is hereby reappropriated.

11 The unexpended General Fund appropriation balance existing on June
12 30, 2016, less \$1,596,783, is hereby reappropriated.

13 Sec. 17. Laws 2015, LB657, section 11, is amended to read:

14 Sec. 11. AGENCY NO. 3 – LEGISLATIVE COUNCIL

15 Program No. 123 - Clerk of the Legislature

	FY2015-16	FY2016-17
16		
17 <u>GENERAL FUND</u>	<u>3,890,706</u>	<u>3,849,719</u>
18 ~~GENERAL FUND~~	~~3,890,706~~	~~4,010,124~~
19 CASH FUND	59,835	62,675
20 <u>PROGRAM TOTAL</u>	<u>3,950,541</u>	<u>3,912,394</u>
21 ~~PROGRAM TOTAL~~	~~3,950,541~~	~~4,072,799~~
22 SALARY LIMIT	2,895,027	2,981,695

23 The unexpended General Fund appropriation balance existing on June
24 30, 2015, is hereby reappropriated.

25 The unexpended General Fund appropriation balance existing on June
26 30, 2016, less \$999,114, is hereby reappropriated.

27 Sec. 18. Laws 2015, LB657, section 12, is amended to read:

28 Sec. 12. AGENCY NO. 3 – LEGISLATIVE COUNCIL

29 Program No. 126 - Legislative Research

	FY2015-16	FY2016-17
30		
31 <u>GENERAL FUND</u>	<u>691,245</u>	<u>677,671</u>

1	<u>PROGRAM TOTAL</u>	<u>691,245</u>	<u>677,671</u>
2	~~GENERAL FUND~~	~~691,245~~	~~705,907~~
3	<u>PROGRAM TOTAL</u>	<u>691,245</u>	<u>705,907</u>
4	SALARY LIMIT	570,867	584,761

5 The unexpended General Fund appropriation balance existing on June
6 30, 2015, is hereby reappropriated.

7 The unexpended General Fund appropriation balance existing on June
8 30, 2016, less \$225,806, is hereby reappropriated.

9 Sec. 19. Laws 2015, LB657, section 13, is amended to read:

10 Sec. 13. AGENCY NO. 3 – LEGISLATIVE COUNCIL

11 Program No. 127 - Revisor of Statutes

12		FY2015-16	FY2016-17
13	<u>GENERAL FUND</u>	<u>1,498,645</u>	<u>1,481,343</u>
14	~~GENERAL FUND~~	~~1,498,645~~	~~1,543,066~~
15	CASH FUND	50,000	50,000
16	<u>PROGRAM TOTAL</u>	<u>1,548,645</u>	<u>1,531,343</u>
17	~~PROGRAM TOTAL~~	~~1,548,645~~	~~1,593,066~~
18	SALARY LIMIT	1,085,503	1,118,329

19 The unexpended General Fund appropriation balance existing on June
20 30, 2015, is hereby reappropriated.

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$541,727, is hereby reappropriated.

23 Sec. 20. Laws 2015, LB657, section 14, is amended to read:

24 Sec. 14. AGENCY NO. 3 – LEGISLATIVE COUNCIL

25 Program No. 129 - Legislative Audit

26		FY2015-16	FY2016-17
27	<u>GENERAL FUND</u>	<u>587,286</u>	<u>574,485</u>
28	<u>PROGRAM TOTAL</u>	<u>587,286</u>	<u>574,485</u>
29	~~GENERAL FUND~~	~~587,286~~	~~601,745~~
30	~~PROGRAM TOTAL~~	~~587,286~~	~~601,745~~

1 SALARY LIMIT 448,029 464,014

2 The unexpended General Fund appropriation balance existing on June

3 30, 2015, is hereby reappropriated.

4 The unexpended General Fund appropriation balance existing on June

5 30, 2016, less \$49,692, is hereby reappropriated.

6 Sec. 21. Laws 2015, LB657, section 15, is amended to read:

7 Sec. 15. AGENCY NO. 3 – LEGISLATIVE COUNCIL

8 Program No. 501 - Intergovernmental Cooperation

	FY2015-16	FY2016-17
9		
10 <u>GENERAL FUND</u>	<u>501,172</u>	<u>487,536</u>
11 <u>PROGRAM TOTAL</u>	<u>501,172</u>	<u>487,536</u>
12 ~~GENERAL FUND~~	~~501,172~~	~~507,850~~
13 ~~PROGRAM TOTAL~~	~~501,172~~	~~507,850~~
14 SALARY LIMIT	-0-	-0-

15 The unexpended General Fund appropriation balance existing on June

16 30, 2015, is hereby reappropriated.

17 The unexpended General Fund appropriation balance existing on June

18 30, 2016, less \$55,918, is hereby reappropriated.

19 Sec. 22. Laws 2015, LB657, section 16, is amended to read:

20 Sec. 16. AGENCY NO. 3 – LEGISLATIVE COUNCIL

21 Program No. 504 - Office of Public Counsel

	FY2015-16	FY2016-17
22		
23 <u>GENERAL FUND</u>	<u>1,332,893</u>	<u>1,317,443</u>
24 <u>PROGRAM TOTAL</u>	<u>1,332,893</u>	<u>1,317,443</u>
25 ~~GENERAL FUND~~	~~1,332,893~~	~~1,378,871~~
26 ~~PROGRAM TOTAL~~	~~1,332,893~~	~~1,378,871~~
27 SALARY LIMIT	1,069,963	1,102,367

28 The unexpended General Fund appropriation balance existing on June

29 30, 2015, is hereby reappropriated.

30 The unexpended General Fund appropriation balance existing on June

1 30, 2016, less \$189,503, is hereby reappropriated.

2 Sec. 23. Laws 2015, LB657, section 17, is amended to read:

3 Sec. 17. AGENCY NO. 3 – LEGISLATIVE COUNCIL

4 Program No. 638 - Fiscal and Program Analysis

	FY2015-16	FY2016-17
5		
6 <u>GENERAL FUND</u>	<u>1,596,756</u>	<u>1,585,230</u>
7 <u>PROGRAM TOTAL</u>	<u>1,596,756</u>	<u>1,585,230</u>
8 ~~GENERAL FUND~~	~~1,596,756~~	~~1,651,781~~
9 ~~PROGRAM TOTAL~~	~~1,596,756~~	~~1,651,781~~
10 SALARY LIMIT	1,321,978	1,363,435

11 The unexpended General Fund appropriation balance existing on June
12 30, 2015, is hereby reappropriated.

13 The unexpended General Fund appropriation balance existing on June
14 30, 2016, less \$169,731, is hereby reappropriated.

15 Sec. 24. Laws 2015, LB657, section 19, is amended to read:

16 Sec. 19. AGENCY NO. 5 – SUPREME COURT

17 Program No. 67 - Probation Services

	FY2015-16	FY2016-17
18		
19 <u>GENERAL FUND</u>	<u>23,004,432</u>	<u>22,699,722</u>
20 ~~GENERAL FUND~~	~~23,004,432~~	~~23,645,544~~
21 CASH FUND est.	580,000	580,000
22 FEDERAL FUND est.	212,364	214,155
23 <u>PROGRAM TOTAL</u>	<u>23,796,796</u>	<u>23,493,877</u>
24 ~~PROGRAM TOTAL~~	~~23,796,796~~	~~24,439,699~~
25 SALARY LIMIT	17,512,925	17,930,226

26 The Department of Administrative Services shall monitor the
27 appropriations and expenditures for this program according to the
28 following program classifications:

29 No. 397 - Statewide Probation

30 No. 398 - Intensive Supervision Probation

31 Cash Fund expenditures for this program shall not be limited to the

1 amounts shown.

2 The unexpended General Fund appropriation balance existing on June
3 30, 2015, is hereby reappropriated.

4 The unexpended General Fund appropriation balance existing on June
5 30, 2016, less \$456,297, is hereby reappropriated.

6 Sec. 25. Laws 2015, LB657, section 21, is amended to read:

7 Sec. 21. AGENCY NO. 5 – SUPREME COURT

8 Program No. 420 - State Specialized Court Operations

9	FY2015-16	FY2016-17
10 <u>GENERAL FUND</u>	<u>2,339,787</u>	<u>2,282,716</u>
11 <u>PROGRAM TOTAL</u>	<u>2,339,787</u>	<u>2,282,716</u>
12 ~~GENERAL FUND~~	~~2,339,787~~	~~2,385,796~~
13 ~~PROGRAM TOTAL~~	~~2,339,787~~	~~2,385,796~~
14 SALARY LIMIT	1,285,592	1,316,396

15 The unexpended General Fund appropriation balance existing on June
16 30, 2015, is hereby reappropriated.

17 The unexpended General Fund appropriation balance existing on June
18 30, 2016, less \$49,270, is hereby reappropriated.

19 The supervision and management of the State Specialized Courts shall
20 be under the direct jurisdiction of the Supreme Court and the State Court
21 Administrator.

22 Sec. 26. Laws 2015, LB657, section 25, is amended to read:

23 Sec. 25. AGENCY NO. 7 – GOVERNOR

24 Program No. 18 - Governor's Policy Research Office

25	FY2015-16	FY2016-17
26 GENERAL FUND	653,434	670,575
27 PROGRAM TOTAL	653,434	670,575
28 SALARY LIMIT	535,975	547,637

29 The unexpended General Fund appropriation balance existing on June
30 30, 2015, is hereby reappropriated.

31 The unexpended General Fund appropriation balance existing on June

1 30, 2016, less \$325,792, is hereby reappropriated.

2 Sec. 27. Laws 2015, LB657, section 26, is amended to read:

3 Sec. 26. AGENCY NO. 7 – GOVERNOR

4 Program No. 21 - Office of the Governor

	FY2015-16	FY2016-17
5		
6 <u>GENERAL FUND</u>	<u>1,439,641</u>	<u>1,377,496</u>
7 <u>PROGRAM TOTAL</u>	<u>1,439,641</u>	<u>1,377,496</u>
8 ~~GENERAL FUND~~	~~1,439,641~~	~~1,462,832~~
9 ~~PROGRAM TOTAL~~	~~1,439,641~~	~~1,462,832~~
10 SALARY LIMIT	926,781	947,633

11 The unexpended General Fund appropriation balance existing on June
12 30, 2015, is hereby reappropriated.

13 The unexpended General Fund appropriation balance existing on June
14 30, 2016, less \$162,488, is hereby reappropriated.

15 Sec. 28. Laws 2015, LB657, section 27, is amended to read:

16 Sec. 27. AGENCY NO. 8 – LIEUTENANT GOVERNOR

17 Program No. 124 - Office of the Lieutenant Governor

	FY2015-16	FY2016-17
18		
19 <u>GENERAL FUND</u>	<u>36,174</u>	<u>35,182</u>
20 <u>PROGRAM TOTAL</u>	<u>36,174</u>	<u>35,182</u>
21 ~~GENERAL FUND~~	~~36,174~~	~~36,648~~
22 ~~PROGRAM TOTAL~~	~~36,174~~	~~36,648~~
23 SALARY LIMIT	24,267	24,483

24 The unexpended General Fund appropriation balance existing on June
25 30, 2015, is hereby reappropriated.

26 The unexpended General Fund appropriation balance existing on June
27 30, 2016, less \$32,080, is hereby reappropriated.

28 Sec. 29. Laws 2015, LB657, section 28, is amended to read:

29 Sec. 28. AGENCY NO. 9 – SECRETARY OF STATE

30 Program No. 22 - Departmental Administration

	FY2015-16	FY2016-17
1		
2	<u>GENERAL FUND</u>	<u>201,145</u>
3	~~GENERAL FUND~~	~~201,145~~
4	CASH FUND	239,054
5	<u>PROGRAM TOTAL</u>	<u>440,199</u>
6	~~PROGRAM TOTAL~~	~~440,199~~
7	SALARY LIMIT	224,677

8 Sec. 30. Laws 2015, LB657, section 29, is amended to read:

9 Sec. 29. AGENCY NO. 9 – SECRETARY OF STATE

10 Program No. 45 - Election Administration

	FY2015-16	FY2016-17
11		
12	<u>GENERAL FUND</u>	<u>1,065,492</u>
13	~~GENERAL FUND~~	~~1,065,492~~
14	CASH FUND	619,157
15	FEDERAL FUND est.	98,300
16	<u>PROGRAM TOTAL</u>	<u>1,782,949</u>
17	~~PROGRAM TOTAL~~	~~1,782,949~~
18	SALARY LIMIT	370,983

19 There is included in the appropriation to this program for FY2015-16
20 \$60,000 Cash Funds for state aid, which shall only be used for such
21 purpose. There is included in the appropriation to this program for
22 FY2016-17 \$60,000 Cash Funds for state aid, which shall only be used for
23 such purpose.

24 The unexpended General Fund appropriation balance existing on June
25 30, 2016, less \$1,704, is hereby reappropriated.

26 Sec. 31. Laws 2015, LB657, section 32, is amended to read:

27 Sec. 32. AGENCY NO. 9 – SECRETARY OF STATE

28 Program No. 86 - Enforcement of Standards - Records Management

	FY2015-16	FY2016-17
29		
30	<u>GENERAL FUND</u>	<u>150,624</u>

1	GENERAL FUND	150,624	154,665
2	CASH FUND	2,688,540	2,690,208
3	REVOLVING FUND	1,105,976	1,149,378
4	<u>PROGRAM TOTAL</u>	<u>3,945,140</u>	<u>3,988,064</u>
5	~~PROGRAM TOTAL~~	~~3,945,140~~	~~3,994,251~~
6	SALARY LIMIT	608,188	622,761

7 The unexpended General Fund appropriation balance existing on June
 8 30, 2016, less \$3,744, is hereby reappropriated.

9 Sec. 32. Laws 2015, LB657, section 34, is amended to read:

10 Sec. 34. AGENCY NO. 10 – AUDITOR OF PUBLIC ACCOUNTS

11 Program No. 506 - State Agency and County Post Audits

12		FY2015-16	FY2016-17
13	<u>GENERAL FUND</u>	<u>2,420,735</u>	<u>2,388,664</u>
14	<u>PROGRAM TOTAL</u>	<u>2,420,735</u>	<u>2,388,664</u>
15	~~GENERAL FUND~~	~~2,420,735~~	~~2,488,192~~
16	~~PROGRAM TOTAL~~	~~2,420,735~~	~~2,488,192~~
17	SALARY LIMIT	1,745,099	1,782,594

18 The unexpended General Fund appropriation balance existing on June
 19 30, 2016, less \$12,650, is hereby reappropriated.

20 Sec. 33. Laws 2015, LB657, section 38, is amended to read:

21 Sec. 38. AGENCY NO. 11 – ATTORNEY GENERAL

22 Program No. 507 - Interpretation and Application of Law

23		FY2015-16	FY2016-17
24	<u>GENERAL FUND</u>	<u>6,088,343</u>	<u>5,962,821</u>
25	~~GENERAL FUND~~	~~6,088,343~~	~~6,211,272~~
26	CASH FUND	874,922	890,190
27	FEDERAL FUND est.	1,650,096	1,675,232
28	REVOLVING FUND	1,313,141	1,348,876
29	<u>PROGRAM TOTAL</u>	<u>9,926,502</u>	<u>9,877,119</u>
30	~~PROGRAM TOTAL~~	~~9,926,502~~	~~10,125,570~~

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1 shall not be commingled with any other expenses, and such appropriations
2 shall only be used to provide assistance for legal expenses incurred in
3 prosecuting crimes against children by state and local prosecutors,
4 including, but not limited to, expert witness costs, as determined by the
5 Attorney General.

6 There is included in the appropriation to this program for FY2015-16
7 \$50,000 General Funds and for FY2016-17 \$50,000 General Funds, which
8 appropriations shall only be administratively transferred to program
9 classification number 272, and such appropriations shall only be expended
10 from budget subprogram 7 as a separate and distinct budget subprogram and
11 shall not be commingled with any other expenses, and such appropriations
12 shall only be used to pay for child autopsy expenses, for legal expenses
13 incurred in prosecuting crimes against children by state and local
14 prosecutors, and for legal expenses incurred in prosecuting human
15 trafficking crimes, including, but not limited to, expert witness costs,
16 as determined by the Attorney General.

17 General Fund expenditures within program classification number 273
18 shall only be coded against budget subprogram 1. Revolving Fund
19 expenditures within program classification number 273 shall only be coded
20 against budget subprogram 4.

21 With the exception of water law division appropriations, all other
22 General Fund expenditures for the public protection bureau within program
23 classification number 274 shall only be coded against budget subprogram
24 1. General Fund expenditures for the water law division within program
25 classification number 274 shall only be coded against budget subprogram
26 2. Cash Fund expenditures for motor vehicle fraud enforcement within
27 program classification number 274 shall only be coded against budget
28 subprogram 3.

29 There is included in the appropriation to this program for FY2015-16
30 \$395,807 Cash Funds and for FY2016-17 \$395,807 Cash Funds, which
31 appropriations shall only be administratively transferred to program

1 classification number 274, and such appropriations shall only be expended
2 directly from the Nebraska Health Care Cash Fund from budget subprogram 4
3 for purposes of enforcing the tobacco settlement agreement.

4 The agency budget request submitted by the Attorney General for the
5 2015-2017 biennium for umbrella budget program number 507 shall be
6 prepared and submitted at the detailed account level within the specified
7 budget subprogram structure as required in this section.

8 Sec. 34. Laws 2015, LB657, section 39, is amended to read:

9 Sec. 39. AGENCY NO. 12 – STATE TREASURER

10 Program No. 24 - State Disbursement Unit

	FY2015-16	FY2016-17
11		
12 <u>GENERAL FUND</u>	<u>1,117,552</u>	<u>1,040,120</u>
13 ~~GENERAL FUND~~	~~1,117,552~~	~~1,135,542~~
14 CASH FUND	47,500	47,500
15 FEDERAL FUND est.	1,675,968	1,702,956
16 <u>PROGRAM TOTAL</u>	<u>2,841,020</u>	<u>2,790,576</u>
17 ~~PROGRAM TOTAL~~	~~2,841,020~~	~~2,885,998~~
18 SALARY LIMIT	1,237,752	1,266,392

19 Sec. 35. Laws 2015, LB657, section 44, is amended to read:

20 Sec. 44. AGENCY NO. 12 – STATE TREASURER

21 Program No. 659 - Long-Term Care Savings Program

	FY2015-16	FY2016-17
22		
23 <u>GENERAL FUND</u>	<u>43,870</u>	<u>33,242</u>
24 <u>PROGRAM TOTAL</u>	<u>43,870</u>	<u>33,242</u>
25 ~~GENERAL FUND~~	~~43,870~~	~~44,323~~
26 ~~PROGRAM TOTAL~~	~~43,870~~	~~44,323~~
27 SALARY LIMIT	13,473	13,796

28 The unexpended General Fund appropriation balance existing on June
29 30, 2016, less \$20,299, is hereby reappropriated.

30 Sec. 36. Laws 2015, LB657, section 51, is amended to read:

31 Sec. 51. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

1 Program No. 351 - Vocational Rehabilitation

2		FY2015-16	FY2016-17
3	<u>GENERAL FUND</u>	<u>4,875,621</u>	<u>4,797,612</u>
4	~~GENERAL FUND~~	~~4,875,621~~	~~4,997,512~~
5	CASH FUND	500,000	500,000
6	FEDERAL FUND est.	21,764,320	22,308,428
7	<u>PROGRAM TOTAL</u>	<u>27,139,941</u>	<u>27,606,040</u>
8	~~PROGRAM TOTAL~~	~~27,139,941~~	~~27,805,940~~
9	SALARY LIMIT	11,337,352	11,588,183

10 The unexpended General Fund appropriation balance existing on June
11 30, 2016, less \$253,207, is hereby reappropriated.

12 There is included in the appropriation to this program for FY2015-16
13 \$6,600,867 Federal Funds estimate for state aid, which shall only be used
14 for such purpose. There is included in the appropriation to this program
15 for FY2016-17 \$6,600,867 Federal Funds estimate for state aid, which
16 shall only be used for such purpose.

17 Sec. 37. Laws 2015, LB657, section 53, is amended to read:

18 Sec. 53. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

19 Program No. 401 - Services for the Deaf and Hard of Hearing

20		FY2015-16	FY2016-17
21	<u>GENERAL FUND</u>	<u>2,011,573</u>	<u>1,971,296</u>
22	~~GENERAL FUND~~	~~2,011,573~~	~~2,053,433~~
23	CASH FUND	2,965	2,965
24	<u>PROGRAM TOTAL</u>	<u>2,014,538</u>	<u>1,974,261</u>
25	~~PROGRAM TOTAL~~	~~2,014,538~~	~~2,056,398~~
26	SALARY LIMIT	13,998	14,334

27 Sec. 38. Laws 2015, LB657, section 54, is amended to read:

28 Sec. 54. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

29 Program No. 402 - Nebraska Center for the Education of Children who
30 are Blind or Visually Impaired

1		FY2015-16	FY2016-17
2	<u>GENERAL FUND</u>	<u>1,987,191</u>	<u>1,947,403</u>
3	<u>PROGRAM TOTAL</u>	<u>1,987,191</u>	<u>1,947,403</u>
4	~~GENERAL FUND~~	~~1,987,191~~	~~2,028,545~~
5	~~PROGRAM TOTAL~~	~~1,987,191~~	~~2,028,545~~
6	SALARY LIMIT	13,886	14,219
7	Sec. 39. Laws 2015, LB657, section 55, is amended to read:		
8	Sec. 55. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION		
9	Program No. 614 - Professional Practices Commission		
10		FY2015-16	FY2016-17
11	<u>CASH FUND</u>	<u>131,629</u>	<u>241,857</u>
12	<u>PROGRAM TOTAL</u>	<u>131,629</u>	<u>241,857</u>
13	<u>SALARY LIMIT</u>	<u>71,976</u>	<u>106,057</u>
14	~~CASH FUND~~	~~131,629~~	~~134,279~~
15	~~PROGRAM TOTAL~~	~~131,629~~	~~134,279~~
16	~~SALARY LIMIT~~	~~71,976~~	~~73,701~~
17	Sec. 40. Laws 2015, LB657, section 56, is amended to read:		
18	Sec. 56. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION		
19	Program No. 16 - Expenses, Constitutional Officers		
20		FY2015-16	FY2016-17
21	<u>GENERAL FUND</u>	<u>55,650</u>	<u>62,833</u>
22	<u>PROGRAM TOTAL</u>	<u>55,650</u>	<u>62,833</u>
23	~~GENERAL FUND~~	~~55,650~~	~~55,650~~
24	~~PROGRAM TOTAL~~	~~55,650~~	~~55,650~~
25	Sec. 41. Laws 2015, LB657, section 58, is amended to read:		
26	Sec. 58. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION		
27	Program No. 54 - Enforcement of Standards - Common Carriers		
28		FY2015-16	FY2016-17
29	<u>GENERAL FUND</u>	<u>1,950,198</u>	<u>1,909,615</u>
30	<u>PROGRAM TOTAL</u>	<u>1,950,198</u>	<u>1,909,615</u>

1	GENERAL FUND	1,950,198	1,989,182
2	PROGRAM TOTAL	1,950,198	1,989,182
3	SALARY LIMIT	1,211,011	1,232,482

4 The unexpended General Fund appropriation balance not to exceed
5 \$50,000 existing on June 30, 2015, is hereby reappropriated. Expenditure
6 of reappropriated funds shall be limited to vehicle purchases.

7 The unexpended General Fund appropriation balance existing on June
8 30, 2016, less \$146,536, is hereby reappropriated.

9 Sec. 42. Laws 2015, LB657, section 67, is amended to read:

10 Sec. 67. AGENCY NO. 15 – BOARD OF PARDONS AND BOARD OF PAROLE

11 Program No. 358 - Board of Parole

12		FY2015-16	FY2016-17
13	<u>GENERAL FUND</u>	<u>327,153</u>	<u>73,373</u>
14	<u>PROGRAM TOTAL</u>	<u>327,153</u>	<u>73,373</u>
15	GENERAL FUND	327,153	334,804
16	PROGRAM TOTAL	327,153	334,804
17	SALARY LIMIT	228,154	233,619

18 The unexpended General Fund appropriation balance existing on June
19 30, 2015, is hereby reappropriated.

20 The unexpended General Fund appropriation balance existing on June
21 30, 2016, less \$278,297, is hereby reappropriated.

22 Sec. 43. Laws 2015, LB657, section 68, is amended to read:

23 Sec. 68. AGENCY NO. 16 – DEPARTMENT OF REVENUE

24 Program No. 102 - Revenue Administration

25		FY2015-16	FY2016-17
26	<u>GENERAL FUND</u>	<u>24,721,538</u>	<u>24,227,905</u>
27	GENERAL FUND	24,721,538	25,249,661
28	CASH FUND	1,923,411	1,963,185
29	<u>PROGRAM TOTAL</u>	<u>26,644,949</u>	<u>26,191,090</u>
30	PROGRAM TOTAL	26,644,949	27,212,846

2 The unexpended General Fund appropriation balance, not to exceed
3 \$1,300,000 existing on June 30, 2015, is hereby reappropriated.
4 Expenditure of reappropriated funds shall be limited to necessary
5 maintenance and improvements to the Department of Revenue's electronic
6 commerce systems, modernization of the corporate electronic filing
7 system, and potential enhancements of the current data analytics project.

15 Sec. 44. Laws 2015, LB657, section 71, is amended to read:

17 Program No. 112 - Property Assessment

18		FY2015-16	FY2016-17
19	<u>GENERAL FUND</u>	<u>1,755,763</u>	<u>1,727,755</u>
20	~~GENERAL FUND~~	~~1,755,763~~	~~1,799,745~~
21	CASH FUND	837,315	850,318
22	<u>PROGRAM TOTAL</u>	<u>2,593,078</u>	<u>2,578,073</u>
23	~~PROGRAM TOTAL~~	~~2,593,078~~	~~2,650,063~~
24	SALARY LIMIT	1,646,014	1,683,307

25 The unexpended General Fund appropriation balance existing on June
26 30, 2016, less \$131,670, is hereby reappropriated.

29 Program No. 78 - Department of Agriculture

30		FY2015-16	FY2016-17
31	GENERAL FUND	6,138,817	5,968,107

1	~~GENERAL FUND~~	~~6,138,817~~	~~6,217,820~~
2	CASH FUND	7,709,855	7,742,297
3	FEDERAL FUND est.	4,093,078	4,135,994
4	REVOLVING FUND	644,112	655,536
5	<u>PROGRAM TOTAL</u>	<u>18,585,862</u>	<u>18,501,934</u>
6	~~PROGRAM TOTAL~~	~~18,585,862~~	~~18,751,647~~
7	SALARY LIMIT	7,990,552	8,179,299

8 The unexpended General Fund appropriation balance not to exceed
9 \$200,000 existing on June 30, 2015, is hereby reappropriated. Expenditure
10 of reappropriated funds shall be limited to the completion of the
11 paperless inspection project.

12 The Department of Administrative Services shall monitor the
13 appropriations and expenditures for this program according to the
14 following program classifications:

15 No. 27 - Shared Services

16 No. 57 - Food Safety and Consumer Protection

17 No. 63 - Animal and Plant Health Protection

18 No. 564 - Ag Promotion and Development

19 There is included in the appropriation to this program for FY2015-16
20 \$420,000 Federal Funds estimate for state aid, which shall only be used
21 for such purpose. There is included in the appropriation to this program
22 for FY2016-17 \$420,000 Federal Funds estimate for state aid, which shall
23 only be used for such purpose.

24 There is included in the appropriation to this program for FY2015-16
25 a retainer fee of \$11,047 General Funds and \$3,491 Cash Funds which shall
26 be paid in four equal quarterly amounts to the Nebraska Public Safety
27 Communication System Revolving Fund on or before July 15, October 15,
28 January 15, and April 15 for Department of Administrative Services
29 central costs of operating the Nebraska Public Safety Communication
30 System, which shall only be used for such purpose. The retainer fee
31 amounts shall only be expended against budget subprogram 1 as a separate

1 and distinct budget subprogram and shall not be commingled with any other
2 expenses.

3 There is included in the appropriation to this program for FY2016-17
4 a retainer fee of \$11,041 General Funds and \$3,491 Cash Funds which shall
5 be paid in four equal quarterly amounts to the Nebraska Public Safety
6 Communication System Revolving Fund on or before July 15, October 15,
7 January 15, and April 15 for Department of Administrative Services
8 central costs of operating the Nebraska Public Safety Communication
9 System, which shall only be used for such purpose. The retainer fee
10 amounts shall only be expended against budget subprogram 1 as a separate
11 and distinct budget subprogram and shall not be commingled with any other
12 expenses.

13 Sec. 46. Laws 2015, LB657, section 83, is amended to read:

14 Sec. 83. AGENCY NO. 21 – STATE FIRE MARSHAL

15 Program No. 193 - Public Protection

	FY2015-16	FY2016-17
16		
17 <u>GENERAL FUND</u>	<u>3,139,591</u>	<u>3,109,534</u>
18 ~~GENERAL FUND~~	~~3,139,591~~	~~3,239,098~~
19 CASH FUND	1,747,175	1,796,971
20 FEDERAL FUND est.	426,290	434,371
21 <u>PROGRAM TOTAL</u>	<u>5,313,056</u>	<u>5,340,876</u>
22 ~~PROGRAM TOTAL~~	~~5,313,056~~	~~5,470,440~~
23 SALARY LIMIT	3,174,554	3,293,977

24 The Department of Administrative Services shall monitor the
25 appropriations and expenditures for this program according to the
26 following program classifications:

27 No. 225 - General Operations

28 No. 226 - Pipeline Safety

29 No. 227 - Underground Storage Tanks

30 No. 229 - Cigarette Ignition Propensity Testing

31 There is included in the appropriation to this program for FY2015-16

1 \$55,000 Federal Funds estimate for state aid, which shall only be used
2 for such purpose. There is included in the appropriation to this program
3 for FY2016-17 \$55,000 Federal Funds estimate for state aid, which shall
4 only be used for such purpose. If federal restrictions prevent using
5 these Federal Funds for state aid, the State Fire Marshal may reallocate
6 available funds in the Underground Storage Tank Fund to provide state aid
7 payments to the affected political subdivisions.

8 There is included in the appropriation to this program for FY2015-16
9 \$20,000 Cash Funds for fireworks testing, which shall only be used for
10 such purpose. There is included in the appropriation to this program for
11 FY2016-17 \$20,000 Cash Funds for fireworks testing, which shall only be
12 used for such purpose.

13 Sec. 47. Laws 2015, LB657, section 84, is amended to read:

14 Sec. 84. AGENCY NO. 21 – STATE FIRE MARSHAL

15 Program No. 340 - Training Division

	FY2015-16	FY2016-17
16		
17 <u>GENERAL FUND</u>	<u>879,178</u>	<u>862,042</u>
18 ~~GENERAL FUND~~	~~879,178~~	~~897,960~~
19 CASH FUND	21,996	22,004
20 <u>PROGRAM TOTAL</u>	<u>901,174</u>	<u>884,046</u>
21 ~~PROGRAM TOTAL~~	~~901,174~~	~~919,964~~
22 SALARY LIMIT	484,783	496,398

23 The unexpended General Fund appropriation balance existing on June
24 30, 2016, less \$46,937, is hereby reappropriated.

25 Sec. 48. Laws 2015, LB657, section 85, is amended to read:

26 Sec. 85. AGENCY NO. 21 – STATE FIRE MARSHAL

27 Program No. 845 - Nebraska Public Safety Communication System

	FY2015-16	FY2016-17
28		
29 <u>GENERAL FUND</u>	<u>219,669</u>	<u>210,882</u>
30 ~~GENERAL FUND~~	~~219,669~~	~~219,669~~
31 CASH FUND	79,981	79,981

1	<u>PROGRAM TOTAL</u>	<u>299,650</u>	<u>290,863</u>
2	~~PROGRAM TOTAL~~	~~299,650~~	~~299,650~~

3 The unexpended General Fund appropriation balance existing on June
4 30, 2015, is hereby reappropriated.

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$21,820, is hereby reappropriated.

7 There is included in the appropriation to this program for FY2015-16
8 a retainer fee of \$94,069 General Funds and \$13,883 Cash Funds which
9 shall be paid in four equal quarterly amounts to the Nebraska Public
10 Safety Communication System Revolving Fund on or before July 15, October
11 15, January 15, and April 15 for Department of Administrative Services
12 central costs of operating the Nebraska Public Safety Communication
13 System, which shall only be used for such purpose. The retainer fee
14 amounts shall only be expended against budget subprogram 1 as a separate
15 and distinct budget subprogram and shall not be commingled with any other
16 expenses.

17 There is included in the appropriation to this program for FY2016-17
18 a retainer fee of \$94,069 General Funds and \$13,883 Cash Funds which
19 shall be paid in four equal quarterly amounts to the Nebraska Public
20 Safety Communication System Revolving Fund on or before July 15, October
21 15, January 15, and April 15 for Department of Administrative Services
22 central costs of operating the Nebraska Public Safety Communication
23 System, which shall only be used for such purpose. The retainer fee
24 amounts shall only be expended against budget subprogram 1 as a separate
25 and distinct budget subprogram and shall not be commingled with any other
26 expenses.

27 All other State Fire Marshal costs of operating the Nebraska Public
28 Safety Communication System shall only be expended against budget
29 subprogram 4 as a separate and distinct budget subprogram and shall not
30 be commingled with any other expenses.

31 Sec. 49. Laws 2015, LB657, section 90, is amended to read:

1 Sec. 90. AGENCY NO. 23 – DEPARTMENT OF LABOR

2 Program No. 194 - Division for Protection of People and Property

3		FY2015-16	FY2016-17
4	<u>GENERAL FUND</u>	<u>679,089</u>	<u>663,181</u>
5	~~GENERAL FUND~~	~~679,089~~	~~690,814~~
6	CASH FUND	1,707,414	1,737,250
7	FEDERAL FUND est.	670,612	682,337
8	<u>PROGRAM TOTAL</u>	<u>3,057,115</u>	<u>3,082,768</u>
9	~~PROGRAM TOTAL~~	~~3,057,115~~	~~3,110,401~~
10	SALARY LIMIT	1,471,583	1,495,047

11 The unexpended General Fund appropriation balance, not to exceed
 12 \$70,000, existing on June 30, 2015, is hereby reappropriated. Expenditure
 13 of reappropriated funds shall be limited to: (1) Changing the
 14 Professional Employer Organization registration process from a paper
 15 process to a dot.net web application; (2) one-time costs of putting the
 16 Labor Standards program in the electronic content management system; and
 17 (3) hiring of a contractor to complete conversion of the Contractor
 18 Registration Act, Employee Classification Act, and the Nebraska Wage
 19 Payment and Collection Act web application.

20 The unexpended General Fund appropriation balance existing on June
 21 30, 2016, less \$125,090, is hereby reappropriated.

22 Sec. 50. Laws 2015, LB657, section 94, is amended to read:

23 Sec. 94. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

24 Program No. 32 - Medicaid Prescription Drug Act Administration

25		FY2015-16	FY2016-17
26	<u>GENERAL FUND</u>	<u>530,944</u>	<u>516,964</u>
27	~~GENERAL FUND~~	~~530,944~~	~~538,504~~
28	FEDERAL FUND est.	530,754	538,311
29	<u>PROGRAM TOTAL</u>	<u>1,061,698</u>	<u>1,055,275</u>
30	~~PROGRAM TOTAL~~	~~1,061,698~~	~~1,076,815~~

1	SALARY LIMIT	363,379	372,255

2 The unexpended General Fund appropriation balance existing on June
3 30, 2016, less \$13,231, is hereby reappropriated.

4 Sec. 51. Laws 2015, LB657, section 95, is amended to read:

5 Sec. 95. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

6 Program No. 33 - Administration

7	FY2015-16	FY2016-17

8	<u>GENERAL FUND</u>	<u>122,581,860</u>	<u>120,989,244</u>

9	~~GENERAL FUND~~	~~122,581,860~~	~~124,995,166~~

10	CASH FUND	24,768,081	25,006,614

11	FEDERAL FUND est.	266,155,409	273,683,478

12	<u>PROGRAM TOTAL</u>	<u>413,505,350</u>	<u>419,679,336</u>

13	~~PROGRAM TOTAL~~	~~413,505,350~~	~~423,685,258~~

14	SALARY LIMIT	142,968,336	147,284,632

15 The unexpended General Fund appropriation balance existing on June
16 30, 2015, is hereby reappropriated in the amount of \$2,245,960 for a
17 behavioral health data system.

18 (1) The Department of Administrative Services shall monitor the
19 appropriations and expenditures for this program according to the
20 following program classifications:

21 No. 261 - General Operations

22 No. 262 - Public Health Administration

23 No. 263 - Medicaid and Long-Term Care Administration

24 No. 264 - Children and Family Services Administration

25 No. 265 - Protection and Safety

26 No. 266 - Economic and Family Support

27 No. 267 - Developmental Disabilities Service Coordination

28 No. 268 - Behavioral Health Administration

29 No. 269 - Developmental Disabilities Administration

30 (2) All contracts and agreements governing at-risk managed care
31 service delivery shall provide that a legislative appropriation for rate

1 increases for providers of services under the Medical Assistance Act
2 shall be passed on in their entirety to participating providers by any
3 contractor governing at-risk managed care service delivery.

4 (3) There is included in the appropriation to this program for
5 FY2015-16 \$13,688 Cash Funds for regulatory support for out-of-hospital
6 emergency care providers licensing from the Nebraska Health Care Cash
7 Fund. There is included in the appropriation to this program for
8 FY2016-17 \$13,688 Cash Funds for regulatory support for out-of-hospital
9 emergency care providers licensing from the Nebraska Health Care Cash
10 Fund.

11 (4) There is included in the appropriation to this program for
12 FY2015-16 \$26,000 Cash Funds from the Nebraska Health Care Cash Fund to
13 continue the Parkinson's Disease Registry. There is included in the
14 appropriation to this program for FY2016-17 \$26,000 Cash Funds from the
15 Nebraska Health Care Cash Fund to continue the Parkinson's Disease
16 Registry.

17 (5) There is included in the appropriation to this program \$404,643
18 Cash Funds for FY2015-16 and \$404,643 Cash Funds for FY2016-17 from the
19 Nebraska Health Care Cash Fund for respite services in each of the
20 service areas designated by the Department of Health and Human Services
21 and for administrative costs, including personnel costs, associated with
22 the Nebraska Lifespan Respite Services Program.

23 (6) There is included in the appropriation to this program for
24 FY2015-16 \$6,000 Cash Funds from the Nebraska Health Care Cash Fund for
25 costs of smoking cessation covered by medicaid. There is included in the
26 appropriation to this program for FY2016-17 \$6,000 Cash Funds from the
27 Nebraska Health Care Cash Fund for costs of smoking cessation covered by
28 medicaid.

29 (7) It is the intent of the Legislature that the Division of
30 Developmental Disabilities of the Department of Health and Human Services
31 shall conduct a study regarding wages and benefits for front-line staff

1 in service provision for individuals with developmental disabilities in
2 Nebraska. Front-line staff members have a direct impact on quality
3 indicators in the developmental disabilities system and turnover in staff
4 members increases costs for the system as a whole. The study shall
5 analyze opportunities in Nebraska to strengthen the direct care workforce
6 by analyzing supply and demand considerations by geographical area,
7 comparability between institutional and community-based providers,
8 competitiveness with other direct care services (such as nursing
9 facilities and behavioral health providers and home health), increased
10 costs related to new requirements related to federal home and community-
11 based services rule changes, and best practices for wages, benefits, and
12 training to incentivize retention and skill.

13 It is the intent of the Legislature that the Department of Health
14 and Human Services shall provide quarterly status reports electronically
15 on the replacement of the Medicaid Medical Information System (MMIS).

16 (8) There is included in the appropriation to this program \$250,000
17 from the General Fund for FY2015-16 to the Department of Health and Human
18 Services to contract for an independent study of current health data
19 systems in the State of Nebraska. The results of the study shall be
20 designed to facilitate the transformation of health care delivery in
21 Nebraska through open access to actionable data. The department shall use
22 a request for proposals process to contract for the study. The study
23 shall include, but not be limited to, a review of Nebraska's current
24 agency collection of health care information, health reporting systems,
25 programming capabilities, and data warehouse usage. The study shall
26 include, but not be limited to recommendations for:

- 27 (a) Providing service data;
- 28 (b) Providing medicaid eligibility and claims data;
- 29 (c) Providing access to timely data;
- 30 (d) Linking existing data sources;
- 31 (e) Reporting system participants;

- 1 (f) Data portals and warehousing of data;
- 2 (g) Privacy protections;
- 3 (h) Customer quality assurance; and
- 4 (i) Generating actionable data analysis.

5 The department shall report the findings electronically to the
6 Legislature no later than June 30, 2016.

7 (9) The Department of Health and Human Services shall not be
8 required to continue the quarterly report related to the previous year
9 Laws 2013, LB195, ACCESS Nebraska report.

10 (10) The Department of Health and Human Services shall report on a
11 quarterly basis information gathered, either as a part of the continuous
12 quality improvement process or through other means, the following data
13 regarding the ACCESS Nebraska program and medicaid call centers and
14 public benefits administration program:

15 (a) Call wait times;

16 (b) Call abandonment rates;

17 (c) Timeliness of initial applications by benefit program (including
18 client fault versus department fault for untimely applications);

19 (d) Timeliness of renewal applications by benefit program (including
20 client fault versus department fault for untimely applications);

21 (e) Data related to client cases closed who reapply for benefits
22 within thirty days and sixty days after case closure; and

23 (f) Any other data relevant to the effectiveness of the ACCESS
24 Nebraska program and medicaid call centers.

25 (11) The Department of Health and Human Services shall complete a
26 needs assessment regarding staffing levels in the ACCESS Nebraska
27 program, in the Division of Medicaid and Long-Term Care of the
28 department, and in the Division of Children and Family Services of the
29 department. The needs assessment shall include:

30 (a) Data analysis of current staff vacancies by geographic area and
31 types of positions;

1 (b) Need for recruitment and retention of new employees by
2 geographic area and types of positions;

3 (c) Analysis of the human resources functions provided and needed to
4 adequately train new staff members and move them into full capacity;

5 (d) Analysis of the adequacy of current staffing numbers and
6 patterns based on achieving federal standards related to (i) timeliness
7 of new and renewal applications, (ii) accuracy of benefit amount
8 determinations, and (iii) accuracy of approvals and denials; and

9 (e) Analysis of strategies implemented and strategies needed to
10 adequately staff the ACCESS Nebraska program in order to achieve federal
11 timeliness and accuracy regulations and internal department goals.

12 (12) The Department of Health and Human Services shall submit a
13 report detailing the needs assessment under subsection (11) of this
14 section to the Health and Human Services Committee of the Legislature,
15 Appropriations Committee of the Legislature, and ACCESS Nebraska Special
16 Investigative Committee of the Legislature no later than December 15,
17 2015.

18 There is included in the appropriation to this program for FY2015-16
19 \$1,000,000 General Funds for the electronic records initiative, to be
20 used only for that purpose. There is included in the appropriation to
21 this program for FY2016-17 \$960,000 ~~\$1,000,000~~ General Funds for the
22 electronic records initiative, to be used only for this purpose.

23 Sec. 52. Laws 2015, LB657, section 97, is amended to read:

24 Sec. 97. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

25 Program No. 175 - Rural Health Provider Incentive Program

26	FY2015-16	FY2016-17
27 <u>GENERAL FUND</u>	<u>787,086</u>	<u>755,603</u>
28 <u>CASH FUND</u>	<u>1,956,815</u>	<u>2,056,815</u>
29 <u>PROGRAM TOTAL</u>	<u>2,743,901</u>	<u>2,812,418</u>
30 ~~GENERAL FUND~~	~~787,086~~	~~787,086~~
31 ~~CASH FUND~~	~~1,956,815~~	~~1,956,815~~

PROGRAM TOTAL

	2,743,901	2,743,901

There is included in the appropriation to this program for FY2015-16 \$787,086 General Funds and \$1,956,815 Cash Funds for state aid, which shall only be used for such purpose. There is included in the appropriation to this program for FY2016-17 \$755,603 ~~\$787,086~~ General Funds and \$2,056,815 ~~\$1,956,815~~ Cash Funds for state aid, which shall only be used for such purpose.

Sec. 53. Laws 2015, LB657, section 99, is amended to read:

Sec. 99. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program No. 178 - Professional Licensure

	FY2015-16	FY2016-17
<u>GENERAL FUND</u>	<u>92,691</u>	<u>100,716</u>
~~GENERAL FUND~~	~~92,691~~	~~104,912~~
CASH FUND	6,397,181	6,497,032
<u>PROGRAM TOTAL</u>	<u>6,489,872</u>	<u>6,597,748</u>
~~PROGRAM TOTAL~~	~~6,489,872~~	~~6,601,944~~
SALARY LIMIT	2,935,432	3,003,780

The unexpended General Fund appropriation balance existing on June 30, 2016, less \$32,906, is hereby reappropriated.

Sec. 54. Laws 2015, LB657, section 100, is amended to read:

Sec. 100. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

Program No. 179 - Public Health

	FY2015-16	FY2016-17
<u>GENERAL FUND</u>	<u>1,259,166</u>	<u>1,219,526</u>
~~GENERAL FUND~~	~~1,259,166~~	~~1,273,450~~
CASH FUND	777,348	786,871
FEDERAL FUND est.	17,518,314	17,732,497
<u>PROGRAM TOTAL</u>	<u>19,554,828</u>	<u>19,738,894</u>
~~PROGRAM TOTAL~~	~~19,554,828~~	~~19,792,818~~
SALARY LIMIT	6,440,705	6,595,027

1 The Department of Administrative Services shall monitor the
2 appropriations and expenditures for this program according to the
3 following program classifications:

4 No. 315 - Office of Juvenile Services

5 No. 345 - Juvenile Community-Based Services

6 No. 371 - Youth Rehabilitation and Treatment Center-Geneva

7 No. 374 - Youth Rehabilitation and Treatment Center-Kearney

8 There is included in the appropriation to this program for FY2015-16
9 \$1,000,000 Cash Funds for mental health services to juvenile offenders
10 under section 43-407 from the Nebraska Health Care Cash Fund. There is
11 included in the appropriation to this program for FY2016-17 \$1,000,000
12 Cash Funds for mental health services to juvenile offenders under section
13 43-407 from the Nebraska Health Care Cash Fund.

14 Sec. 56. Laws 2015, LB657, section 107, is amended to read:

15 Sec. 107. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

16 Program No. 359 - Bridge to Independence

	FY2015-16	FY2016-17
17 GENERAL FUND	1,596,899	1,609,205
18 FEDERAL FUND est.	1,852,898	1,865,204
19 PROGRAM TOTAL	3,449,797	3,474,409
20 SALARY LIMIT	892,005	913,379

22 The unexpended General appropriation balance existing on June 30,
23 2015, is hereby reappropriated.

24 The unexpended General Fund appropriation balance existing on June
25 30, 2016, less \$107,425, is hereby reappropriated.

26 Sec. 57. Laws 2015, LB657, section 108, is amended to read:

27 Sec. 108. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

28 Program No. 365 - Mental Health Operations

	FY2015-16	FY2016-17
29 <u>GENERAL FUND</u>	<u>38,614,327</u>	<u>38,688,900</u>
30 ~~GENERAL FUND~~	~~38,614,327~~	~~39,688,900~~

1	CASH FUND	4,010,320	4,010,320
2	FEDERAL FUND est.	5,850,938	5,811,903
3	<u>PROGRAM TOTAL</u>	<u>48,475,585</u>	<u>48,511,123</u>
4	~~PROGRAM TOTAL~~	~~48,475,585~~	~~49,511,123~~
5	SALARY LIMIT	27,833,056	28,317,217

6 The Department of Administrative Services shall monitor the
7 appropriations and expenditures for this program according to the
8 following program classifications:

9 No. 361 - Hastings Regional Center

10 No. 363 - Lincoln Regional Center

11 No. 379 - Evaluation and Screening - Community-Based Residential
12 Services

13 Sec. 58. Laws 2015, LB657, section 112, is amended to read:

14 Sec. 112. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

15 Program No. 514 - Health Aid

16		FY2015-16	FY2016-17
17	<u>GENERAL FUND</u>	<u>7,077,612</u>	<u>6,640,908</u>
18	~~GENERAL FUND~~	~~7,077,612~~	~~6,917,612~~
19	CASH FUND	11,495,817	11,495,817
20	FEDERAL FUND est.	54,042,225	54,042,225
21	<u>PROGRAM TOTAL</u>	<u>72,615,654</u>	<u>72,178,950</u>
22	~~PROGRAM TOTAL~~	~~72,615,654~~	~~72,455,654~~

23 Of the unexpended General Fund appropriation balance existing on
24 June 30, 2015, \$1,800,000 is hereby reappropriated to Agency 25, Program
25 354 - Child Welfare Aid.

26 The unexpended General Fund appropriation balance existing on June
27 30, 2016, less \$1,359,271, is hereby reappropriated.

28 There is included in the appropriation to this program for FY2015-16
29 \$7,077,612 General Funds, \$11,495,817 Cash Funds, and \$54,042,225 Federal
30 Funds estimate for state aid, which shall only be used for such purpose.
31 There is included in the appropriation to this program for FY2016-17

1 \$6,640,908 ~~\$6,917,612~~ General Funds, \$11,495,817 Cash Funds, and
2 \$54,042,225 Federal Funds estimate for state aid, which shall only be
3 used for such purpose.

4 There is included in the appropriation to this program \$653,759
5 General Funds for FY2015-16 and up to \$653,759 General Funds for
6 FY2016-17, which shall only be used for the following purposes:
7 Reimbursement for the provision of pap smears, colposcopy, cervical
8 biopsy, cryotherapy, loop electrosurgical excision procedure (LEEP), and
9 such other treatments and procedures as may be developed for the followup
10 of abnormal pap smears; the diagnosis and treatment of sexually
11 transmitted diseases, including, but not limited to, chlamydia,
12 gonorrhea, HPV (genital warts), and herpes; and associated laboratory and
13 equipment costs and staff training costs relating to the use of
14 colposcopy equipment. None of the General Funds provided under this
15 program shall be used to perform or facilitate the performance of
16 abortion or to counsel or refer for abortion.

17 There is included in the appropriation to this program for FY2015-16
18 \$200,000 Cash Funds from the Nebraska Health Care Cash Fund for the
19 Poison Control Center at the University of Nebraska Medical Center, which
20 shall only be used by the medical center for the Poison Control Center.
21 There is included in the appropriation to this program for FY2016-17
22 \$200,000 Cash Funds from the Nebraska Health Care Cash Fund for the
23 Poison Control Center at the University of Nebraska Medical Center, which
24 shall only be used by the medical center for the Poison Control Center.

25 There is included in the appropriation to this program for FY2015-16
26 \$1,100,000 General Funds for evidence-based early intervention home
27 visitation programs. There is included in the appropriation to this
28 program for FY2016-17 up to \$1,100,000 General Funds for evidence-based
29 early intervention home visitation programs.

30 There is included in the appropriation to this program for FY2015-16
31 \$100,000 General Funds to contract with the University of Nebraska

1 Medical Center for the Nebraska Perinatal Quality Improvement
2 Collaborative. There is included in the appropriation to this program for
3 FY2016-17 up to \$100,000 General Funds to contract with the University of
4 Nebraska Medical Center for the Nebraska Perinatal Quality Improvement
5 Collaborative.

6 There is included in the appropriation to this program for FY2015-16
7 \$300,000 General Funds to contract for services for implementation of a
8 statewide drug disposal project. There is included in the appropriation
9 to this program for FY2016-17 up to \$300,000 General Funds to contract
10 for services for implementation of a statewide drug disposal project.

11 There is included in the appropriation to this program for FY2015-16
12 \$292,000 General Funds for state aid for tuition reimbursement for
13 emergency medical services responders' initial and ongoing training.
14 There is included in the appropriation to this program for FY2016-17 up
15 to \$292,000 General Funds for state aid for tuition reimbursement for
16 emergency medical services responders' initial and ongoing training.

17 There is included in this appropriation a one-time appropriation for
18 FY2015-16 of \$160,000 General Funds for cardiac monitors.

19 Sec. 59. Laws 2015, LB657, section 113, is amended to read:

20 Sec. 113. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

21 Program No. 519 - Nebraska Veterans' Homes

	FY2015-16	FY2016-17
22 GENERAL FUND	25,004,405	25,599,759
23 CASH FUND	14,059,524	14,379,025
24 FEDERAL FUND est.	20,517,740	21,793,768
25 PROGRAM TOTAL	59,581,669	61,772,552
26 SALARY LIMIT	31,114,919	32,139,452

28 The unexpended General Fund appropriation balance existing on June
29 30, 2015, is hereby reappropriated in the amount of \$1,300,000 to
30 modernize and improve the efficiency of veterans home facilities. The
31 unexpended General Fund appropriation balance existing on June 30, 2015,

1 is hereby reappropriated in the amount of \$1,400,000 to implement
2 medication dispensing machines. The unexpended General Fund appropriation
3 balance existing on June 30, 2015, is hereby reappropriated in the amount
4 of \$2,300,000 to replace electronic medical record capabilities.

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$4,877,474, is hereby reappropriated.

7 The Department of Administrative Services shall monitor the
8 appropriations and expenditures for this program according to the
9 following program classifications:

10 No. 510 - Veterans' Home System Administration

11 No. 519 - Grand Island Veterans' Home

12 No. 520 - Norfolk Veterans' Home

13 No. 521 - Western Nebraska Veterans' Home

14 No. 522 - Eastern Nebraska Veterans' Home

15 Sec. 60. Laws 2015, LB657, section 114, is amended to read:

16 Sec. 114. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

17 Program No. 559 - Care Management

	FY2015-16	FY2016-17
18 GENERAL FUND	2,270,157	2,315,560
19 PROGRAM TOTAL	2,270,157	2,315,560

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$3,567, is hereby reappropriated.

23 There is included in the appropriation to this program for FY2015-16
24 \$2,270,157 General Funds for state aid, which shall only be used for such
25 purpose. There is included in the appropriation to this program for
26 FY2016-17 \$2,315,560 General Funds for state aid, which shall only be
27 used for such purpose.

28 Sec. 61. Laws 2015, LB657, section 119, is amended to read:

29 Sec. 119. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

30 Program No. 870 - Norfolk Sex Offender Treatment

	FY2015-16	FY2016-17

1	GENERAL FUND	14,546,263	14,876,715
2	CASH FUND	72,914	72,914
3	PROGRAM TOTAL	14,619,177	14,949,629
4	SALARY LIMIT	9,370,102	9,531,596

5 The unexpended General Fund appropriation balance up to \$800,000
6 existing on June 30, 2015, is hereby reappropriated to increase medical
7 staff.

8 The unexpended General Fund appropriation balance existing on June
9 30, 2016, less \$603,152, is hereby reappropriated.

10 Sec. 62. Laws 2015, LB657, section 126, is amended to read:

11 Sec. 126. AGENCY NO. 28 – DEPARTMENT OF VETERANS' AFFAIRS

12 Program No. 36 - Departmental Administration

13		FY2015-16	FY2016-17
14	<u>GENERAL FUND</u>	<u>998,245</u>	<u>976,296</u>
15	<u>PROGRAM TOTAL</u>	<u>998,245</u>	<u>976,296</u>
16	<u>SALARY LIMIT</u>	<u>643,224</u>	<u>668,137</u>
17	~~GENERAL FUND~~	~~998,245~~	~~1,023,114~~
18	~~PROGRAM TOTAL~~	~~998,245~~	~~1,023,114~~
19	~~SALARY LIMIT~~	~~643,224~~	~~658,137~~

20 The unexpended General Fund appropriation balance existing on June
21 30, 2015, less \$114,000, is hereby reappropriated.

22 The unexpended General Fund appropriation balance existing on June
23 30, 2016, less \$145,781, is hereby reappropriated.

24 Sec. 63. Laws 2015, LB657, section 127, is amended to read:

25 Sec. 127. AGENCY NO. 28 – DEPARTMENT OF VETERANS' AFFAIRS

26 Program No. 37 - Veterans' Cemeteries

27		FY2015-16	FY2016-17
28	<u>GENERAL FUND</u>	<u>250,675</u>	<u>247,557</u>
29	~~GENERAL FUND~~	~~250,675~~	~~257,872~~
30	CASH FUND	45,557	45,557

1	<u>PROGRAM TOTAL</u>	<u>296,232</u>	<u>293,114</u>
2	~~PROGRAM TOTAL~~	~~296,232~~	~~303,429~~
3	SALARY LIMIT	146,804	150,278

4 The unexpended General Fund appropriation balance existing on June
5 30, 2015, less \$54,000, is hereby reappropriated.

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$111,697, is hereby reappropriated.

8 Sec. 64. Laws 2015, LB657, section 129, is amended to read:

9 Sec. 129. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

10 Program No. 304 - Nebraska Soil and Water Conservation Fund

11		FY2015-16	FY2016-17
12	<u>GENERAL FUND</u>	<u>2,318,036</u>	<u>2,225,315</u>
13	~~GENERAL FUND~~	~~2,318,036~~	~~2,318,036~~
14	CASH FUND	50,000	50,000
15	<u>PROGRAM TOTAL</u>	<u>2,368,036</u>	<u>2,275,315</u>
16	~~PROGRAM TOTAL~~	~~2,368,036~~	~~2,368,036~~

17 The unexpended General Fund appropriation balance existing on June
18 30, 2015, is hereby reappropriated.

19 There is included in the appropriation to this program for FY2015-16
20 \$2,318,036 General Funds, any reappropriated amounts, and \$50,000 Cash
21 Funds for state aid, which shall only be used for such purpose. There is
22 included in the appropriation to this program for FY2016-17 \$2,225,315
23 ~~\$2,318,036~~ General Funds, any reappropriated amounts, and \$50,000 Cash
24 Funds for state aid, which shall only be used for such purpose.

25 Sec. 65. Laws 2015, LB657, section 131, is amended to read:

26 Sec. 131. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

27 Program No. 307 - Nebraska Resources Development Fund

28		FY2015-16	FY2016-17
29	<u>GENERAL FUND</u>	<u>3,140,325</u>	<u>3,014,712</u>
30	~~GENERAL FUND~~	~~3,140,325~~	~~3,140,325~~

1	CASH FUND	3,047,500	3,047,500
2	<u>PROGRAM TOTAL</u>	<u>6,187,825</u>	<u>6,062,212</u>
3	<u>PROGRAM TOTAL</u>	<u>6,187,825</u>	<u>6,187,825</u>

4 The unexpended General Fund appropriation balance existing on June
5 30, 2015, is hereby reappropriated.

6 There is included in the appropriation to this program for FY2015-16
7 \$3,140,325 General Funds, any reappropriated amounts, and \$3,047,500 Cash
8 Funds for state aid, which shall only be used for such purpose. There is
9 included in the appropriation to this program for FY2016-17 \$3,014,712
10 ~~\$3,140,325~~ General Funds, any reappropriated amounts, and \$3,047,500 Cash
11 Funds for state aid, which shall only be used for such purpose.

12 The appropriation to this program for state aid shall first be
13 utilized for projects which have been allocated funds but for which only
14 a portion of the allocation has been actually obligated. The total amount
15 of funds allocated for projects less the amounts obligated for such
16 projects shall not exceed \$18,500,000. The definitions of the terms
17 allocated and obligated shall be based on the terminology utilized by the
18 Department of Natural Resources in the Nebraska Resources Development
19 Fund Status Report.

20 It is the intent of the Legislature that \$3,140,325 General Funds be
21 appropriated to this program through FY2018-19.

22 Sec. 66. Laws 2015, LB657, section 133, is amended to read:

23 Sec. 133. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

24 Program No. 313 - Water Sustainability Fund

25		FY2015-16	FY2016-17
26	<u>CASH FUND</u>	<u>8,004,518</u>	<u>7,567,960</u>
27	<u>PROGRAM TOTAL</u>	<u>8,004,518</u>	<u>7,567,960</u>
28	CASH FUND	8,004,518	8,007,960
29	PROGRAM TOTAL	8,004,518	8,007,960
30	SALARY LIMIT	92,600	94,763

31 The unexpended Cash Fund appropriation balance existing on June 30,

1 2015, is hereby reappropriated.

2 There is included in the appropriation to this program for FY2015-16
3 \$7,872,993 Cash Funds, plus any reappropriated amounts, for state aid,
4 which shall only be used for such purpose. There is included in the
5 appropriation to this program for FY2016-17 \$7,432,993 ~~\$7,872,993~~ Cash
6 Funds, plus any reappropriated amounts, for state aid, which shall only
7 be used for such purpose.

8 Sec. 67. Laws 2015, LB657, section 134, is amended to read:

9 Sec. 134. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

10 Program No. 334 - Soil and Water Conservation

	FY2015-16	FY2016-17
11 <u>GENERAL FUND</u>	<u>11,086,574</u>	<u>10,835,317</u>
12 ~~GENERAL FUND~~	~~11,086,574~~	~~11,286,789~~
13 CASH FUND	7,260,462	7,273,803
14 FEDERAL FUND est.	757,803	766,697
15 <u>PROGRAM TOTAL</u>	<u>19,104,839</u>	<u>18,875,817</u>
16 ~~PROGRAM TOTAL~~	~~19,104,839~~	~~19,327,289~~
17 SALARY LIMIT	6,267,247	6,417,285

18 The unexpended General Fund appropriation balance existing on June
19 30, 2016, less \$1,300,000, is hereby reappropriated.

20
21 There is hereby reappropriated an amount certified by the Department
22 of Natural Resources to the budget administrator of the budget division
23 of the Department of Administrative Services of the unexpended General
24 Fund and Cash Fund appropriation balances existing on June 30, 2015, that
25 are allocated in budget subprograms 19, 20, and 21 of Program 334.
26 Reappropriated funds shall be allocated to the same budget subprogram.

27 There is included in the appropriation to this program for FY2015-16
28 \$6,450,000 Cash Funds plus any reappropriated amounts and \$5,000 Federal
29 Funds estimate, for state aid, which shall only be used for such purpose.
30 There is included in the appropriation to this program for FY2016-17
31 \$6,450,000 Cash Funds plus any reappropriated amounts and \$5,000 Federal

1 Funds estimate, for state aid, which shall only be used for such purpose.

2 Sec. 68. Laws 2015, LB657, section 136, is amended to read:

3 Sec. 136. AGENCY NO. 31 – MILITARY DEPARTMENT

4 Program No. 192 - Governor's Emergency Aid

	FY2015-16	FY2016-17
5		
6 <u>GENERAL FUND</u>	<u>250,000</u>	<u>-0-</u>
7 ~~GENERAL FUND~~	~~250,000~~	~~250,000~~
8 FEDERAL FUND est.	4,500,000	4,500,000
9 <u>PROGRAM TOTAL</u>	<u>4,750,000</u>	<u>4,500,000</u>
10 ~~PROGRAM TOTAL~~	~~4,750,000~~	~~4,750,000~~

11 There is no salary limitation for this program.

12 The unexpended General Fund and Cash Fund appropriation balances
13 existing on June 30, 2015, are hereby reappropriated. The unexpended Cash
14 Fund appropriation balance existing on June 30, 2016, is hereby
15 reappropriated.

16 The unexpended General Fund appropriation balance existing on June
17 30, 2016, less \$5,581,226, is hereby reappropriated.

18 There is included in the appropriation to this program for FY2015-16
19 \$250,000 General Funds and \$4,500,000 Federal Funds estimate for state
20 aid. There is included in the appropriation to this program for
21 FY2016-17 \$-0- ~~\$250,000~~ General Funds and \$4,500,000 Federal Funds
22 estimate for state aid.

23 Expenditures from this program shall not be restricted to state aid
24 if other expenditures are necessary to fulfill the goals of the
25 Governor's Emergency Aid Program.

26 Sec. 69. Laws 2015, LB657, section 137, is amended to read:

27 Sec. 137. AGENCY NO. 31 – MILITARY DEPARTMENT

28 Program No. 544 - National and State Guard

	FY2015-16	FY2016-17
29		
30 <u>GENERAL FUND</u>	<u>3,049,723</u>	<u>2,935,389</u>
31 ~~GENERAL FUND~~	~~3,049,723~~	~~3,083,063~~

1	CASH FUND	399,808	399,808
2	FEDERAL FUND est.	16,125,111	16,277,429
3	<u>PROGRAM TOTAL</u>	<u>19,574,642</u>	<u>19,612,626</u>
4	~~PROGRAM TOTAL~~	~~19,574,642~~	~~19,760,300~~
5	SALARY LIMIT	5,551,623	5,683,034

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$214,335, is hereby reappropriated.

8 Sec. 70. Laws 2015, LB657, section 138, is amended to read:

9 Sec. 138. AGENCY NO. 31 – MILITARY DEPARTMENT

10 Program No. 545 - Emergency Management

	FY2015-16	FY2016-17	
11			
12	<u>GENERAL FUND</u>	<u>1,356,596</u>	<u>1,346,755</u>
13	~~GENERAL FUND~~	~~1,356,596~~	~~1,402,870~~
14	CASH FUND est.	542,981	552,629
15	FEDERAL FUND est.	3,360,717	3,397,754
16	<u>PROGRAM TOTAL</u>	<u>5,260,294</u>	<u>5,297,138</u>
17	~~PROGRAM TOTAL~~	~~5,260,294~~	~~5,353,253~~
18	SALARY LIMIT	1,920,708	1,965,459

19 Cash Fund expenditures shall not be limited to the amounts shown.

20 The unexpended General Fund appropriation balance, not to exceed
21 \$100,000, existing on June 30, 2015, is hereby reappropriated.

22 There is included in the appropriation to this program for FY2015-16
23 \$1,570,604 Federal Funds estimate for state aid, which shall only be used
24 for such purpose. There is included in the appropriation to this program
25 for FY2016-17 \$1,570,604 Federal Funds estimate for state aid, which
26 shall only be used for such purpose.

27 The Nebraska Emergency Management Agency shall by March 1 of each
28 year provide a report electronically to the Appropriations Committee of
29 the Legislature on the past, present, and future use of homeland security
30 funding. No expenditure of state, federal, or other funding sources
31 administered by the Nebraska Emergency Management Agency for homeland

1 security purposes shall be made for the ensuing fiscal year beginning
2 July 1 until the agency has provided the report to the committee. The
3 report shall include, but not be limited to, the planned use of known and
4 anticipated future funding as well as information on the past use of
5 funding within the last five years, including specific amounts allocated
6 to any unit of state or local government. The report shall also assess
7 the risk that state funding will be needed in the future to supplant
8 nonstate sources of revenue in order to continue homeland security
9 activities at both the state and local level.

10 Sec. 71. Laws 2015, LB657, section 139, is amended to read:

11 Sec. 139. AGENCY NO. 31 – MILITARY DEPARTMENT

12 Program No. 548 - Tuition Assistance

	FY2015-16	FY2016-17
13 GENERAL FUND	608,775	608,775
14 PROGRAM TOTAL	608,775	608,775
15 SALARY LIMIT	-0-	-0-

16
17 The unexpended General Fund appropriation balance existing on June
18 30, 2016, less \$46,015, is hereby reappropriated.

19 There is included in the appropriation to this program for FY2015-16
20 \$608,775 General Funds for state aid, which shall only be used for such
21 purpose. There is included in the appropriation to this program for
22 FY2016-17 \$608,775 General Funds for state aid, which shall only be used
23 for such purpose.

24 Sec. 72. Laws 2015, LB657, section 140, is amended to read:

25 Sec. 140. AGENCY NO. 32 – BOARD OF EDUCATIONAL LANDS AND FUNDS

26 Program No. 529 - Land Surveys

	FY2015-16	FY2016-17
27 <u>GENERAL FUND</u>	<u>328,604</u>	<u>321,945</u>
28 ~~GENERAL FUND~~	~~328,604~~	~~335,359~~
29 CASH FUND	23,098	23,387
30 <u>PROGRAM TOTAL</u>	<u>351,702</u>	<u>345,332</u>

1	PROGRAM TOTAL	351,702	358,746
2	SALARY LIMIT	226,142	263,511

3 The unexpended General Fund appropriation balance existing on June
4 30, 2015, is hereby reappropriated.

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$86,770, is hereby reappropriated.

7 It is the intent of the Legislature that payment for unused vacation
8 and sick leave hours upon employee retirement be made with unexpended
9 appropriation balances reappropriated to this program.

10 Any General Funds expended for costs associated with the
11 administration of school lands shall be reimbursed, on a quarterly basis,
12 to the General Fund by the Board of Educational Lands and Funds.

13 Sec. 73. Laws 2015, LB657, section 145, is amended to read:

14 Sec. 145. AGENCY NO. 33 – GAME AND PARKS COMMISSION

15 Program No. 336 - Wildlife Conservation

16		FY2015-16	FY2016-17
17	<u>GENERAL FUND</u>	<u>1,303,605</u>	<u>1,282,874</u>
18	~~GENERAL FUND~~	~~1,303,605~~	~~1,336,327~~
19	CASH FUND	24,111,881	24,584,384
20	FEDERAL FUND est.	3,625,534	3,674,889
21	<u>PROGRAM TOTAL</u>	<u>29,041,020</u>	<u>29,542,147</u>
22	~~PROGRAM TOTAL~~	~~29,041,020~~	~~29,595,600~~
23	SALARY LIMIT	13,744,022	14,135,703

24 There is included in the appropriation to this program for FY2015-16
25 \$585,000 Cash Funds for state aid, which shall only be used for such
26 purpose. There is included in the appropriation to this program for
27 FY2016-17 \$585,000 Cash Funds for state aid, which shall only be used for
28 such purpose.

29 The unexpended General Fund appropriation balance existing on June
30 30, 2016, less \$14,485, is hereby reappropriated.

31 Sec. 74. Laws 2015, LB657, section 150, is amended to read:

1 Sec. 150. AGENCY NO. 33 – GAME AND PARKS COMMISSION

2 Program No. 617 - Engineering and Area Maintenance

3		FY2015-16	FY2016-17
4	<u>GENERAL FUND</u>	<u>2,205,719</u>	<u>2,159,392</u>
5	~~GENERAL FUND~~	~~2,205,719~~	~~2,249,367~~
6	CASH FUND	948,349	966,914
7	<u>PROGRAM TOTAL</u>	<u>3,154,068</u>	<u>3,126,306</u>
8	~~PROGRAM TOTAL~~	~~3,154,068~~	~~3,216,281~~
9	SALARY LIMIT	1,630,040	1,668,986

10 The unexpended General Fund appropriation balance existing on June
11 30, 2016, less \$139,040, is hereby reappropriated.

12 Sec. 75. Laws 2015, LB657, section 152, is amended to read:

13 Sec. 152. AGENCY NO. 33 – GAME AND PARKS COMMISSION

14 Program No. 846 - Nebraska Public Safety Communication System

15		FY2015-16	FY2016-17
16	<u>GENERAL FUND</u>	<u>37,384</u>	<u>35,889</u>
17	~~GENERAL FUND~~	~~37,384~~	~~37,384~~
18	CASH FUND	93,957	93,957
19	<u>PROGRAM TOTAL</u>	<u>131,341</u>	<u>129,846</u>
20	~~PROGRAM TOTAL~~	~~131,341~~	~~131,341~~

21 There is included in the appropriation to this program for FY2015-16
22 a retainer fee of up to \$37,384 General Funds and up to \$93,957 Cash
23 Funds which shall be paid in four equal quarterly amounts to the Nebraska
24 Public Safety Communication System Revolving Fund on or before July 15,
25 October 15, January 15, and April 15 for Department of Administrative
26 Services central costs of operating the Nebraska Public Safety
27 Communication System, which shall only be used for such purpose. The
28 retainer fee amounts shall only be expended against budget subprogram 1
29 as a separate and distinct budget subprogram and shall not be commingled
30 with any other expenses.

31 There is included in the appropriation to this program for FY2016-17

1 a retainer fee of up to ~~\$35,889~~ ~~\$37,384~~ General Funds and up to \$93,957
2 Cash Funds which shall be paid in four equal quarterly amounts to the
3 Nebraska Public Safety Communication System Revolving Fund on or before
4 July 15, October 15, January 15, and April 15 for Department of
5 Administrative Services central costs of operating the Nebraska Public
6 Safety Communication System, which shall only be used for such purpose.
7 The retainer fee amounts shall only be expended against budget subprogram
8 1 as a separate and distinct budget subprogram and shall not be
9 commingled with any other expenses.

10 Sec. 76. Laws 2015, LB657, section 153, is amended to read:

11 Sec. 153. AGENCY NO. 34 – NEBRASKA LIBRARY COMMISSION

12 Program No. 252 - Library and Information Services

	FY2015-16	FY2016-17
13		
14 <u>GENERAL FUND</u>	<u>2,691,538</u>	<u>2,679,252</u>
15 ~~GENERAL FUND~~	~~2,691,538~~	~~2,790,888~~
16 CASH FUND	94,085	94,085
17 FEDERAL FUND est.	900,821	900,830
18 <u>PROGRAM TOTAL</u>	<u>3,686,444</u>	<u>3,674,167</u>
19 ~~PROGRAM TOTAL~~	~~3,686,444~~	~~3,785,803~~
20 SALARY LIMIT	2,175,492	2,225,010

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$89,525, is hereby reappropriated.

23 Sec. 77. Laws 2015, LB657, section 154, is amended to read:

24 Sec. 154. AGENCY NO. 34 – NEBRASKA LIBRARY COMMISSION

25 Program No. 302 - Library Development

	FY2015-16	FY2016-17
26		
27 <u>GENERAL FUND</u>	<u>1,271,970</u>	<u>1,243,282</u>
28 ~~GENERAL FUND~~	~~1,271,970~~	~~1,295,085~~
29 FEDERAL FUND est.	611,395	611,395
30 <u>PROGRAM TOTAL</u>	<u>1,883,365</u>	<u>1,854,677</u>
31 ~~PROGRAM TOTAL~~	~~1,883,365~~	~~1,906,480~~

3 There is included in the appropriation to this program for FY2015-16
4 \$1,271,970 General Funds estimate and \$611,395 Federal Funds estimate for
5 state aid, which shall only be used for such purpose. There is included
6 in the appropriation to this program for FY2016-17 \$1,243,282 ~~\$1,295,085~~
7 General Funds estimate and \$611,395 Federal Funds estimate for state aid,
8 which shall only be used for such purpose.

11 Program No. 73 - Licensing and Regulation

20 The unexpended General Fund appropriation balance, not to exceed
21 \$41,000, existing on June 30, 2015, is hereby reappropriated. Expenditure
22 of reappropriated funds shall be limited to the Special Designated
23 Licenses OnBase Implementation project.

28 Program No. 214 - Vocational and Life Skills

- 48 -

1 SALARY LIMIT 1,154,055 1,181,228

2 The unexpended General Fund appropriation balance, less aid,
3 existing on June 30, 2015, is hereby reappropriated.

4 The unexpended General Fund appropriation balance existing on June
5 30, 2016, less \$914,021, is hereby reappropriated.

6 There is included in the appropriation to this program for FY2015-16
7 \$3,500,000 General Funds for state aid, which shall only be used for such
8 purpose. There is included in the appropriation to this program for
9 FY2016-17 \$3,500,000 General Funds for state aid, which shall only be
10 used for such purpose.

11 Sec. 80. Laws 2015, LB657, section 166, is amended to read:

12 Sec. 166. AGENCY NO. 47 – NEBRASKA EDUCATIONAL TELECOMMUNICATIONS
13 COMMISSION

14 Program No. 533 - Network Operations

	FY2015-16	FY2016-17
15		
16 <u>GENERAL FUND</u>	<u>9,689,691</u>	<u>9,445,739</u>
17 ~~GENERAL FUND~~	~~9,689,691~~	~~9,839,311~~
18 CASH FUND	310,206	310,206
19 <u>PROGRAM TOTAL</u>	<u>9,999,897</u>	<u>9,755,945</u>
20 ~~PROGRAM TOTAL~~	~~9,999,897~~	~~10,149,517~~
21 SALARY LIMIT	3,087,299	3,180,585

22 The unexpended General Fund appropriation balance existing on June
23 30, 2015, is hereby reappropriated for the television antennae and
24 related costs at KTNE (Alliance).

25 The unexpended General Fund appropriation balance existing on June
26 30, 2016, less \$297,900, is hereby reappropriated.

27 Sec. 81. Laws 2015, LB657, section 167, is amended to read:

28 Sec. 167. AGENCY NO. 47 – NEBRASKA EDUCATIONAL TELECOMMUNICATIONS
29 COMMISSION

30 Program No. 566 - Public Radio

	FY2015-16	FY2016-17

1	<u>GENERAL FUND</u>	<u>484,098</u>	<u>470,167</u>
2	~~GENERAL FUND~~	~~484,098~~	~~489,757~~
3	CASH FUND	27,549	27,549
4	<u>PROGRAM TOTAL</u>	<u>511,647</u>	<u>497,716</u>
5	~~PROGRAM TOTAL~~	~~511,647~~	~~517,306~~
6	SALARY LIMIT	185,109	189,375

7 The limitation on expenditures for permanent and temporary salaries
8 and per diems contained in this section does not include expenditures
9 from trust funds.

10 The unexpended General Fund appropriation balance existing on June
11 30, 2016, less \$28,803, is hereby reappropriated.

12 Sec. 82. Laws 2015, LB657, section 169, is amended to read:

13 Sec. 169. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
14 EDUCATION

15 Program No. 640 - Postsecondary Education Coordination

16		FY2015-16	FY2016-17
17	<u>GENERAL FUND</u>	<u>1,384,210</u>	<u>1,347,463</u>
18	~~GENERAL FUND~~	~~1,384,210~~	~~1,403,607~~
19	CASH FUND	35,000	35,000
20	FEDERAL FUND est.	6,023	6,023
21	<u>PROGRAM TOTAL</u>	<u>1,425,233</u>	<u>1,388,486</u>
22	~~PROGRAM TOTAL~~	~~1,425,233~~	~~1,444,630~~
23	SALARY LIMIT	873,086	894,006

24 The unexpended General Fund appropriation balance existing on June
25 30, 2016, less \$33,296, is hereby reappropriated.

26 There is included in the appropriation to this program for FY2015-16
27 an estimated \$115,000 General Funds and for FY2016-17 an estimated
28 \$115,000 General Funds for Midwestern Higher Education Compact state
29 membership dues.

30 Sec. 83. Laws 2015, LB657, section 171, is amended to read:

31 Sec. 171. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY

1 EDUCATION

2 Program No. 690 - Nebraska Opportunity Grant Program

3	FY2015-16	FY2016-17
4 <u>GENERAL FUND</u>	<u>6,868,156</u>	<u>6,593,430</u>
5 ~~GENERAL FUND~~	~~6,868,156~~	~~6,868,156~~
6 CASH FUND	10,000,000	-0-
7 <u>PROGRAM TOTAL</u>	<u>16,868,156</u>	<u>6,593,430</u>
8 ~~PROGRAM TOTAL~~	~~16,868,156~~	~~6,868,156~~

9 There are no personal services included in the appropriations in
10 this section.

11 There is included in the appropriation to this program for FY2015-16
12 \$6,868,156 General Funds and \$10,000,000 Cash Funds for state aid, which
13 shall only be used for such purpose. There is included in the
14 appropriation to this program for FY2016-17 \$6,593,430 ~~\$6,868,156~~ General
15 Funds and \$-0- Cash Funds for state aid, which shall only be used for
16 such purpose.

17 Sec. 84. Laws 2015, LB657, section 174, is amended to read:

18 Sec. 174. AGENCY NO. 50 – BOARD OF TRUSTEES OF THE NEBRASKA STATE
19 COLLEGES

20 Program No. 48 - Nebraska State Colleges - System Office

21	FY2015-16	FY2016-17
22 <u>GENERAL FUND</u>	<u>50,877,911</u>	<u>50,308,078</u>
23 ~~GENERAL FUND~~	~~50,877,911~~	~~52,404,248~~
24 CASH FUND est.	33,199,918	33,199,918
25 FEDERAL FUND est.	46,739,698	46,739,698
26 REVOLVING FUND est.	9,112,985	9,112,985
27 <u>PROGRAM TOTAL</u>	<u>139,930,512</u>	<u>139,360,679</u>
28 ~~PROGRAM TOTAL~~	~~139,930,512~~	~~141,456,849~~

29 The unexpended General Fund appropriation balance, not to exceed
30 \$75,000, existing on June 30, 2015, is hereby reappropriated.
31 Expenditures from such reappropriated amount shall be limited to

1 expenditures for nonrecurring costs.

2 The unexpended General Fund appropriation balance existing on June
3 30, 2016, less \$155,370, is hereby reappropriated.

4 It is the intent of the Legislature that upon the approval of the
5 Board of Trustees of the Nebraska State Colleges, the System Office of
6 the Nebraska State Colleges may divide and distribute the funds
7 appropriated to this program among Chadron State College, Peru State
8 College, Wayne State College, and the System Office of the Nebraska State
9 Colleges.

10 It is the intent of the Legislature that Cash Fund revenue from
11 resident tuition, nonresident tuition, off-campus tuition, and fees
12 separately assessed shall be individually accounted for on the Nebraska
13 Information System.

14 The Legislature reaffirms its intent to utilize the Nebraska
15 Educational Data System created by Laws 1978, LB 897, to support the
16 appropriations and oversight process for postsecondary education. It is
17 further the intent of the Legislature that all institutions provide the
18 data in the precise formats required by the Coordinating Commission for
19 Postsecondary Education.

20 The Legislature reaffirms its commitment to long-range and short-
21 range computer planning by the Nebraska state colleges. It is the intent
22 of the Legislature that comprehensive computer plans of the Nebraska
23 state colleges be updated biennially and submitted to the Legislative
24 Fiscal Analyst, the Department of Administrative Services, and the
25 Coordinating Commission for Postsecondary Education on or before October
26 15 of each odd-numbered year. The plans required to be submitted to the
27 Legislative Fiscal Analyst by this section shall be submitted
28 electronically.

29 The Department of Administrative Services shall monitor the
30 appropriations and expenditures of the Board of Trustees of the Nebraska
31 State Colleges, Agency No. 50-0, and the Nebraska State Colleges, Agency

1 Nos. 50-1, 50-3, and 50-4, according to NCHEMS-Program Classification
2 Structure, Second Edition. Expenditure authority shall be limited to
3 program appropriations.

4 Sec. 85. Laws 2015, LB657, section 175, is amended to read:

5 Sec. 175. AGENCY NO. 51 – UNIVERSITY OF NEBRASKA

6 Program No. 781 - University - Administration

7 (1) There is hereby appropriated to the Board of Regents of the
8 University of Nebraska for expenditure and distribution to the campuses
9 by the University of Nebraska Central Administration the following sums
10 of money.

11	FY2015-16	FY2016-17
12 <u>GENERAL FUND</u>	<u>563,885,541</u>	<u>569,745,983</u>
13 <u>PROGRAM TOTAL</u>	<u>563,885,541</u>	<u>569,745,983</u>
14 ~~GENERAL FUND~~	~~563,885,541~~	~~583,068,732~~
15 ~~PROGRAM TOTAL~~	~~563,885,541~~	~~583,068,732~~

16 The unexpended General Fund appropriation balance existing on June
17 30, 2016, less \$5,173,708, is hereby reappropriated.

18 (2) It is intended that the University of Nebraska Central
19 Administration, upon approval of the Board of Regents of the University
20 of Nebraska, divide and distribute the funds appropriated in this section
21 among all the campuses and the central administration, including the
22 Nebraska College of Technical Agriculture at Curtis. At the direction of
23 the board, these funds may be supplemented by Cash Funds, Federal Funds,
24 Revolving Funds, and Trust Funds.

25 (3) There is included in the appropriation to this program for
26 FY2015-16 an estimated \$3,151,279 General Funds and for FY2016-17 an
27 estimated \$3,398,163 General Funds for the Nebraska College of Technical
28 Agriculture at Curtis.

29 There is included in the appropriation to this program for FY2015-16
30 an estimated \$2,804,862 General Funds and for FY2016-17 an estimated
31 \$2,804,862 General Funds for the Nebraska Forest Service Program.

1 There is included in the appropriation to this program \$1,800,000
2 General Funds for FY2015-16 and \$1,800,000 General Funds for FY2016-17
3 for pediatric cancer of which \$1,500,000 per year is for pediatric cancer
4 research and \$300,000 per year is for pediatric cancer specialists.

5 There is included in the appropriation to this program \$1,000,000
6 General Funds for FY2015-16 and \$2,000,000 General Funds for FY2016-17
7 for the academic program costs associated with the Health Science
8 Education Center located at the University of Nebraska at Kearney.

9 There is included in the appropriation to this program \$424,000
10 General Funds for FY2015-16 and \$424,000 General Funds for FY2016-17 for
11 the operating and maintenance cost associated with the Health Science
12 Education Center located at the University of Nebraska at Kearney.

13 There is included in the appropriation to this program \$750,000
14 General Funds for FY2015-16 and \$1,000,000 General Funds for FY2016-17
15 for a Biomedical Institute located at the University of Nebraska Medical
16 Center.

17 There is included in the appropriation to this program \$100,000
18 General Funds for FY2015-16 and \$100,000 General Funds for FY2016-17 for
19 the Nebraska Business Development Center at the University of Nebraska at
20 Omaha.

21 There is included in the appropriation to this program \$1,000,000
22 General Funds for FY2015-16 and \$2,000,000 General Funds for FY2016-17
23 for the academic program costs and the operating and maintenance costs
24 associated with the Center for Advanced Interprofessional Learning.

25 There is included in the appropriation to this program \$1,250,000
26 General Funds for FY2015-16 and \$1,250,000 General Funds for FY2016-17
27 for the Yeutter Institute for International Trade and Finance. It is the
28 intent of the Legislature that funds appropriated for the Yeutter
29 Institute for International Trade and Finance shall be used,
30 administered, and invested in such manner as the Board of Regents of the
31 University of Nebraska shall determine. Funds appropriated shall be used

1 to support endowed chairs which shall be held, managed, and invested as
2 authorized by section 72-1246 with only the income therefrom expended for
3 the endowed chairs. The budget administrator of the budget division of
4 the Department of Administrative Services shall allot \$1,250,000 General
5 Funds for FY2015-16 and \$1,250,000 General Funds for FY2016-17 to the
6 Board of Regents of the University of Nebraska for the Yeutter Institute
7 for International Trade and Finance upon evidence provided by the board
8 that \$1,250,000 for FY2015-16 and \$1,250,000 for FY2016-17 in private
9 funds have been received by the board for this institute.

10 There is included in the appropriation to this program \$160,150
11 General Funds for FY2015-16 and \$320,300 General Funds for FY2016-17 for
12 faculty salary enhancement at the Nebraska College of Technical
13 Agriculture at Curtis.

14 There is included in the appropriation to this program \$100,000
15 General Funds for FY2015-16 and \$100,000 General Funds for FY2016-17 for
16 a staff veterinarian at the Nebraska College of Technical Agriculture at
17 Curtis.

18 It is the intent of the Legislature that the Institute of
19 Agriculture and Natural Resources and the Cooperative Extension Program
20 are treated fairly in the University of Nebraska 2015-2017 biennial
21 budget-setting process.

22 (4)(a) There is included in the appropriation to this program for
23 the Board of Regents of the University of Nebraska for FY2015-16 an
24 estimated \$11,719,478 General Funds and for FY2016-17 an estimated
25 \$11,719,478 General Funds, to be administered by Central Administration,
26 for the purpose of targeted research activities at the University of
27 Nebraska. It is intended that none of these funds be used for new capital
28 construction or renovation, except that a small portion may be used for
29 short-term cash flow. Further, it is intended that an estimated \$315,291
30 of the estimated \$11,719,478 for FY2015-16 and an estimated \$315,291 of
31 the estimated \$11,719,478 for FY2016-17 be used in conjunction with the

1 Experimental Program to Stimulate Competitive Research (EPSCoR) which is
2 expected to have an increased emphasis on applied research and technology
3 transfer.

4 (b) It is intended that faculty teams, research centers, or
5 individual faculty from the various colleges and departments of all of
6 the campuses of the University of Nebraska should present research
7 proposals to the Research Fund Advisory Committee and Central
8 Administration for the various targeted research areas after the
9 FY2015-16 appropriation has been made but prior to August 15, 2015.
10 Inherent in this process is the concept that the best proposals be
11 selected regardless of the campus of origin and that selections be made
12 on a competitive basis.

13 (c) It is intended for the EPSCoR Program that faculty teams,
14 clusters, research centers, or individual faculty from the various
15 colleges and departments of all of the campuses of the University of
16 Nebraska and Creighton University should present to the EPSCoR Planning
17 Committee research proposals to be funded by the EPSCoR Program. Inherent
18 in this process is the concept that the best proposals be selected
19 regardless of the campus of origin and that selections be made on a
20 competitive basis. Emphasis shall be placed on technology transfer and
21 the research needs of business and industry. It is intended that the
22 EPSCoR Planning Committee shall continue to develop the Nebraska State
23 Science and Technology Transfer Plan as part of the EPSCoR Program. It is
24 further intended that the existing Research Fund Advisory Committee and
25 the existing EPSCoR Planning Committee coordinate and integrate the
26 planning and project evaluation criteria and procedures for both the
27 Nebraska Research Initiative Program and the EPSCoR Program. Matching
28 funds for any research grants to Creighton University shall be in the
29 form of a contract in which specific services are identified and a time
30 period is specified. Creighton University shall provide an appropriate
31 share of any match.

1 (d) The unexpended appropriations balance from the \$11,719,478
2 estimated General Funds appropriated for research existing on June 30,
3 2015, and the unexpended appropriations balance from the estimated
4 \$11,719,478 General Funds appropriated for research existing on June 30,
5 2016, are hereby reappropriated.

6 (5) It is intended that:

7 (a) The University of Nebraska shall report its expenditures on the
8 Allotment Status Report and Regular Budget Status Report according to its
9 internal operational and organizational structure, subject to approval by
10 the Accounting Administrator and the budget administrator of the budget
11 division of the Department of Administrative Services;

12 (b) The University of Nebraska shall report its expenditures on the
13 Program Classification Expenditure Report in the NCHEMS-Program
14 Classification Structure, Second Edition, subject to approval by the
15 Accounting Administrator and the budget administrator of the budget
16 division of the Department of Administrative Services;

17 (c) The University of Nebraska shall submit the budget request in
18 the NCHEMS-Program Classification Structure, Second Edition, for the
19 University of Nebraska-Lincoln with an informational budget request for
20 the Institute of Agriculture and Natural Resources, University of
21 Nebraska at Omaha, University of Nebraska Medical Center, University of
22 Nebraska at Kearney, Nebraska College of Technical Agriculture at Curtis,
23 and University of Nebraska Central Administration;

24 (d) Comprehensive computer plans at the University of Nebraska shall
25 be biennially updated and submitted to the Legislative Fiscal Analyst and
26 to the budget division of the Department of Administrative Services on or
27 before September 1 of odd-numbered years; and

28 (e) The Nebraska Educational Data System created by Laws 1978, LB
29 897, shall be utilized to support the appropriations and oversight
30 process for postsecondary education. It is further the intent of the
31 Legislature that all institutions shall provide the data in the precise

1 formats required by the Coordinating Commission for Postsecondary
2 Education and that any expenditure of General Funds on the development of
3 new information systems, including any student information system, meet
4 the requirements of the Nebraska Educational Data System as determined by
5 the Coordinating Commission for Postsecondary Education.

6 Sec. 86. Laws 2015, LB657, section 178, is amended to read:

7 Sec. 178. AGENCY NO. 54 – NEBRASKA STATE HISTORICAL SOCIETY

8 Program No. 553 - Sesquicentennial Commission

9		FY2015-16	FY2016-17
10	<u>GENERAL FUND</u>	<u>94,000</u>	<u>90,240</u>
11	<u>PROGRAM TOTAL</u>	<u>94,000</u>	<u>90,240</u>
12	~~GENERAL FUND~~	~~94,000~~	~~94,000~~
13	~~PROGRAM TOTAL~~	~~94,000~~	~~94,000~~
14	SALARY LIMIT	28,000	28,000

15 The unexpended General Fund appropriation balance existing on June
16 30, 2016, less \$43,504, is hereby reappropriated.

17 Sec. 87. Laws 2015, LB657, section 179, is amended to read:

18 Sec. 179. AGENCY NO. 54 – NEBRASKA STATE HISTORICAL SOCIETY

19 Program No. 648 - Nebraska State Historical Society

20		FY2015-16	FY2016-17
21	<u>GENERAL FUND</u>	<u>5,016,695</u>	<u>4,376,073</u>
22	~~GENERAL FUND~~	~~5,016,695~~	~~4,558,409~~
23	CASH FUND	2,512,562	2,555,542
24	FEDERAL FUND est.	845,966	858,731
25	<u>PROGRAM TOTAL</u>	<u>8,375,223</u>	<u>7,790,346</u>
26	<u>SALARY LIMIT</u>	<u>3,896,340</u>	<u>4,127,129</u>
27	~~PROGRAM TOTAL~~	~~8,375,223~~	~~7,972,682~~
28	~~SALARY LIMIT~~	~~3,896,340~~	~~3,989,374~~

29 The unexpended General Fund appropriation balance on June 30, 2015,
30 is hereby reappropriated.

1 The Department of Administrative Services shall monitor the
2 appropriations and expenditures for this program according to the
3 following program classifications:

4 No. 43 - Departmental Administration

5 No. 258 - Library/Archives Division

6 No. 541 - Museum Operation

7 No. 542 - Branch Museums

8 No. 543 - Archeology Division

9 No. 552 - Historic Preservation

10 No. 632 - Hall of Fame Commission

11 No. 647 - Skeletal Remains Protection

12 No. 653 - Gerald R. Ford Conservation Center

13 The unexpended General Fund appropriation balance existing on June
14 30, 2016, less \$1,253,150, is hereby reappropriated.

15 There is included in the appropriation to this program for FY2015-16
16 \$100,000 Federal Funds estimate for state aid, which shall only be used
17 for such purpose. There is included in the appropriation to this program
18 for FY2016-17 \$100,000 Federal Funds estimate for state aid, which shall
19 only be used for such purpose.

20 There is included in the appropriation to this program for FY2015-16
21 \$25,000 General Funds and for FY2016-17 \$25,000 General Funds to carry
22 out obligations of the agency under the Unmarked Human Burial Sites and
23 Skeletal Remains Protection Act, which shall only be used for such
24 purpose.

25 It is the intent of the Legislature that the Nebraska State
26 Historical Society shall continue to budget and account for each of the
27 branch museums at the subprogram level within this program.

28 Appropriations shall only be expended for the operation,
29 construction, maintenance, or repair of a gift of real property after
30 that property has been approved for acceptance by the Governor and the
31 Legislature as required under section 81-1108.33.

1 Sec. 88. Laws 2015, LB657, section 188, is amended to read:

2 Sec. 188. AGENCY NO. 64 – NEBRASKA STATE PATROL

3 Program No. 100 - Public Protection

4		FY2015-16	FY2016-17
5	<u>GENERAL FUND</u>	<u>56,922,030</u>	<u>56,136,717</u>
6	~~GENERAL FUND~~	~~56,922,030~~	~~58,476,481~~
7	CASH FUND	5,315,137	5,365,127
8	FEDERAL FUND est.	298,064	358,422
9	<u>PROGRAM TOTAL</u>	<u>62,535,231</u>	<u>61,860,266</u>
10	~~PROGRAM TOTAL~~	~~62,535,231~~	~~64,200,030~~
11	SALARY LIMIT	37,371,796	38,772,587

12 The unexpended General Fund appropriation balance existing on June
13 30, 2015, is hereby reappropriated.

14 The unexpended General Fund appropriation balance existing on June
15 30, 2016, less \$1,252,344, is hereby reappropriated.

16 The unexpended Cash Fund appropriation balance, of \$1,997,500,
17 existing on June 30, 2015, is hereby reappropriated. Expenditure of
18 reappropriated funds shall be limited to the automated fingerprint
19 identification system (AFIS) upgrade.

20 The Department of Administrative Services shall monitor the
21 appropriations and expenditures for this program according to the
22 following program classifications:

23 No. 189 - Command and Support

24 No. 190 - Criminal Investigations

25 No. 195 - Road Operations

26 There is included in the appropriation to this program for FY2015-16
27 \$150,000 General Funds and \$100,000 Federal Funds from the Byrne Criminal
28 History Improvement set-aside funds, subject to available federal
29 appropriation, which shall only be expended for criminal justice
30 information systems improvements. There is included in the appropriation
31 to this program for FY2016-17 \$150,000 General Funds and \$100,000 Federal

1 Funds from the Byrne Criminal History Improvement set-aside funds,
2 subject to available federal appropriation, which shall only be expended
3 for criminal justice information systems improvements. Federal Funds
4 transferred to the Nebraska State Patrol pursuant to this section shall
5 be expended consistent with all applicable federal laws, rules, and
6 regulations pertaining to Byrne Criminal History Improvement set-aside
7 funds.

8 There is included in the appropriation to this program for FY2015-16
9 \$485,979 Cash Funds and for FY2016-17 \$485,979 Cash Funds, which
10 appropriation amounts shall only be expended to provide law enforcement
11 coverage along state road construction zones. The Department of Roads
12 shall contract with the Nebraska State Patrol for such law enforcement
13 coverage and shall pay for such services from the Roads Operations Cash
14 Fund to the Nebraska State Patrol Cash Fund in four equal quarterly
15 amounts to be transferred by the State Treasurer on or before July 15,
16 October 15, January 15, and April 15, for both FY2015-16 and FY2016-17.

17 Sec. 89. Laws 2015, LB657, section 191, is amended to read:

18 Sec. 191. AGENCY NO. 64 – NEBRASKA STATE PATROL

19 Program No. 630 - State Capitol Security

20	FY2015-16	FY2016-17
21 <u>GENERAL FUND</u>	<u>253,704</u>	<u>243,556</u>
22 ~~GENERAL FUND~~	~~253,704~~	~~253,704~~
23 REVOLVING FUND	1,070,437	1,094,530
24 <u>PROGRAM TOTAL</u>	<u>1,324,141</u>	<u>1,338,086</u>
25 ~~PROGRAM TOTAL~~	~~1,324,141~~	~~1,348,234~~
26 SALARY LIMIT	617,983	631,896

27 The unexpended General Fund appropriation balance existing on June
28 30, 2015, is hereby reappropriated.

29 The unexpended General Fund appropriation balance existing on June
30 30, 2016, less \$316,645, is hereby reappropriated.

31 Any security agreements entered into by the Nebraska State Patrol,

1 on behalf of the state capitol security division, shall require that all
2 such revenue be credited directly to the Capitol Security Revolving Fund.

3 For budgeting purposes only, the amount of projected revenue to be
4 received from security agreements entered into by the Nebraska State
5 Patrol, on behalf of the state capitol security division, to be credited
6 directly to the Capitol Security Revolving Fund is estimated to be
7 \$428,000 for FY2015-16 and \$428,000 for FY2016-17.

8 Sec. 90. Laws 2015, LB657, section 192, is amended to read:

9 Sec. 192. AGENCY NO. 64 – NEBRASKA STATE PATROL

10 Program No. 850 - Nebraska Public Safety Communication System

	FY2015-16	FY2016-17
11		
12 <u>GENERAL FUND</u>	<u>1,361,276</u>	<u>1,311,001</u>
13 ~~GENERAL FUND~~	~~1,361,276~~	~~1,365,626~~
14 CASH FUND	2,570,000	3,820,000
15 <u>PROGRAM TOTAL</u>	<u>3,931,276</u>	<u>5,131,001</u>
16 ~~PROGRAM TOTAL~~	~~3,931,276~~	~~5,185,626~~
17 SALARY LIMIT	88,264	90,378

18 The unexpended General Fund appropriation balance existing on June
19 30, 2015, is hereby reappropriated. The unexpended Cash Fund
20 appropriation balance existing on June 30, 2015, is hereby
21 reappropriated.

22 There is included in the appropriation to this program for FY2015-16
23 a retainer fee of \$262,138 General Funds and \$1,064,426 Cash Funds and
24 there is included in the appropriation to this program for FY2016-17 a
25 retainer fee of \$262,138 General Funds and \$1,064,426 Cash Funds which
26 shall be paid in four equal quarterly amounts to the Nebraska Public
27 Safety Communication System Revolving Fund on or before July 15, October
28 15, January 15, and April 15 for Department of Administrative Services
29 central costs of operating the Nebraska Public Safety Communication
30 System, which shall only be used for such purpose. The retainer fee
31 amounts shall only be expended against budget subprogram 1 as a separate

1 and distinct budget subprogram and shall not be commingled with any other
2 expenses.

3 All other Nebraska State Patrol costs of operating the Nebraska
4 Public Safety Communication System shall only be expended against budget
5 subprogram 4 as a separate and distinct budget subprogram and shall not
6 be commingled with any other expenses.

7 Sec. 91. Laws 2015, LB657, section 194, is amended to read:

8 Sec. 194. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

9 Program No. 101 - Chief Information Officer

	FY2015-16	FY2016-17
10		
11 <u>GENERAL FUND</u>	<u>370,880</u>	<u>364,741</u>
12 ~~GENERAL FUND~~	~~370,880~~	~~379,939~~
13 FEDERAL FUND est.	1,087,514	-0-
14 <u>PROGRAM TOTAL</u>	<u>1,458,394</u>	<u>364,741</u>
15 ~~PROGRAM TOTAL~~	~~1,458,394~~	~~379,939~~
16 SALARY LIMIT	242,279	248,083

17 The unexpended General Fund appropriation balance existing on June
18 30, 2015, is hereby reappropriated. Expenditure of reappropriated funds
19 shall be limited to the NebraskaMap GeoData Hosting Services project.

20 The unexpended General Fund appropriation balance existing on June
21 30, 2016, less \$7,953, is hereby reappropriated.

22 Sec. 92. Laws 2015, LB657, section 195, is amended to read:

23 Sec. 195. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

24 Program No. 169 - Federal Liaison

	FY2015-16	FY2016-17
25		
26 <u>GENERAL FUND</u>	<u>3,500</u>	<u>3,360</u>
27 <u>PROGRAM TOTAL</u>	<u>3,500</u>	<u>3,360</u>
28 ~~GENERAL FUND~~	~~3,500~~	~~3,500~~
29 ~~PROGRAM TOTAL~~	~~3,500~~	~~3,500~~

30 The unexpended General Fund appropriation balance existing on June
31 30, 2015, is hereby reappropriated.

1 The unexpended General Fund appropriation balance existing on June
2 30, 2016, less \$15,637, is hereby reappropriated.

3 Sec. 93. Laws 2015, LB657, section 202, is amended to read:

4 Sec. 202. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

5 Program No. 509 - Budget Division

	FY2015-16	FY2016-17
6		
7 <u>GENERAL FUND</u>	<u>1,240,096</u>	<u>1,220,041</u>
8 <u>PROGRAM TOTAL</u>	<u>1,240,096</u>	<u>1,220,041</u>
9 ~~GENERAL FUND~~	~~1,240,096~~	~~1,270,876~~
10 ~~PROGRAM TOTAL~~	~~1,240,096~~	~~1,270,876~~
11 SALARY LIMIT	794,309	813,341

12 The unexpended General Fund appropriation balance existing on June
13 30, 2015, is hereby reappropriated.

14 The unexpended General Fund appropriation balance existing on June
15 30, 2016, less \$1,372,351, is hereby reappropriated.

16 Sec. 94. Laws 2015, LB657, section 204, is amended to read:

17 Sec. 204. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

18 Program No. 560 - State Building Division

	FY2015-16	FY2016-17
19		
20 <u>GENERAL FUND</u>	<u>240,073</u>	<u>231,672</u>
21 ~~GENERAL FUND~~	~~240,073~~	~~241,325~~
22 CASH FUND	233,377	233,457
23 REVOLVING FUND	36,531,471	36,650,979
24 <u>PROGRAM TOTAL</u>	<u>37,004,921</u>	<u>37,116,108</u>
25 ~~PROGRAM TOTAL~~	~~37,004,921~~	~~37,125,761~~
26 SALARY LIMIT	3,477,283	3,550,805

27 Charges assessed by the Department of Administrative Services
28 pursuant to provisions of subdivision (4)(b) of section 81-1108.17 for
29 the Ferguson House shall not annually exceed an amount calculated as
30 follows:

31 (1) Multiply the insured replacement value of the Ferguson House

1 property by two one-hundredths;

2 (2) Divide the amount of tenant-occupied gross square feet of
3 Ferguson House space by the Ferguson House gross square feet of total
4 space; and

5 (3) Multiply the amount computed in subdivision (1) of this section
6 by the amount computed in subdivision (2) of this section.

7 The unexpended General Fund appropriation balance existing on June
8 30, 2016, less \$2,212, is hereby reappropriated.

9 Sec. 95. Laws 2015, LB657, section 211, is amended to read:

10 Sec. 211. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

11 Program No. 605 - Personnel Division

	FY2015-16	FY2016-17
12		
13 <u>GENERAL FUND</u>	<u>1,574,066</u>	<u>1,545,799</u>
14 ~~GENERAL FUND~~	~~1,574,066~~	~~1,610,207~~
15 REVOLVING FUND	7,980,902	8,033,201
16 <u>PROGRAM TOTAL</u>	<u>9,554,968</u>	<u>9,579,000</u>
17 ~~PROGRAM TOTAL~~	~~9,554,968~~	~~9,643,408~~
18 SALARY LIMIT	7,392,582	7,423,248

19 It is the intent of the Legislature that the personnel division of
20 the Department of Administrative Services continue to accurately track
21 vacant positions in state government and report electronically to the
22 Legislative Fiscal Analyst on a quarterly basis.

23 The unexpended General Fund appropriation balance existing on June
24 30, 2016, less \$90,036, is hereby reappropriated.

25 Sec. 96. Laws 2015, LB657, section 213, is amended to read:

26 Sec. 213. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

27 Program No. 608 - Employee Relations Division

	FY2015-16	FY2016-17
28		
29 <u>GENERAL FUND</u>	<u>397,642</u>	<u>390,445</u>
30 <u>PROGRAM TOTAL</u>	<u>397,642</u>	<u>390,445</u>
31 ~~GENERAL FUND~~	~~397,642~~	~~406,714~~

1	PROGRAM TOTAL	397,642	406,714
2	SALARY LIMIT	273,056	279,563
3	The unexpended General Fund appropriation balance existing on June		
4	30, 2015, is hereby reappropriated.		
5	Sec. 97. Laws 2015, LB657, section 216, is amended to read:		
6	Sec. 216. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
7	Program No. 685 - Office of the Nebraska Capitol Commission		
8		FY2015-16	FY2016-17
9	GENERAL FUND	4,053,489	4,095,630
10	GENERAL FUND	4,053,489	4,266,281
11	CASH FUND	35,387	35,387
12	REVOLVING FUND	4,750	4,750
13	PROGRAM TOTAL	4,093,626	4,135,767
14	PROGRAM TOTAL	4,093,626	4,306,418
15	SALARY LIMIT	1,258,597	1,288,168
16	The unexpended General Fund appropriation balance existing on June		
17	30, 2015, is hereby reappropriated. It is the intent of the Legislature		
18	that any reappropriated balance be used for unexpected increases in		
19	utility expenses.		
20	<u>The unexpended General Fund appropriation balance existing on June</u>		
21	<u>30, 2016, less \$66,276, is hereby reappropriated.</u>		
22	Sec. 98. Laws 2015, LB657, section 218, is amended to read:		
23	Sec. 218. AGENCY NO. 67 – EQUAL OPPORTUNITY COMMISSION		
24	Program No. 59 - Enforcement of Standards		
25		FY2015-16	FY2016-17
26	GENERAL FUND	1,186,572	1,212,290
27	GENERAL FUND	1,186,572	1,262,802
28	FEDERAL FUND est.	783,888	810,622
29	PROGRAM TOTAL	1,970,460	2,022,912
30	PROGRAM TOTAL	1,970,460	2,073,424

1 SALARY LIMIT 1,207,240 1,269,655

2 Of the unexpended General Fund appropriation balance existing on
3 June 30, 2015, \$50,000 is hereby reappropriated. Expenditure of
4 reappropriated funds shall be limited to contractual services.

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$53,289, is hereby reappropriated.

7 Sec. 99. Laws 2015, LB657, section 219, is amended to read:

8 Sec. 219. AGENCY NO. 68 – COMMISSION ON LATINO-AMERICANS

9 Program No. 537 - Commission on Latino-Americans

	FY2015-16	FY2016-17
10		
11 <u>GENERAL FUND</u>	<u>202,917</u>	<u>199,521</u>
12 ~~GENERAL FUND~~	~~202,917~~	~~207,834~~
13 CASH FUND	5,000	5,000
14 <u>PROGRAM TOTAL</u>	<u>207,917</u>	<u>204,521</u>
15 ~~PROGRAM TOTAL~~	~~207,917~~	~~212,834~~
16 SALARY LIMIT	131,466	134,575

17 Of the unexpended General Fund appropriation balance existing on
18 June 30, 2015, \$6,000 is hereby reappropriated. Expenditure of
19 reappropriated funds shall be limited to travel expenses.

20 Sec. 100. Laws 2015, LB657, section 221, is amended to read:

21 Sec. 221. AGENCY NO. 69 – NEBRASKA ARTS COUNCIL

22 Program No. 327 - Aid to the Arts

	FY2015-16	FY2016-17
23		
24 <u>GENERAL FUND</u>	<u>940,069</u>	<u>905,346</u>
25 ~~GENERAL FUND~~	~~940,069~~	~~943,069~~
26 FEDERAL FUND est.	545,800	545,800
27 <u>PROGRAM TOTAL</u>	<u>1,485,869</u>	<u>1,451,146</u>
28 ~~PROGRAM TOTAL~~	~~1,485,869~~	~~1,488,869~~

29 There is included in the appropriation to this program for FY2015-16
30 \$940,069 General Funds and \$545,800 Federal Funds estimate for state aid,

1 which shall only be used for such purpose. There is included in the
2 appropriation to this program for FY2016-17 \$905,346 ~~\$943,069~~ General
3 Funds and \$545,800 Federal Funds estimate for state aid, which shall only
4 be used for such purpose.

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$40,858, is hereby reappropriated.

7 Sec. 101. Laws 2015, LB657, section 223, is amended to read:

8 Sec. 223. AGENCY NO. 70 – FOSTER CARE REVIEW OFFICE

9 Program No. 116 - Foster Care Review Office

	FY2015-16	FY2016-17
10		
11 <u>GENERAL FUND</u>	<u>1,571,910</u>	<u>1,531,596</u>
12 ~~GENERAL FUND~~	~~1,571,910~~	~~1,606,214~~
13 CASH FUND	5,700	5,700
14 FEDERAL FUND est.	512,932	523,181
15 <u>PROGRAM TOTAL</u>	<u>2,090,542</u>	<u>2,060,477</u>
16 ~~PROGRAM TOTAL~~	~~2,090,542~~	~~2,135,095~~
17 SALARY LIMIT	1,243,056	1,272,122

18 Of the unexpended General Fund appropriation balance existing on
19 June 30, 2015, \$100,000 is hereby reappropriated. Expenditure of
20 reappropriated funds shall be limited to data base development,
21 implementation, and related expenses.

22 The unexpended General Fund appropriation balance existing on June
23 30, 2016, less \$96,949, is hereby reappropriated.

24 Sec. 102. Laws 2015, LB657, section 224, is amended to read:

25 Sec. 224. AGENCY NO. 70 – FOSTER CARE REVIEW OFFICE

26 Program No. 353 - Children's Commission

	FY2015-16	FY2016-17
27		
28 GENERAL FUND	185,011	-0-
29 PROGRAM TOTAL	185,011	-0-
30 SALARY LIMIT	138,664	-0-

31 Of the unexpended General Fund appropriation balance existing on

1 June 30, 2015, \$60,000 is hereby reappropriated.

2 The unexpended General Fund appropriation balance existing on June
3 30, 2016, less \$16,728, is hereby reappropriated.

4 Sec. 103. Laws 2015, LB657, section 226, is amended to read:

5 Sec. 226. AGENCY NO. 72 – DEPARTMENT OF ECONOMIC DEVELOPMENT

6 Program No. 601 - Community and Rural Development

	FY2015-16	FY2016-17
7		
8 <u>GENERAL FUND</u>	<u>796,059</u>	<u>767,862</u>
9 <u>CASH FUND</u>	<u>12,196,934</u>	<u>11,938,787</u>
10 ~~GENERAL FUND~~	~~796,059~~	~~799,877~~
11 ~~CASH FUND~~	~~12,196,934~~	~~11,906,772~~
12 FEDERAL FUND est.	25,784,220	25,812,644
13 PROGRAM TOTAL	38,777,213	38,519,293
14 SALARY LIMIT	1,138,985	1,165,592

15 There is included in the appropriation to this program for FY2015-16
16 \$500,000 General Funds, \$11,550,000 Cash Funds, and \$23,937,950 Federal
17 Funds estimate for state aid, which shall only be used for such purpose.

18 There is included in the appropriation to this program for FY2016-17
19 \$500,000 General Funds, \$11,250,000 Cash Funds, and \$23,937,950 Federal
20 Funds estimate for state aid, which shall only be used for such purpose.

21 There is included in the appropriation to this program for FY2015-16
22 \$500,000 General Funds to provide funding to development districts formed
23 under sections 13-1901 to 13-1907. There is included in the appropriation
24 to this program for FY2016-17 \$500,000 General Funds to provide funding
25 to development districts formed under sections 13-1901 to 13-1907.

26 Sec. 104. Laws 2015, LB657, section 232, is amended to read:

27 Sec. 232. AGENCY NO. 76 – COMMISSION ON INDIAN AFFAIRS

28 Program No. 584 - Indian Affairs

	FY2015-16	FY2016-17
29		
30 <u>GENERAL FUND</u>	<u>215,260</u>	<u>210,845</u>
31 ~~GENERAL FUND~~	~~215,260~~	~~220,673~~

1	CASH FUND	20,000	20,000
2	<u>PROGRAM TOTAL</u>	<u>235,260</u>	<u>230,845</u>
3	~~PROGRAM TOTAL~~	~~235,260~~	~~240,673~~
4	SALARY LIMIT	150,404	153,814

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, less \$6,726, is hereby reappropriated.

7 Sec. 105. Laws 2015, LB657, section 233, is amended to read:

8 Sec. 233. AGENCY NO. 77 – COMMISSION OF INDUSTRIAL RELATIONS

9 Program No. 490 - Commissioner Expenses

10		FY2015-16	FY2016-17
11	<u>GENERAL FUND</u>	<u>82,046</u>	<u>66,858</u>
12	<u>PROGRAM TOTAL</u>	<u>82,046</u>	<u>66,858</u>
13	~~GENERAL FUND~~	~~82,046~~	~~69,644~~
14	~~PROGRAM TOTAL~~	~~82,046~~	~~69,644~~
15	SALARY LIMIT	73,000	73,000

16 The unexpended General Fund appropriation balance existing on June
17 30, 2016, less \$29,727, is hereby reappropriated.

18 Sec. 106. Laws 2015, LB657, section 234, is amended to read:

19 Sec. 234. AGENCY NO. 77 – COMMISSION OF INDUSTRIAL RELATIONS

20 Program No. 531 - Administration

21		FY2015-16	FY2016-17
22	<u>GENERAL FUND</u>	<u>238,305</u>	<u>245,775</u>
23	<u>PROGRAM TOTAL</u>	<u>238,305</u>	<u>245,775</u>
24	~~GENERAL FUND~~	~~238,305~~	~~256,016~~
25	~~PROGRAM TOTAL~~	~~238,305~~	~~256,016~~
26	SALARY LIMIT	141,002	155,146

27 The unexpended General Fund appropriation balance existing on June
28 30, 2015, is hereby reappropriated.

29 The unexpended General Fund appropriation balance existing on June
30 30, 2016, less \$40,369, is hereby reappropriated.

1 Sec. 107. Laws 2015, LB657, section 235, is amended to read:

2 Sec. 235. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
3 CRIMINAL JUSTICE

4 Program No. 150 - Juvenile Services Act

	FY2015-16	FY2016-17	
5			
6	<u>GENERAL FUND</u>	<u>707,635</u>	<u>681,948</u>
7	<u>PROGRAM TOTAL</u>	<u>707,635</u>	<u>681,948</u>
8	~~GENERAL FUND~~	~~707,635~~	~~710,362~~
9	~~PROGRAM TOTAL~~	~~707,635~~	~~710,362~~
10	SALARY LIMIT	65,492	67,059

11 The unexpended General Fund appropriation balance, less aid,
12 existing on June 30, 2015, is hereby reappropriated.

13 The unexpended General Fund appropriation balance existing on June
14 30, 2016, less \$304,580, is hereby reappropriated.

15 There is included in the appropriation to this program for FY2015-16
16 \$587,812 General Funds for state aid, which shall only be used for such
17 purpose. There is included in the appropriation to this program for
18 FY2016-17 \$564,300 ~~\$587,812~~ General Funds for state aid, which shall only
19 be used for such purpose.

20 Sec. 108. Laws 2015, LB657, section 236, is amended to read:

21 Sec. 236. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
22 CRIMINAL JUSTICE

23 Program No. 155 - County Juvenile Services Aid

	FY2015-16	FY2016-17	
24			
25	<u>GENERAL FUND</u>	<u>7,401,271</u>	<u>7,110,654</u>
26	<u>PROGRAM TOTAL</u>	<u>7,401,271</u>	<u>7,110,654</u>
27	~~GENERAL FUND~~	~~7,401,271~~	~~7,406,931~~
28	~~PROGRAM TOTAL~~	~~7,401,271~~	~~7,406,931~~
29	SALARY LIMIT	173,783	177,081

30 There is included in the appropriation to this program for FY2015-16
31 \$7,000,000 General Funds for state aid, which shall only be used for such

1 purpose. There is included in the appropriation to this program for
2 FY2016-17 ~~\$6,748,000~~ ~~\$7,000,000~~ General Funds for state aid, which shall
3 only be used for such purpose.

4 The unexpended General Fund appropriation balance, less aid, on June
5 30, 2015, is hereby reappropriated.

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$442,732, is hereby reappropriated.

8 Sec. 109. Laws 2015, LB657, section 237, is amended to read:

9 Sec. 237. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
10 CRIMINAL JUSTICE

11 Program No. 198 - Central Administration

	FY2015-16	FY2016-17
12 <u>GENERAL FUND</u>	<u>522,610</u>	<u>509,310</u>
13 ~~GENERAL FUND~~	~~522,610~~	~~534,702~~
14 CASH FUND	40,342	41,140
15 FEDERAL FUND est.	5,414,599	5,424,569
16 <u>PROGRAM TOTAL</u>	<u>5,977,551</u>	<u>5,975,019</u>
17 ~~PROGRAM TOTAL~~	~~5,977,551~~	~~6,000,411~~
18 SALARY LIMIT	610,603	625,232

19 The unexpended General Fund appropriation balance, less aid,
20 existing on June 30, 2015, is hereby reappropriated.

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$55,315, is hereby reappropriated.

23 There is included in the appropriation to this program for FY2015-16
24 \$13,457 General Funds and \$4,520,673 Federal Funds estimate for state
25 aid, which shall only be used for such purpose. There is included in the
26 appropriation to this program for FY2016-17 \$12,919 ~~\$13,457~~ General Funds
27 and \$4,520,673 Federal Funds estimate for state aid, which shall only be
28 used for such purpose.

29 There is included in the appropriation to this program for FY2015-16
30 \$62,000 General Funds and \$194,233 Federal Funds estimate from the
31

1 federal Victims of Crime Act of 1984 to operate a victim notification
2 system, which shall only be used for such purpose. There is included in
3 the appropriation to this program for FY2016-17 \$62,000 General Funds and
4 \$194,233 Federal Funds estimate from the federal Victims of Crime Act of
5 1984 to operate a victim notification system, which shall only be used
6 for such purpose.

7 Sec. 110. Laws 2015, LB657, section 238, is amended to read:

8 Sec. 238. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
9 CRIMINAL JUSTICE

10 Program No. 199 - Nebraska Law Enforcement Training Center

	FY2015-16	FY2016-17
11		
12 <u>GENERAL FUND</u>	<u>2,016,615</u>	<u>1,989,342</u>
13 ~~GENERAL FUND~~	~~2,016,615~~	~~2,072,231~~
14 CASH FUND	887,772	898,509
15 FEDERAL FUND est.	59,923	60,648
16 <u>PROGRAM TOTAL</u>	<u>2,964,310</u>	<u>2,948,499</u>
17 ~~PROGRAM TOTAL~~	~~2,964,310~~	~~3,031,388~~
18 SALARY LIMIT	860,014	880,621

19 The unexpended General Fund appropriation balance existing on June
20 30, 2015, is hereby reappropriated.

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$113,009, is hereby reappropriated.

23 There is included in the appropriation to this program for FY2015-16
24 \$884,369 General Funds for Training Center building rental charges to be
25 paid to the state building division of the Department of Administrative
26 Services, which shall only be used for such purpose. There is included in
27 the appropriation to this program for FY2016-17 \$916,523 General Funds
28 for Training Center building rental charges to be paid to the state
29 building division of the Department of Administrative Services, which
30 shall only be used for such purpose.

31 There is included in the appropriation to this program for FY2015-16

1 \$465,875 General Funds for the annual depreciation charge to be paid to
2 the state building division of the Department of Administrative Services,
3 which shall only be used for such purpose. There is included in the
4 appropriation to this program for FY2016-17 \$465,875 General Funds for
5 the annual depreciation charge to be paid to the state building division
6 of the Department of Administrative Services, which shall only be used
7 for such purpose.

8 All food service charges for students shall be separate and distinct
9 from tuition and fee charges assessed, and such food service charges
10 shall not be included or commingled for purposes of establishing annual
11 tuition and fee rates.

12 Any rules, regulations, or operating instructions adopted by the
13 Nebraska Commission on Law Enforcement and Criminal Justice shall be
14 consistent with the provisions of this section.

15 Sec. 111. Laws 2015, LB657, section 239, is amended to read:

16 Sec. 239. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
17 CRIMINAL JUSTICE

18 Program No. 201 - Victim-Witness Assistance

	FY2015-16	FY2016-17
19 <u>GENERAL FUND</u>	<u>56,563</u>	<u>54,365</u>
20 ~~GENERAL FUND~~	~~56,563~~	~~56,630~~
21 FEDERAL FUND est.	2,762,126	2,764,169
22 <u>PROGRAM TOTAL</u>	<u>2,818,689</u>	<u>2,818,534</u>
23 ~~PROGRAM TOTAL~~	~~2,818,689~~	~~2,820,799~~
24 SALARY LIMIT	57,101	58,470

25 The unexpended General Fund appropriation balance, less aid,
26 existing on June 30, 2015, is hereby reappropriated.

27 The unexpended General Fund appropriation balance existing on June
28 30, 2016, less \$3,783, is hereby reappropriated.

29 There is included in the appropriation to this program for FY2015-16
30 \$52,559 General Funds and \$2,632,086 Federal Funds estimate for state
31

1 aid, which shall only be used for such purpose. There is included in the
2 appropriation to this program for FY2016-17 \$50,457 ~~\$52,559~~ General Funds
3 and \$2,632,086 Federal Funds estimate for state aid, which shall only be
4 used for such purpose.

5 Sec. 112. Laws 2015, LB657, section 240, is amended to read:

6 Sec. 240. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
7 CRIMINAL JUSTICE

8 Program No. 202 - Crime Victims' Reparations

9	FY2015-16	FY2016-17
10 <u>GENERAL FUND</u>	<u>27,837</u>	<u>26,724</u>
11 ~~GENERAL FUND~~	~~27,837~~	~~27,837~~
12 CASH FUND	244,000	244,000
13 FEDERAL FUND est.	128,400	128,400
14 <u>PROGRAM TOTAL</u>	<u>400,237</u>	<u>399,124</u>
15 ~~PROGRAM TOTAL~~	~~400,237~~	~~400,237~~
16 SALARY LIMIT	-0-	-0-

17 The unexpended General Fund appropriation balance, less aid,
18 existing on June 30, 2015, is hereby reappropriated.

19 There is included in the appropriation to this program for FY2015-16
20 \$20,000 General Funds, \$244,000 Cash Funds, and \$121,980 Federal Funds
21 estimate for state aid, which shall only be used for such purpose. There
22 is included in the appropriation to this program for FY2016-17 \$19,200
23 ~~\$20,000~~ General Funds, \$244,000 Cash Funds, and \$121,980 Federal Funds
24 estimate for state aid, which shall only be used for such purpose.

25 Sec. 113. Laws 2015, LB657, section 241, is amended to read:

26 Sec. 241. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
27 CRIMINAL JUSTICE

28 Program No. 203 - Jail Standards Board

29	FY2015-16	FY2016-17
30 <u>GENERAL FUND</u>	<u>309,693</u>	<u>303,786</u>
31 <u>PROGRAM TOTAL</u>	<u>309,693</u>	<u>303,786</u>

1	~~GENERAL FUND~~	~~309,693~~	~~316,444~~
2	~~PROGRAM TOTAL~~	~~309,693~~	~~316,444~~
3	SALARY LIMIT	189,358	193,896

4 The unexpended General Fund appropriation balance existing on June
5 30, 2015, is hereby reappropriated.

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$49,305, is hereby reappropriated.

8 Sec. 114. Laws 2015, LB657, section 242, is amended to read:

9 Sec. 242. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
10 CRIMINAL JUSTICE

11 Program No. 204 - Office of Violence Prevention

12		FY2015-16	FY2016-17
13	<u>GENERAL FUND</u>	<u>458,787</u>	<u>442,644</u>
14	~~GENERAL FUND~~	~~458,787~~	~~461,087~~
15	CASH FUND	10,500	10,500
16	<u>PROGRAM TOTAL</u>	<u>469,287</u>	<u>453,144</u>
17	~~PROGRAM TOTAL~~	~~469,287~~	~~471,587~~
18	SALARY LIMIT	54,519	55,825

19 The unexpended General Fund appropriation balance, less aid,
20 existing on June 30, 2015, is hereby reappropriated.

21 The unexpended General Fund appropriation balance existing on June
22 30, 2016, less \$310,690, is hereby reappropriated.

23 There is included in the appropriation to this program for FY2015-16
24 \$350,000 General Funds for state aid, which shall only be used for such
25 purpose. There is included in the appropriation to this program for
26 FY2016-17 \$336,000 ~~\$350,000~~ General Funds for state aid, which shall only
27 be used for such purpose.

28 Sec. 115. Laws 2015, LB657, section 244, is amended to read:

29 Sec. 244. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
30 CRIMINAL JUSTICE

31 Program No. 215 - Criminal Justice Information System

	FY2015-16	FY2016-17
1		
2	<u>GENERAL FUND</u>	<u>153,042</u>
3	~~GENERAL FUND~~	~~153,042~~
4	FEDERAL FUND est.	810,634
5	<u>PROGRAM TOTAL</u>	<u>963,676</u>
6	~~PROGRAM TOTAL~~	~~963,676~~
7	SALARY LIMIT	101,756

8 The unexpended General Fund appropriation balance existing on June
9 30, 2015, is hereby reappropriated.

10 The unexpended General Fund appropriation balance existing on June
11 30, 2016, less \$11,030, is hereby reappropriated.

12 Funds appropriated to this program shall be used to support criminal
13 justice information systems projects for state law enforcement agencies
14 and to assist with the sharing of criminal justice information by
15 federal, state, and local agencies.

16 Sec. 116. Laws 2015, LB657, section 245, is amended to read:

17 Sec. 245. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT AND
18 CRIMINAL JUSTICE

19 Program No. 220 - Community Corrections Division

	FY2015-16	FY2016-17
20		
21	<u>GENERAL FUND</u>	<u>302,140</u>
22	<u>CASH FUND</u>	<u>411,472</u>
23	<u>PROGRAM TOTAL</u>	<u>713,612</u>
24	~~GENERAL FUND~~	~~302,140~~
25	~~CASH FUND~~	~~411,472~~
26	~~PROGRAM TOTAL~~	~~713,612~~
27	SALARY LIMIT	205,006

28 The unexpended General Fund appropriation balance less \$554,100
29 existing on June 30, 2015, is hereby reappropriated.

30 The unexpended General Fund appropriation balance existing on June

1 30, 2016, less \$113,713, is hereby reappropriated.

2 Sec. 117. Laws 2015, LB657, section 246, is amended to read:

3 Sec. 246. AGENCY NO. 81 – COMMISSION FOR THE BLIND AND VISUALLY
4 IMPAIRED

5 Program No. 357 - Blind and Visually Impaired

	FY2015-16	FY2016-17
6		
7 <u>GENERAL FUND</u>	<u>1,130,545</u>	<u>1,102,586</u>
8 ~~GENERAL FUND~~	~~1,130,545~~	~~1,148,527~~
9 CASH FUND	98,746	98,746
10 FEDERAL FUND est.	4,470,672	4,656,072
11 <u>PROGRAM TOTAL</u>	<u>5,699,963</u>	<u>5,857,404</u>
12 ~~PROGRAM TOTAL~~	~~5,699,963~~	~~5,903,345~~
13 SALARY LIMIT	2,321,801	2,454,536

14 There is included in the appropriation to this program for FY2015-16
15 \$176,890 General Funds, \$10,000 Cash Funds, and \$989,593 Federal Funds
16 estimate for state aid, which shall only be used for such purpose. There
17 is included in the appropriation to this program for FY2016-17 \$169,814
18 ~~\$176,890~~ General Funds, \$10,000 Cash Funds, and \$989,593 Federal Funds
19 estimate for state aid, which shall only be used for such purpose.

20 There is included in the appropriation to this program for FY2015-16
21 \$128,250 General Funds and for FY2016-17 \$128,250 General Funds for
22 services for the older blind, which shall only be used for such purpose.
23 It is the intent of the Legislature that services for the older blind be
24 coordinated and integrated to the extent possible with services provided
25 to the aged by other state agencies.

26 Sec. 118. Laws 2015, LB657, section 247, is amended to read:

27 Sec. 247. AGENCY NO. 82 – COMMISSION FOR THE DEAF AND HARD OF
28 HEARING

29 Program No. 578 - Hearing Impaired

	FY2015-16	FY2016-17
30		
31 <u>GENERAL FUND</u>	<u>1,011,990</u>	<u>976,237</u>

1	GENERAL FUND	1,011,990	1,016,914
2	CASH FUND	16,600	16,600
3	<u>PROGRAM TOTAL</u>	<u>1,028,590</u>	<u>992,837</u>
4	PROGRAM TOTAL	1,028,590	1,033,514
5	SALARY LIMIT	580,834	594,169

6 Of the unexpended General Fund appropriation balance existing on
7 June 30, 2015, \$100,000 is hereby reappropriated.

8 The unexpended General Fund appropriation balance existing on June
9 30, 2016, less \$77,754, is hereby reappropriated.

10 Sec. 119. Laws 2015, LB657, section 249, is amended to read:

11 Sec. 249. AGENCY NO. 84 – DEPARTMENT OF ENVIRONMENTAL QUALITY

12 Program No. 513 - Environmental Quality

	FY2015-16	FY2016-17
13		
14	<u>GENERAL FUND</u>	<u>5,835,796</u>
15	<u>GENERAL FUND</u>	<u>5,835,796</u>
16	CASH FUND	31,675,190
17	FEDERAL FUND est.	16,614,795
18	<u>PROGRAM TOTAL</u>	<u>54,125,781</u>
19	<u>PROGRAM TOTAL</u>	<u>54,125,781</u>
20	SALARY LIMIT	12,363,321

21 The unexpended General Fund appropriation balance, less aid,
22 existing on June 30, 2015, is hereby reappropriated. Expenditure of
23 reappropriated funds shall be limited to the payment of accumulated
24 vacation and sick leave benefits to retiring employees.

25 The Department of Administrative Services shall monitor the
26 appropriations and expenditures for this program according to the
27 following program classifications:

28 No. 513 - Administration

29 No. 586 - Water Quality

30 No. 587 - Land Quality

31 No. 588 - Air Quality

1 There is included in the appropriation to this program for FY2015-16
2 \$2,141,196 General Funds, \$15,000,245 Cash Funds, and \$265,000 Federal
3 Funds estimate for state aid, which shall only be used for such purpose.
4 There is included in the appropriation to this program for FY2016-17
5 \$1,228,548 ~~\$2,141,196~~ General Funds, \$16,145,601 Cash Funds, and \$265,000
6 Federal Funds estimate for state aid, which shall only be used for such
7 purpose.

8 The unexpended General Fund appropriation balance existing on June
9 30, 2016, less \$273,317, is hereby reappropriated.

10 Sec. 120. Laws 2015, LB657, section 256, is amended to read:

11 Sec. 256. AGENCY NO. 87 – NEBRASKA ACCOUNTABILITY AND DISCLOSURE
12 COMMISSION

13 Program No. 94 - Nebraska Political Accountability

14		FY2015-16	FY2016-17
15	<u>GENERAL FUND</u>	<u>484,947</u>	<u>477,329</u>
16	~~GENERAL FUND~~	~~484,947~~	~~497,268~~
17	CASH FUND	233,266	238,871
18	<u>PROGRAM TOTAL</u>	<u>718,213</u>	<u>716,200</u>
19	~~PROGRAM TOTAL~~	~~718,213~~	~~736,139~~
20	SALARY LIMIT	453,690	464,560

21 The unexpended General Fund appropriation balance existing on June
22 30, 2015, is hereby reappropriated. The unexpended Cash Fund
23 appropriation balance existing on June 30, 2015, is hereby
24 reappropriated.

25 The unexpended General Fund appropriation balance existing on June
26 30, 2016, less \$119,377, is hereby reappropriated.

27 Sec. 121. Laws 2015, LB657, section 260, is amended to read:

28 Sec. 260. AGENCY NO. 93 – TAX EQUALIZATION AND REVIEW COMMISSION

29 Program No. 115 - Operations

30		FY2015-16	FY2016-17
31	<u>GENERAL FUND</u>	<u>816,079</u>	<u>803,865</u>

1	~~GENERAL FUND~~	~~816,079~~	~~837,359~~
2	CASH FUND	70,000	70,000
3	<u>PROGRAM TOTAL</u>	<u>886,079</u>	<u>873,865</u>
4	~~PROGRAM TOTAL~~	~~886,079~~	~~907,359~~
5	SALARY LIMIT	583,000	596,742

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$40,451, is hereby reappropriated.

8 Sec. 122. Laws 2015, LB659, section 7, is amended to read:

9 Sec. 7. AGENCY NO. 5 – SUPREME COURT

10 Program No. 5 - Retired Judges' Salaries

	FY2015-16	FY2016-17
11		
12	GENERAL FUND	72,436
13	PROGRAM TOTAL	72,436
14	SALARY LIMIT	69,832

15 The unexpended General Fund appropriation balance existing on June
16 30, 2015, is hereby reappropriated.

17 The unexpended General Fund appropriation balance existing on June
18 30, 2016, less \$219,117, is hereby reappropriated.

19 The budget division of the Department of Administrative Services
20 shall administratively transfer General Fund appropriations or Salary
21 Limits or both among Programs 3, 4, 5, 6, and 7 within Agency 5, upon
22 written certification by the State Court Administrator that the Nebraska
23 Supreme Court has determined that such transfer is necessary for the
24 efficient functioning of statewide court operations and the proper
25 administration of justice.

26 Sec. 123. Laws 2015, LB659, section 15, is amended to read:

27 Sec. 15. AGENCY NO. 12 – STATE TREASURER

28 Program No. 12 - Salary - State Treasurer

	FY2015-16	FY2016-17
29		
30	<u>GENERAL FUND</u>	<u>122,825</u>
		<u>109,084</u>

1	<u>PROGRAM TOTAL</u>	<u>122,825</u>	<u>109,084</u>
2	~~GENERAL FUND~~	~~122,825~~	~~124,084~~
3	<u>PROGRAM TOTAL</u>	<u>122,825</u>	<u>124,084</u>
4	SALARY LIMIT	85,000	85,000

5 The unexpended General Fund appropriation balance existing on June
6 30, 2016, is not reappropriated.

7 Sec. 124. Laws 2015, LB659, section 17, is amended to read:

8 Sec. 17. AGENCY NO. 15 – BOARD OF PARDONS AND BOARD OF PAROLE

9 Program No. 320 - Board of Parole Salaries

10		FY2015-16	FY2016-17
11	<u>GENERAL FUND</u>	<u>549,103</u>	<u>553,293</u>
12	<u>PROGRAM TOTAL</u>	<u>549,103</u>	<u>553,293</u>
13	~~GENERAL FUND~~	~~549,103~~	~~563,083~~
14	~~PROGRAM TOTAL~~	~~549,103~~	~~563,083~~
15	SALARY LIMIT	408,559	418,349

16 The unexpended General Fund appropriation balance existing on June
17 30, 2016, is not reappropriated.

18 Sec. 125. Laws 2015, LB660, section 35, is amended to read:

19 Sec. 35. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

20 Program No. 901 - State Capitol Improvements

21		FY2015-16	FY2016-17	FUTURE
22	<u>GENERAL FUND</u>	<u>500,000</u>	<u>480,000</u>	<u>4,000,000</u>
23	<u>PROGRAM TOTAL</u>	<u>500,000</u>	<u>480,000</u>	<u>4,000,000</u>
24	~~GENERAL FUND~~	~~500,000~~	~~500,000~~	~~4,000,000~~
25	~~PROGRAM TOTAL~~	~~500,000~~	~~500,000~~	~~4,000,000~~

26 There is included in the appropriation to this program for FY2015-16
27 \$165,000 from the General Fund and for FY2016-17 \$165,000 from the
28 General Fund for conservation and restoration of Capitol space occupied
29 by the Legislature.

30 The unexpended General Fund appropriation balance existing on June

1 30, 2016, less \$80,000, is hereby reappropriated.

2 Sec. 126. Laws 2015, LB660, section 40, is amended to read:

3 Sec. 40. There is hereby appropriated, unless otherwise specified,
4 for FY2015-16 and for FY2016-17 from undisbursed balances existing on
5 June 30, 2015, and on June 30, 2016, respectively, to each agency for
6 each program from the respective funds for capital construction as
7 follows:

8 (1) Agency No. 25 – Department of Health and Human Services

9 Program Nos. 904 less \$1,000,000 of the June 30, 2015, Nebraska
10 Capital Construction Fund balance, 912, 919, 923, and 930. The
11 undisbursed General Fund appropriation balance existing in Program No.
12 942 on June 30, 2015, is hereby reappropriated for FY2015-16. The
13 undisbursed General Fund appropriation balance existing in Program No.
14 942 on June 30, 2016, is not reappropriated , and 942.

15 (2) Agency No. 27 – Department of Roads

16 Program No. 901, except that the unobligated biennium appropriation
17 balance shall lapse once all projects funded in that biennium are
18 completed, postponed to a future biennium, or indefinitely postponed.

19 (3) Agency No. 28 – Department of Veterans' Affairs

20 Program No. 937 - Alliance State Veterans' Cemetery.

21 (4) Agency No. 31 – Military Department

22 Program Nos. 905, 906, 910, 925, and 927.

23 (5) Agency No. 33 – Game and Parks Commission

24 Program Nos. 900, 901, 902, 919, 924, 955, 960 less \$2,500 of the
25 June 30, 2015, federal fund balance, 967 less \$451,945.31 of the June 30,
26 2015, cash fund balance and less \$233,014.98 of the June 30, 2015,
27 federal fund balance, 969 less \$14,093.38 of the June 30, 2015, cash fund
28 balance, 970, 971, 972, 973, 975, 976, 977, 979, 981, and 987.

29 (6) Agency No. 46 – Department of Correctional Services

30 Program Nos. 913, less \$319,810 of the June 30, 2016, General Fund
31 balance, 914, 920, and 921.

1 (7) Agency No. 47 – Nebraska Educational Telecommunications
2 Commission

3 Program Nos. 922, 925, 926, 927, and 928.

4 (8) Agency No. 50 – Board of Trustees of the Nebraska State Colleges
5 Program Nos. 901, 903, 909, 912, 919, 920, 921, 933, 935, 952, 955,
6 993, and 997, and any additional construction programs administratively
7 created relating to the Board of Trustees of the Nebraska State Colleges
8 and its campuses which are funded through cash funds, federal funds,
9 revolving funds, or private gifts or donations.

10 (9) Agency No. 51 – University of Nebraska

11 Program Nos. 901, 902, 903, 904, 906, 907, 909, 910, 914, 915, 917,
12 918, 919, 920, 921, 924, 925, 928, 930, 932, 934, 937, 939, 941, 942,
13 943, 944, 945, 946, 947, 948, 949, 950, 951, 953, 954, 957, 958, 962,
14 963, 964, 966, 968, 970, 971, 973, 975, 976, 977, 978, 981, 984, 985,
15 990, 991, 993, 994, 995, 997, and 998, and any additional construction
16 programs administratively created relating to the University of Nebraska-
17 Lincoln, the University of Nebraska at Omaha, the University of Nebraska
18 Medical Center, the University of Nebraska at Kearney, the Nebraska
19 College of Technical Agriculture at Curtis, and the University of
20 Nebraska Central Administration which are funded through cash funds,
21 federal funds, revolving funds, or private gifts or donations.

22 (10) Agency No. 54 – Nebraska State Historical Society

23 Program No. 957, less \$5,383 of the June 30, 2016, General Fund
24 balance.

25 (11) Agency No. 65 – Department of Administrative Services

26 Program Nos. 901, 904, 917, 922, ~~935~~, and 980. The unexpended
27 Nebraska Capital Construction Fund appropriation balance for Program 982
28 - State Capitol Elevators existing on June 30, 2015, is hereby
29 reappropriated to Agency No. 65 for Program No. 917 - Capitol Courtyard
30 Fountains Installation for FY2015-16.

31 The unexpended General Fund appropriation balance in Program 935

1 existing on June 30, 2015, is hereby reappropriated. The unexpended
2 General Fund appropriation balance in Program 935 existing on June 30,
3 2016, is not reappropriated.

4 Appropriations to program numbers pertaining to funding for the
5 Deferred Building Renewal Act are hereby reappropriated.

6 Sec. 127. Laws 2016, LB956, section 7, is amended to read:

7 Sec. 7. AGENCY NO. 5 – SUPREME COURT

8 Program No. 437 - Juvenile Justice

	FY2015-16	FY2016-17
9		
10 <u>GENERAL FUND</u>	<u>-0-</u>	<u>68,614,389</u>
11 ~~GENERAL FUND~~	~~-0-~~	~~71,462,905~~
12 CASH FUND est.	-0-	25,000
13 <u>PROGRAM TOTAL</u>	<u>-0-</u>	<u>68,639,389</u>
14 ~~PROGRAM TOTAL~~	~~-0-~~	~~71,487,905~~
15 SALARY LIMIT	-0-	13,153,313

16 Cash Fund expenditures for this program shall not be limited to the
17 amounts shown.

18 Sec. 128. Laws 2016, LB956, section 10, is amended to read:

19 Sec. 10. AGENCY NO. 11 – ATTORNEY GENERAL

20 Program No. 496 - Interstate Water Litigation

	FY2015-16	FY2016-17
21		
22 <u>GENERAL FUND</u>	<u>307,900</u>	<u>884,640</u>
23 <u>PROGRAM TOTAL</u>	<u>307,900</u>	<u>884,640</u>
24 ~~GENERAL FUND~~	~~307,900~~	~~921,500~~
25 ~~PROGRAM TOTAL~~	~~307,900~~	~~921,500~~
26 SALARY LIMIT	-0-	-0-

27 The unexpended General Fund appropriation balance existing on June
28 30, 2016, less \$249,050, is hereby reappropriated.

29 Sec. 129. Laws 2016, LB956, section 39, is amended to read:

30 Sec. 39. AGENCY NO. 16 – DEPARTMENT OF REVENUE

31 Program No. 108 - Homestead Exemption

	FY2015-16	FY2016-17
1		
2 <u>GENERAL FUND</u>	<u>71,600,000</u>	<u>74,750,000</u>
3 <u>PROGRAM TOTAL</u>	<u>71,600,000</u>	<u>74,750,000</u>
4 ~~GENERAL FUND~~	~~71,600,000~~	~~72,515,000~~
5 ~~PROGRAM TOTAL~~	~~71,600,000~~	~~72,515,000~~

6 There is included in the appropriation to this program for FY2015-16
7 \$71,600,000 General Funds for state aid, which shall only be used for
8 such purpose. There is included in the appropriation to this program for
9 FY2016-17 \$74,750,000 ~~\$72,515,000~~ General Funds for state aid, which
10 shall only be used for such purpose.

11 Sec. 130. Laws 2016, LB956, section 41, is amended to read:

12 Sec. 41. AGENCY NO. 5 – SUPREME COURT

13 Program No. 52 - Operations

	FY2015-16	FY2016-17
14		
15 <u>GENERAL FUND</u>	<u>32,616,292</u>	<u>32,369,635</u>
16 ~~GENERAL FUND~~	~~32,616,292~~	~~33,751,147~~
17 CASH FUND est.	2,641,780	2,669,709
18 FEDERAL FUND est.	481,108	483,622
19 <u>PROGRAM TOTAL</u>	<u>35,739,180</u>	<u>35,522,966</u>
20 ~~PROGRAM TOTAL~~	~~35,739,180~~	~~36,904,478~~
21 SALARY LIMIT	23,345,923	23,926,634

22 The Department of Administrative Services shall monitor the
23 appropriations and expenditures for this program according to the
24 following program classifications:

25 No. 34 - Court Administration

26 No. 40 - State Law Library

27 No. 396 - County Court System

28 No. 399 - District Court Reporters

29 No. 405 - Court of Appeals

30 The unexpended General Fund appropriation balance less aid existing
31 on June 30, 2015, is hereby reappropriated.

1 The unexpended General Fund appropriation balance existing on June
2 30, 2016, less \$1,125,612, is hereby reappropriated.

3 The budget division of the Department of Administrative Services
4 shall administratively transfer General Fund appropriations or Salary
5 Limits or both among Programs 52, 67, 420, 435, and 437, within Agency 5,
6 upon written certification by the State Court Administrator that the
7 Supreme Court has determined that such transfer is necessary for the
8 efficient functioning of statewide court operations and the proper
9 administration of justice.

10 There is included in the appropriation to this program for FY2015-16
11 \$270,000 Cash Funds for dispute resolution state aid, which shall only be
12 used for such purpose. There is included in the appropriation to this
13 program for FY2016-17 \$270,000 Cash Funds for dispute resolution state
14 aid, which shall only be used for such purpose.

15 There is included in the appropriation to this program for FY2015-16
16 \$550,000 Cash Funds for parenting plan mediation for indigent and lower-
17 income persons involved in Parenting Act cases, as state aid, which shall
18 only be used for such purpose. There is included in the appropriation to
19 this program for FY2016-17 \$550,000 Cash Funds for parenting plan
20 mediation for indigent and lower-income persons involved in Parenting Act
21 cases, as state aid, which shall only be used for such purpose.

22 There is included in the appropriation to this program for FY2015-16
23 \$300,000 General Funds for court appointed special advocate state aid,
24 which shall only be used for such purpose. There is included in the
25 appropriation to this program for FY2016-17 \$300,000 General Funds for
26 court appointed special advocate state aid, which shall only be used for
27 such purpose.

28 Cash Fund expenditures for this program shall not be limited to the
29 amounts shown.

30 Sec. 131. Laws 2016, LB956, section 42, is amended to read:

31 Sec. 42. AGENCY NO. 5 – SUPREME COURT

1 Program No. 435 - Probation Community Corrections

2		FY2015-16	FY2016-17
3	<u>GENERAL FUND</u>	<u>74,758,737</u>	<u>11,740,998</u>
4	~~GENERAL FUND~~	~~74,758,737~~	~~12,626,882~~
5	CASH FUND est.	7,258,708	6,625,708
6	<u>PROGRAM TOTAL</u>	<u>82,017,445</u>	<u>18,366,706</u>
7	~~PROGRAM TOTAL~~	~~82,017,445~~	~~19,252,590~~
8	SALARY LIMIT	15,446,258	4,947,686

9 The unexpended General Fund appropriation balance existing on June
10 30, 2015, is hereby reappropriated.

11 The unexpended General Fund appropriation balance existing on June
12 30, 2016, less \$183,836, is hereby reappropriated.

13 Cash Fund expenditures for this program shall not be limited to the
14 amounts shown.

15 Sec. 132. Laws 2016, LB956, section 44, is amended to read:

16 Sec. 44. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

17 Program No. 25 - Education, Administration, and Support

18		FY2015-16	FY2016-17
19	<u>GENERAL FUND</u>	<u>16,430,022</u>	<u>15,762,670</u>
20	~~GENERAL FUND~~	~~16,430,022~~	~~16,419,448~~
21	CASH FUND	1,512,044	1,523,964
22	FEDERAL FUND est.	24,018,965	23,412,744
23	<u>REVOLVING FUND</u>	<u>204,728</u>	<u>264,728</u>
24	<u>PROGRAM TOTAL</u>	<u>42,165,759</u>	<u>40,964,106</u>
25	~~REVOLVING FUND~~	~~204,728~~	~~204,728~~
26	~~PROGRAM TOTAL~~	~~42,165,759~~	~~41,560,884~~
27	SALARY LIMIT	16,504,454	14,337,555

28 The Department of Administrative Services shall monitor the
29 appropriations and expenditures for this program according to the
30 following program classifications:

- 1 No. 25 - Commissioner's Office
- 2 No. 403 - Assessment/Report Card
- 3 No. 440 - Human Resources
- 4 No. 441 - Teaching and Learning
- 5 No. 442 - Diversity Populations: Equity and Instructional Issues
- 6 No. 443 - Network Education and Technology Services
- 7 No. 444 - Office of Early Childhood
- 8 No. 445 - Data, Research, Evaluation, and Information Technology
- 9 No. 446 - Adult Program Services
- 10 No. 447 - School Improvement/Accreditation
- 11 No. 448 - Diversity Populations: Special Education
- 12 No. 449 - Federal Programs
- 13 No. 450 - Select Department-wide Costs
- 14 No. 451 - Finance and Organization Services

15 The unexpended General Fund appropriation balance existing on June
16 30, 2015, is hereby reappropriated in the amount of \$2,927,000 for the
17 state assessment and reporting system. The unexpended General Fund
18 appropriation balance existing on June 30, 2015, is hereby reappropriated
19 in the amount of \$912,000 to implement the Step Up to Quality Child Care
20 Act. The unexpended General Fund appropriation balance existing on June
21 30, 2015, is hereby reappropriated in the amount of \$785,000 for
22 activities related to the implementation of Laws 2014, LB438. The
23 unexpended General Fund appropriation balance existing on June 30, 2015,
24 is hereby reappropriated in the amount of \$266,832 for retirement
25 payouts.

26 The unexpended General Fund appropriation balance existing on June
27 30, 2016, less \$3,659,171, is hereby reappropriated.

28 There is included in the appropriation to this program for FY2015-16
29 \$4,751,600 General Funds and \$2,750,000 Federal Funds estimate for
30 statewide assessment and reporting, which shall only be used for such
31 purpose. There is included in the appropriation to this program for

1 FY2016-17 \$4,751,600 General Funds and \$2,750,000 Federal Funds estimate
2 for statewide assessment and reporting, which shall only be used for such
3 purpose.

4 There is included in the appropriation to this program for FY2015-16
5 \$500,000 General Funds for an IT academy project, which shall only be
6 used for such purpose. There is included in the appropriation to this
7 program for FY2016-17 \$500,000 General Funds for an IT academy project,
8 which shall only be used for such purpose.

9 There is included in the appropriation to this program for FY2015-16
10 \$75,000 General Funds for the review of poverty and limited English
11 proficiency plans, including at least \$25,000 General Funds for
12 performance auditing. There is included in the appropriation to this
13 program for FY2016-17 \$75,000 General Funds for the review of poverty and
14 limited English proficiency plans, including at least \$25,000 General
15 Funds for performance auditing.

16 There is included in the appropriation to this program for FY2015-16
17 \$95,000 General Funds for a position for the Early Childhood Education
18 Grant Program. There is included in the appropriation to this program for
19 FY2016-17 \$95,000 General Funds for a position for the Early Childhood
20 Education Grant Program. It is the intent of the Legislature to provide
21 funding for the position for only two years, in FY2015-16 and FY2016-17.

22 There is included in the appropriation to this program for FY2016-17
23 \$10,000 General Funds for the Educational Opportunity for Military
24 Children Program.

25 There is included in the appropriation to this program for FY2015-16
26 \$250,000 General Funds as a one-time appropriation for the adult
27 education program to implement job-driven training and education
28 components of the federal Workforce Innovation and Opportunity Act,
29 including, but not limited to, college and career readiness initiatives
30 and curriculum alignment, support of partnerships with American Job
31 Centers, staff development, instructional capacity, outreach, and

1 technology.

2 Sec. 133. Laws 2016, LB956, section 45, is amended to read:

3 Sec. 45. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

4 Program No. 158 - Education Aid

5	FY2015-16	FY2016-17
6 <u>GENERAL FUND</u>	<u>1,189,807,538</u>	<u>1,202,130,098</u>
7 <u>CASH FUND</u>	<u>3,240,938</u>	<u>3,740,938</u>
8 ~~GENERAL FUND~~	~~1,189,807,538~~	~~1,203,433,823~~
9 ~~CASH FUND~~	~~3,240,938~~	~~3,240,938~~
10 FEDERAL FUND est.	310,889,138	310,889,138
11 <u>PROGRAM TOTAL</u>	<u>1,503,937,614</u>	<u>1,516,760,174</u>
12 ~~PROGRAM TOTAL~~	~~1,503,937,614~~	~~1,517,563,899~~

13 There is included in the appropriation to this program for FY2015-16
14 \$1,189,807,538 General Funds, \$3,240,938 Cash Funds, and \$310,889,138
15 Federal Funds estimate for state aid, which shall only be used for such
16 purpose. There is included in the appropriation to this program for
17 FY2016-17 \$1,202,130,098 ~~\$1,203,433,823~~ General Funds, \$3,740,938
18 ~~\$3,240,938~~ Cash Funds, and \$310,889,138 Federal Funds estimate for state
19 aid, which shall only be used for such purpose.

20 Of the unexpended General Fund appropriation in this program on June
21 30, 2015, up to \$1,800,000 General Funds appropriated in FY2014-15 to
22 provide grants for early childhood education projects is hereby
23 reappropriated. The State Department of Education shall certify to the
24 budget administrator of the budget division of the Department of
25 Administrative Services an accounting of the actual expenditures for
26 early childhood education grants.

27 There is included in the amount shown for FY2015-16 \$946,539,662
28 General Funds which are hereby appropriated to the Tax Equity and
29 Educational Opportunities Fund, which fund is hereby appropriated to
30 provide state aid to public school districts pursuant to the Tax Equity
31 and Educational Opportunities Support Act. There is included in the

1 amount shown for FY2016-17 \$952,469,742 ~~\$952,153,581~~ General Funds which
2 are hereby appropriated to the Tax Equity and Educational Opportunities
3 Fund, which fund is hereby appropriated to provide state aid to public
4 school districts pursuant to the Tax Equity and Educational Opportunities
5 Support Act.

6 There is included in the amount shown for this program \$219,112,160
7 General Funds provided as state aid for FY2015-16 for special education
8 reimbursement. There is included in the amount shown for this program
9 \$222,063,117 General Funds provided as state aid for FY2016-17 for
10 special education reimbursement.

11 There is included in the amount shown for this program \$465,500
12 General Funds provided as state aid for FY2015-16 and \$446,880 ~~\$465,500~~
13 General Funds provided as state aid for FY2016-17 to carry out the
14 provisions of subsection (2) of section 79-734.

15 There is included in the amount shown for this program \$10,488,509
16 General Funds provided as state aid for FY2015-16 and \$10,068,968
17 ~~\$10,488,509~~ General Funds provided as state aid for FY2016-17 for core
18 services for educational service units.

19 There is included in the amount shown for this program \$3,272,887
20 General Funds provided as state aid for FY2015-16 and \$3,141,972
21 ~~\$3,272,887~~ General Funds provided as state aid for FY2016-17 for
22 technology infrastructure for educational service units.

23 There is included in the amount shown for this program \$290,365
24 General Funds provided as state aid for FY2015-16 and \$278,750 ~~\$290,365~~
25 General Funds provided as state aid for FY2016-17 for distance education
26 aid to educational service units.

27 There is included in the amount shown for this program \$542,595
28 General Funds provided as state aid for FY2015-16 and \$538,600 ~~\$561,042~~
29 General Funds provided as state aid for FY2016-17 for the school
30 breakfast program.

31 There is included in the amount shown for this program \$392,032

1 General Funds provided as state aid for FY2015-16 and ~~\$376,351~~ ~~\$392,032~~
2 General Funds provided as state aid for FY2016-17 for the school lunch
3 program.

4 There is included in the amount shown for this program \$130,000
5 General Funds provided as state aid for FY2015-16 and ~~\$124,800~~ ~~\$130,000~~
6 General Funds provided as state aid for FY2016-17 for the Summer Food
7 Service Program.

8 There is included in the amount shown for this program \$214,664
9 General Funds provided as state aid for FY2015-16 and ~~\$206,077~~ ~~\$214,664~~
10 General Funds provided as state aid for FY2016-17 for adult basic
11 education programs.

12 There is included in the amount shown for this program \$750,000
13 General Funds provided as state aid for FY2015-16 and ~~\$720,000~~ ~~\$750,000~~
14 General Funds provided as state aid for FY2016-17 for aid to institutions
15 offering high school equivalency programs.

16 There is included in the amount shown for this program \$1,820,164
17 General Funds provided as state aid for FY2015-16 and ~~\$3,619,357~~
18 ~~\$3,770,164~~ General Funds provided as state aid for FY2016-17 for early
19 childhood education projects.

20 There is included in the amount shown for this program \$4,000,000
21 General Funds provided as state aid for FY2015-16 and ~~\$4,800,000~~
22 ~~\$5,000,000~~ General Funds provided as state aid for FY2016-17 for the
23 Early Childhood Education Grant Program for at-risk children from birth
24 to age three. It is the intent of the Legislature that a maximum of five
25 percent of General Funds appropriated each fiscal year for the Early
26 Childhood Education Grant Program for at-risk children from birth to age
27 three may be used for evaluation and technical assistance.

28 There is included in the amount shown for this program \$100,000
29 General Funds provided as state aid for FY2015-16 and ~~\$96,000~~ ~~\$100,000~~
30 General Funds provided as state aid for FY2016-17 for scholarships for
31 early childhood education providers.

1 There is included in the amount shown for this program \$69,000
2 General Funds provided as state aid for FY2015-16 and \$66,240 ~~\$69,000~~
3 General Funds provided as state aid for FY2016-17 for incentive bonuses
4 for providers of child care and early childhood education programs.

5 There is included in the amount shown for this program \$400,000
6 General Funds provided as state aid for FY2015-16 and \$384,000 ~~\$400,000~~
7 General Funds provided as state aid for FY2016-17 for the Nurturing
8 Healthy Behaviors program.

9 There is included in the amount shown for this program \$500,000
10 General Funds provided as state aid for FY2015-16 and \$480,000 ~~\$500,000~~
11 General Funds provided as state aid for FY2016-17 for learning community
12 aid.

13 There is included in the amount shown for this program \$2,249,244
14 ~~\$2,342,962~~ General Funds provided as state aid for FY2016-17 for programs
15 for learners with high ability.

16 There is included in the amount shown for this program \$470,000
17 General Funds provided as state aid for FY2015-16 and ~~\$470,000~~ General
18 Funds provided as state aid for FY2016-17 for the Master Teacher Program
19 Act.

20 There is included in the amount shown for this program \$250,000
21 General Funds provided as one-time state aid for FY2015-16 for expanded
22 learning opportunity programs.

23 On or before October 1, 2015, the Department of Health and Human
24 Services and the State Department of Education shall jointly certify to
25 the budget administrator of the budget division of the Department of
26 Administrative Services the amount of federal medicaid funds paid to
27 school districts pursuant to the Early Intervention Act for special
28 education services for children age five years and older. The General
29 Fund appropriation to the State Department of Education, Program 158, for
30 state special education aid shall be decreased by an amount equal to the
31 amount that would have been reimbursed with state General Funds to the

1 school districts through the special education reimbursement process for
2 special education services for children age five years and older that was
3 paid to school districts or approved cooperatives with federal medicaid
4 funds. There is hereby appropriated from the General Fund an amount equal
5 to the amount certified to the budget administrator for FY2015-16 to the
6 Department of Health and Human Services to aid in carrying out the
7 provisions of Laws 1991, LB 701. The budget administrator shall
8 distribute the amount appropriated between budget programs according to
9 percentages certified by the Department of Health and Human Services.

10 Sec. 134. Laws 2016, LB956, section 46, is amended to read:

11 Sec. 46. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

12 Program No. 38 - Behavioral Health Aid

	FY2015-16	FY2016-17
14 GENERAL FUND	69,421,172	73,844,769
15 CASH FUND	13,499,660	13,699,660
16 FEDERAL FUND est.	10,504,971	10,504,971
17 PROGRAM TOTAL	93,425,803	98,049,400

18 The unexpended General Fund appropriation balance existing on June
19 30, 2015, is hereby reappropriated in the amount of \$2,500,000 for
20 allocation to the behavioral health regions. The unexpended General Fund
21 appropriation balance existing on June 30, 2015, is hereby reappropriated
22 in the amount of \$-0- as a contingency for the payment of a maintenance-
23 of-effort penalty. The unexpended General Fund appropriation balance
24 existing on June 30, 2015, is hereby reappropriated in the amount of
25 \$500,000 for allocation to the behavioral health regions for one-time
26 costs for projects, programs, or activities.

27 The unexpended General Fund appropriation balance existing on June
28 30, 2016, less \$2,321,229, is hereby reappropriated.

29 There is included in the appropriation to this program for FY2015-16
30 \$69,421,172 General Funds, \$13,499,660 Cash Funds, and \$10,504,971
31 Federal Funds estimate for state aid, which shall only be used for such

1 purpose. There is included in the appropriation to this program for
2 FY2016-17 \$73,844,769 General Funds, \$13,699,660 Cash Funds, and
3 \$10,504,971 Federal Funds estimate for state aid, which shall only be
4 used for such purpose.

5 There is included in the amount shown as General Fund aid in this
6 program \$2,081,958 General Funds for FY2015-16 and \$4,205,555 General
7 Funds for FY2016-17 for a two and twenty-five hundredths percent increase
8 in rates paid to providers of behavioral health services, which funds
9 shall only be used for such purpose.

10 There is included in the amount shown as Cash Fund aid in this
11 program \$6,500,000 Cash Funds for FY2015-16 and \$6,500,000 Cash Funds for
12 FY2016-17 from the Nebraska Health Care Cash Fund to be used for
13 community-based mental health and substance abuse services, including
14 intermediate-level residential mental health services. It is the intent
15 of the Legislature that these funds shall be distributed to each of the
16 six behavioral health regions based upon a formula determined by the
17 Department of Health and Human Services.

18 There is included in the amount shown as Cash Fund aid in this
19 program \$2,599,660 Cash Funds for FY2015-16 and \$2,599,660 Cash Funds for
20 FY2016-17 from the Nebraska Health Care Cash Fund to be used for rates
21 paid to providers of mental health and substance abuse services.

22 There is included in the amount shown as Cash Fund aid in this
23 program \$1,500,000 Cash Funds for FY2015-16 and \$1,500,000 Cash Funds for
24 FY2016-17 from the Nebraska Health Care Cash Fund to be used for the cost
25 of maintenance and treatment of persons in emergency protective custody
26 under the Nebraska Mental Health Commitment Act.

27 There is included in the amount shown as Cash Fund aid in this
28 program a one-time appropriation of \$100,000 Cash Funds for FY2016-17
29 from the Nebraska Health Care Cash Fund to be used for housing services
30 for persons with substance abuse disorders. It is the intent of the
31 Legislature that the funds be used for persons recovering from substance

1 abuse disorders in the following manner: To support evidence-based
2 practices that conform to nationally recognized standards for residential
3 treatment; to increase access to residential treatment in areas of the
4 state with demonstrable need; and to support the administrative need of
5 providing housing services.

6 Sec. 135. Laws 2016, LB956, section 47, is amended to read:

7 Sec. 47. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

8 Program No. 344 - Children's Health Insurance

9	FY2015-16	FY2016-17
10 <u>GENERAL FUND</u>	<u>7,908,257</u>	<u>4,910,878</u>
11 ~~GENERAL FUND~~	~~7,908,257~~	~~6,310,878~~
12 CASH FUND	7,085,700	7,085,700
13 FEDERAL FUND est.	90,759,051	100,748,509
14 <u>PROGRAM TOTAL</u>	<u>105,753,008</u>	<u>112,745,087</u>
15 ~~PROGRAM TOTAL~~	~~105,753,008~~	~~114,145,087~~

16 The unexpended General Fund appropriation balance, less \$11,146,819,
17 and the unexpended Federal Fund estimate appropriation balance existing
18 on June 30, 2015, are hereby reappropriated.

19 The unexpended General Fund appropriation balance existing on June
20 30, 2016, less \$1,577,163, is hereby reappropriated.

21 There is included in the appropriation to this program for FY2015-16
22 \$7,908,257 General Funds, \$7,085,700 Cash Funds, and \$90,759,051 Federal
23 Funds estimate for state aid, which shall only be used for such purpose.
24 There is included in the appropriation to this program for FY2016-17
25 \$4,910,878 ~~\$6,310,878~~ General Funds, \$7,085,700 Cash Funds, and
26 \$100,748,509 Federal Funds estimate for state aid, which shall only be
27 used for such purpose.

28 There is included in the appropriation to this program for FY2015-16
29 \$6,835,700 Cash Funds for state aid from the Nebraska Health Care Cash
30 Fund. There is included in the appropriation to this program for
31 FY2016-17 \$6,835,700 Cash Funds for state aid from the Nebraska Health

1 Care Cash Fund.

2 There is included in the appropriation to this program for FY2015-16
3 up to \$250,000 Cash Funds and for FY2016-17 up to \$250,000 Cash Funds for
4 state aid from the Health and Human Services Cash Fund for the state
5 match for utilization of the unused administrative cap as allowed under
6 the Children's Health Insurance Program for payments to the Nebraska
7 Regional Poison Center funded through the University of Nebraska Medical
8 Center. The match is from Cash Funds transferred from the University of
9 Nebraska Medical Center.

10 It is the intent of the Legislature that phased-down state
11 contributions to the federal government as defined and required by the
12 federal Medicare Prescription Drug, Improvement, and Modernization Act of
13 2003 may be made from appropriations to this program.

14 Sec. 136. Laws 2016, LB956, section 48, is amended to read:

15 Sec. 48. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

16 Program No. 347 - Public Assistance

17	FY2015-16	FY2016-17
18 <u>GENERAL FUND</u>	<u>111,190,697</u>	<u>97,231,900</u>
19 ~~GENERAL FUND~~	~~111,190,697~~	~~107,231,900~~
20 CASH FUND	3,560,000	3,560,000
21 FEDERAL FUND est.	103,180,481	103,125,004
22 <u>PROGRAM TOTAL</u>	<u>217,931,178</u>	<u>203,916,904</u>
23 ~~PROGRAM TOTAL~~	~~217,931,178~~	~~213,916,904~~

24 Of the unexpended General Fund appropriation balance existing on
25 June 30, 2015, \$3,900,000 is hereby reappropriated to Agency 25, Program
26 354 - Child Welfare Aid.

27 The unexpended General Fund appropriation balance existing on June
28 30, 2016, less \$8,500,070, is hereby reappropriated.

29 There is included in the appropriation to this program for FY2015-16
30 \$111,190,697 General Funds, \$3,560,000 Cash Funds, and \$103,180,481
31 Federal Funds estimate for state aid, which shall only be used for such

1 purpose. There is included in the appropriation to this program for
2 FY2016-17 \$97,231,900 ~~\$107,231,900~~ General Funds, \$3,560,000 Cash Funds,
3 and \$103,125,004 Federal Funds estimate for state aid, which shall only
4 be used for such purpose.

5 There is included in the appropriation to this program for FY2015-16
6 \$810,000 Cash Funds from the Nebraska Health Care Cash Fund for state aid
7 to aid in carrying out the Nebraska Lifespan Respite Services Program and
8 to provide payment to caregivers to purchase services under the respite
9 subsidy program. There is included in the appropriation to this program
10 for FY2016-17 \$810,000 Cash Funds from the Nebraska Health Care Cash Fund
11 for state aid to aid in carrying out the Nebraska Lifespan Respite
12 Services Program and to provide payment to caregivers to purchase
13 services under the respite subsidy program.

14 On or before June 30, 2016, the chief executive officer of the
15 Department of Health and Human Services shall certify to the budget
16 administrator of the budget division of the Department of Administrative
17 Services an amount not to exceed ten million dollars of the FY2015-16
18 appropriation to be transferred from Program 347 - Public Assistance in
19 the Department of Health and Human Services to Program 354 - Child
20 Welfare in the Department of Health and Human Services. The budget
21 administrator of the budget division of the Department of Administrative
22 Services shall administratively transfer during FY2015-16 the certified
23 amount provided by the chief executive officer of the Department of
24 Health and Human Services. The chief executive officer of the Department
25 of Health and Human Services shall report the certified transfer amount
26 to the chairperson of the Appropriations Committee of the Legislature and
27 the Legislative Fiscal Analyst at the same time it is certified to the
28 budget administrator of the budget division of the Department of
29 Administrative Services.

30 Sec. 137. Laws 2016, LB956, section 49, is amended to read:

31 Sec. 49. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

1 Program No. 348 - Medical Assistance

2		FY2015-16	FY2016-17
3	<u>GENERAL FUND</u>	<u>798,415,607</u>	<u>835,419,522</u>
4	~~GENERAL FUND~~	~~798,415,607~~	~~849,417,179~~
5	CASH FUND	46,851,581	46,851,581
6	<u>FEDERAL FUND est.</u>	<u>1,183,936,671</u>	<u>1,221,397,549</u>
7	<u>PROGRAM TOTAL</u>	<u>2,029,203,859</u>	<u>2,103,668,652</u>
8	~~FEDERAL FUND est.~~	~~1,183,936,671~~	~~1,217,906,490~~
9	~~PROGRAM TOTAL~~	~~2,029,203,859~~	~~2,114,175,250~~

10 The remainder of the unexpended General Fund appropriation balance
11 existing on June 30, 2015, less \$84,774,997, is hereby reappropriated to
12 this program.

13 The unexpended Cash Fund and Federal Fund estimate appropriation
14 balances as of June 30, 2015, are hereby reappropriated.

15 The unexpended General Fund appropriation balance existing on June
16 30, 2016, less \$12,929,145, is hereby reappropriated.

17 There is included in the appropriation to this program for FY2015-16
18 \$798,415,607 General Funds, \$46,851,581 Cash Funds, and \$1,183,936,671
19 Federal Funds estimate for state aid, which shall only be used for such
20 purpose. There is included in the appropriation to this program for
21 FY2016-17 \$835,419,522 ~~\$849,417,179~~ General Funds, \$46,851,581 Cash
22 Funds, and \$1,221,397,549 ~~\$1,217,906,490~~ Federal Funds estimate for state
23 aid, which shall only be used for such purpose.

24 There is included in the appropriation to this program for FY2015-16
25 \$4,765,896 Cash Funds for state aid for the continuation of the
26 behavioral health provider rate increase and behavioral health provider
27 rate increase for managed care, inpatient services, and residential
28 treatment services provided with funds from the Nebraska Health Care Cash
29 Fund. There is included in the appropriation to this program for
30 FY2016-17 \$4,765,896 Cash Funds for state aid for the continuation of the
31 behavioral health provider rate increase and behavioral health provider

1 rate increase for managed care, inpatient services, and residential
2 treatment services provided with funds from the Nebraska Health Care Cash
3 Fund.

4 There is included in the appropriation to this program for FY2015-16
5 \$450,000 Cash Funds from the Nebraska Health Care Cash Fund for a state
6 plan amendment covering tobacco-use cessation in compliance with Title
7 XIX of the federal Social Security Act. There is included in the
8 appropriation to this program for FY2016-17 \$450,000 Cash Funds from the
9 Nebraska Health Care Cash Fund for a state plan amendment covering
10 tobacco-use cessation in compliance with Title XIX of the federal Social
11 Security Act. The smoking cessation funding for FY2015-16 and FY2016-17
12 is for the costs of tobacco-use cessation counseling and tobacco-use
13 cessation pharmaceuticals approved by the federal Food and Drug
14 Administration for such purpose.

15 There is included in the appropriation to this program for FY2015-16
16 \$6,122,656.17 Cash Funds from funds transferred from the University of
17 Nebraska Medical Center and an estimated \$6,550,370.83 Federal Funds for
18 supplemental payments to Nebraska Medicine. The payments are allowed
19 pending the approval of the medicaid state plan amendment by the Centers
20 for Medicare and Medicaid.

21 It is the intent of the Legislature that phased-down state
22 contributions to the federal government as defined and required by the
23 federal Medicare Prescription Drug, Improvement, and Modernization Act of
24 2003 may be made from appropriations to this program.

25 Sec. 138. Laws 2016, LB956, section 51, is amended to read:

26 Sec. 51. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

27 Program No. 421 - Beatrice State Developmental Center

28	FY2015-16	FY2016-17
29 <u>GENERAL FUND</u>	<u>25,615,666</u>	<u>17,702,247</u>
30 ~~GENERAL FUND~~	~~25,615,666~~	~~26,202,247~~
31 CASH FUND	2,711,482	2,711,482

1	<u>FEDERAL FUND est.</u>	<u>21,226,175</u>	<u>26,758,189</u>
2	<u>PROGRAM TOTAL</u>	<u>49,553,323</u>	<u>47,171,918</u>
3	~~FEDERAL FUND est.~~	~~21,226,175~~	~~21,758,189~~
4	~~PROGRAM TOTAL~~	~~49,553,323~~	~~50,671,918~~
5	SALARY LIMIT	26,523,164	27,084,113

6 The unexpended General Fund appropriation balance existing on June
 7 30, 2016, less \$2,426,614, is hereby reappropriated.

8 The chief executive officer of the Department of Health and Human
 9 Services shall certify to the budget administrator of the budget division
 10 of the Department of Administrative Services the FY2015-16 and FY2016-17
 11 unexpended appropriation balances for the Beatrice State Developmental
 12 Center, Program 421, which are available to transition and maintain
 13 persons transferred from the Beatrice State Developmental Center to
 14 community-based developmental disability or other services. The budget
 15 administrator of the budget division of the Department of Administrative
 16 Services shall administratively transfer during FY2015-16 and FY2016-17
 17 available unexpended appropriation balances as certified by the chief
 18 executive officer of the Department of Health and Human Services from the
 19 Beatrice State Developmental Center, Program 421, to Developmental
 20 Disability Aid, Program 424, and Medical Assistance, Program 348.

21 Sec. 139. Laws 2016, LB956, section 52, is amended to read:

22 Sec. 52. AGENCY NO. 33 – GAME AND PARKS COMMISSION

23 Program No. 337 - Administration

24		FY2015-16	FY2016-17
25	<u>GENERAL FUND</u>	<u>805,109</u>	<u>785,824</u>
26	~~GENERAL FUND~~	~~805,109~~	~~818,567~~
27	CASH FUND	4,281,840	4,382,101
28	<u>PROGRAM TOTAL</u>	<u>5,086,949</u>	<u>5,167,925</u>
29	~~PROGRAM TOTAL~~	~~5,086,949~~	~~5,200,668~~
30	SALARY LIMIT	2,630,681	2,697,101

31 The unexpended General Fund appropriation balance existing on June

1 30, 2016, less \$31,741, is hereby reappropriated.

2 Sec. 140. Laws 2016, LB956, section 53, is amended to read:

3 Sec. 53. AGENCY NO. 33 – GAME AND PARKS COMMISSION

4 Program No. 338 - Niobrara Council

	FY2015-16	FY2016-17
5		
6 <u>GENERAL FUND</u>	<u>42,011</u>	<u>40,331</u>
7 ~~GENERAL FUND~~	~~42,011~~	~~42,011~~
8 CASH FUND	34,000	1,000
9 FEDERAL FUND est.	125,000	125,000
10 <u>PROGRAM TOTAL</u>	<u>201,011</u>	<u>166,331</u>
11 ~~PROGRAM TOTAL~~	~~201,011~~	~~168,011~~

12 There is included in the appropriation to this program for FY2015-16
13 \$42,011 General Funds, \$34,000 Cash Funds, and \$125,000 Federal Funds
14 estimate for state aid, which shall only be used for such purpose. There
15 is included in the appropriation to this program for FY2016-17 \$40,331
16 ~~\$42,011~~ General Funds, \$1,000 Cash Funds, and \$125,000 Federal Funds
17 estimate for state aid, which shall only be used for such purpose.

18 Sec. 141. Laws 2016, LB956, section 54, is amended to read:

19 Sec. 54. AGENCY NO. 33 – GAME AND PARKS COMMISSION

20 Program No. 549 - Parks - Administration and Operation

	FY2015-16	FY2016-17
21		
22 <u>GENERAL FUND</u>	<u>7,043,991</u>	<u>6,852,060</u>
23 ~~GENERAL FUND~~	~~7,043,991~~	~~7,137,563~~
24 CASH FUND	18,614,903	18,889,027
25 FEDERAL FUND est.	50,000	50,000
26 <u>PROGRAM TOTAL</u>	<u>25,708,894</u>	<u>25,791,087</u>
27 ~~PROGRAM TOTAL~~	~~25,708,894~~	~~26,076,590~~
28 SALARY LIMIT	11,255,091	11,516,138

29 There is included in the Cash Fund appropriation to this program
30 \$1,000,000 for FY2015-16 and \$1,000,000 for FY2016-17 for equipment

1 replacement, to include such items as picnic tables, fire grates and
2 grills, cabin furnishings, mowers, tractors, and trucks, which shall only
3 be used for such purpose.

4 The unexpended General Fund appropriation balance existing on June
5 30, 2016, less \$6,136, is hereby reappropriated.

6 Sec. 142. Laws 2016, LB956, section 55, is amended to read:

7 Sec. 55. AGENCY NO. 33 – GAME AND PARKS COMMISSION

8 Program No. 550 - Planning and Trails Coordination

9	FY2015-16	FY2016-17
10 <u>GENERAL FUND</u>	<u>446,162</u>	<u>434,557</u>
11 ~~GENERAL FUND~~	~~446,162~~	~~452,664~~
12 CASH FUND	1,063,336	1,086,395
13 FEDERAL FUND est.	105,491	105,491
14 <u>PROGRAM TOTAL</u>	<u>1,614,989</u>	<u>1,626,443</u>
15 ~~PROGRAM TOTAL~~	~~1,614,989~~	~~1,644,550~~
16 SALARY LIMIT	873,247	892,682

17 It is the intent of the Legislature that the amount expended for the
18 development and maintenance of boundary fences along the Cowboy Trail be
19 limited to \$64,000 Cash Funds during each fiscal year.

20 The unexpended General Fund appropriation balance existing on June
21 30, 2016, less \$43,049, is hereby reappropriated.

22 Sec. 143. Laws 2016, LB956, section 56, is amended to read:

23 Sec. 56. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
24 EDUCATION

25 Program No. 691 - Access College Early Scholarship Program

26	FY2015-16	FY2016-17
27 <u>GENERAL FUND</u>	<u>735,000</u>	<u>945,600</u>
28 <u>PROGRAM TOTAL</u>	<u>735,000</u>	<u>945,600</u>
29 ~~GENERAL FUND~~	~~735,000~~	~~985,000~~
30 ~~PROGRAM TOTAL~~	~~735,000~~	~~985,000~~

31 There are no personal services included in the appropriations in

1 this section.

2 The unexpended General Fund appropriation balance existing on June
3 30, 2016, less \$18,412, is hereby reappropriated.

4 There is included in the appropriation to this program for FY2015-16
5 \$735,000 General Funds for state aid, which shall only be used for such
6 purpose. There is included in the appropriation to this program for
7 FY2016-17 ~~\$945,600~~ ~~\$985,000~~ General Funds for state aid, which shall only
8 be used for such purpose.

9 Sec. 144. Laws 2016, LB956, section 61, is amended to read:

10 Sec. 61. AGENCY NO. 69 – NEBRASKA ARTS COUNCIL

11 Program No. 326 - Promotion and Development of the Arts

	FY2015-16	FY2016-17
12 <u>GENERAL FUND</u>	<u>600,001</u>	<u>593,678</u>
14 ~~GENERAL FUND~~	~~600,001~~	~~618,415~~
15 CASH FUND	60,000	60,000
16 FEDERAL FUND est.	193,242	193,247
17 <u>PROGRAM TOTAL</u>	<u>853,243</u>	<u>846,925</u>
18 ~~PROGRAM TOTAL~~	~~853,243~~	~~871,662~~
19 SALARY LIMIT	508,944	521,789

20 The unexpended General Fund appropriation balance existing on June
21 30, 2016, less \$45,079, is hereby reappropriated.

22 Sec. 145. Laws 2016, LB956, section 62, is amended to read:

23 Sec. 62. AGENCY NO. 72 – DEPARTMENT OF ECONOMIC DEVELOPMENT

24 Program No. 603 - Industrial Recruitment

	FY2015-16	FY2016-17
26 <u>GENERAL FUND</u>	<u>11,836,200</u>	<u>11,434,993</u>
27 ~~GENERAL FUND~~	~~11,836,200~~	~~11,911,451~~
28 CASH FUND	18,889,296	14,896,205
29 FEDERAL FUND est.	493,358	496,971
30 <u>PROGRAM TOTAL</u>	<u>31,218,854</u>	<u>26,828,169</u>

1	PROGRAM TOTAL	31,218,854	27,304,627
2	SALARY LIMIT	2,721,988	2,780,033

3 The unexpended General Fund appropriation balance existing on June
4 30, 2016, less \$6,794,254, is hereby reappropriated.

5 There is hereby reappropriated an amount certified by the Department
6 of Economic Development to the budget administrator of the budget
7 division of the Department of Administrative Services of the unexpended
8 General Fund and Cash Fund appropriation balances existing on June 30,
9 2015, that are allocated in budget subprograms 17, 18, 43, and 44 of
10 Program 603. Reappropriated funds shall be allocated to the same budget
11 subprogram.

12 There is included in the appropriation to this program for FY2015-16
13 \$6,860,000 General Funds, \$18,397,194 Cash Funds, and \$249,341 Federal
14 Funds estimate for state aid, which shall only be used for such purpose.
15 There is included in the appropriation to this program for FY2016-17
16 \$6,585,600 ~~\$6,860,000~~ General Funds, \$14,397,194 Cash Funds, and \$249,341
17 Federal Funds estimate for state aid, which shall only be used for such
18 purpose.

19 There is included in the appropriation to this program for FY2015-16
20 \$250,000 General Funds for the Nebraska Developing Youth Talent
21 Initiative, which shall only be used for such purpose. There is included
22 in the appropriation to this program for FY2016-17 \$250,000 General Funds
23 for the Nebraska Developing Youth Talent Initiative, which shall only be
24 used for such purpose. The department shall establish a separate budget
25 subprogram to account for the expenditure of funds appropriated for the
26 Nebraska Developing Youth Talent Initiative. It is the intent of the
27 Legislature that the Department of Economic Development shall select up
28 to two industry partners or industry consortiums each fiscal year from
29 the manufacturing and information technology sectors to participate in
30 the initiative, which shall be in collaboration with public schools. The
31 initiative shall be designed to reach students beginning in the seventh

1 and eighth grades. At least one industry partner selected to participate
2 in the initiative shall be from a county that has a population of less
3 than one hundred thousand inhabitants. An initial evaluation report
4 regarding the results of the initiative shall be provided to the
5 Legislature electronically and to the Governor upon completion of the
6 first year of the initiative, not later than September 15, 2016. A final
7 evaluation report detailing the outcomes of the initiative shall be
8 provided to the Legislature electronically and to the Governor upon
9 completion of the initiative, not later than September 15, 2017. The
10 department shall include in the final evaluation report its
11 recommendation regarding the future funding of the initiative.

12 Sec. 146. Laws 2016, LB956, section 63, is amended to read:

13 Sec. 63. AGENCY NO. 83 – AID TO COMMUNITY COLLEGES

14 Program No. 151 - Aid to Community Colleges

	FY2015-16	FY2016-17
15		
16 <u>GENERAL FUND</u>	<u>98,891,562</u>	<u>96,795,176</u>
17 <u>PROGRAM TOTAL</u>	<u>98,891,562</u>	<u>96,795,176</u>
18 ~~GENERAL FUND~~	~~98,891,562~~	~~100,828,308~~
19 ~~PROGRAM TOTAL~~	~~98,891,562~~	~~100,828,308~~

20 There is included in the appropriation to this program for FY2015-16
21 \$98,891,562 General Funds for state aid, which shall only be used for
22 such purpose. There is included in the appropriation to this program for
23 FY2016-17 \$96,795,176 ~~\$100,828,308~~ General Funds for state aid, which
24 shall only be used for such purpose.

25 Sec. 147. Laws 2016, LB956, section 65, is amended to read:

26 Sec. 65. AGENCY NO. 91 – NEBRASKA TOURISM COMMISSION

27 Program No. 618 - Tourism Promotion

	FY2015-16	FY2016-17
28		
29 <u>GENERAL FUND</u>	<u>250,000</u>	<u>240,000</u>
30 ~~GENERAL FUND~~	~~250,000~~	~~250,000~~
31 CASH FUND	6,035,290	5,762,007

1	<u>PROGRAM TOTAL</u>	<u>6,285,290</u>	<u>6,002,007</u>
2	~~PROGRAM TOTAL~~	~~6,285,290~~	~~6,012,007~~
3	SALARY LIMIT	872,058	890,943

4 The unexpended state aid General Fund appropriation balance existing
5 on June 30, 2015, is hereby reappropriated.

6 The unexpended General Fund appropriation balance existing on June
7 30, 2016, less \$17,452, is hereby reappropriated.

8 There is included in the appropriation to this program for FY2015-16
9 \$250,000 General Funds, plus any reappropriated amounts, and \$150,000
10 Cash Funds for state aid, which shall only be used for such purpose.
11 There is included in the appropriation to this program for FY2016-17
12 ~~\$240,000~~ ~~\$250,000~~ General Funds, plus any reappropriated amounts, and
13 \$602,600 Cash Funds for state aid, which shall only be used for such
14 purpose.

15 It is the intent of the Legislature that the Nebraska Tourism
16 Commission establish criteria for the evaluation and ranking of potential
17 large-scale tourism projects that would have a significant economic
18 impact on a local, regional, and statewide basis. The criteria shall take
19 into consideration how projects may be prioritized to maximize geographic
20 diversity, methods to evaluate the natural, cultural, and historical
21 value of projects, and how to best assess the potential of projects to
22 attract visitors from outside the state. The commission shall
23 electronically submit a report to the Appropriations Committee of the
24 Legislature not later than December 31, 2016, summarizing the development
25 of the criteria and how the criteria would best be applied and utilized
26 by the commission.

27 Sec. 148. Laws 2016, LB956, section 66, is amended to read:

28 Sec. 66. FUND LAPSES AND TRANSFERS.

29 The State Treasurer shall make the transfers specified in this
30 section between funds, in the amounts indicated. Unless otherwise noted,
31 transfers for FY2015-16 shall occur on July 1, 2015, or as soon

1 thereafter as administratively possible, and transfers for FY2016-17
2 shall occur on July 1, 2016, or as soon thereafter as administratively
3 possible. All agencies with administrative responsibilities for these
4 funds shall assist the State Treasurer as needed in implementing the
5 transfers.

6 (1) Transfers for FY2015-16 shall include:

7 (a) From the General Fund to the Nebraska State Patrol Cash Fund:
8 \$115,000 less the unexpended balance existing on June 30, 2015, in (i)
9 the Nebraska State Patrol Cash Fund, (ii) the Investigation Petty Cash
10 Fund, (iii) any special checking account or accounts used by the Nebraska
11 State Patrol, and (iv) the possession of agency personnel involved in
12 investigations, when the unexpended balances resulted from General Fund
13 transfers to the Nebraska State Patrol Cash Fund or from General Fund
14 appropriations. Any transfers made shall be subject to a final
15 reconciliation of available investigation cash fund balances as of June
16 30, 2015, by the Nebraska State Patrol.

17 It is the intent of the Legislature that the Nebraska State Patrol
18 have available a total of \$115,000 from the General Fund for FY2015-16 to
19 be used in making drug purchases, for enforcing Nebraska laws relating to
20 felonies, for enforcing the Nebraska liquor laws, and for payment of
21 investigative expenses;

22 (b) From the Tobacco Products Administration Cash Fund to the
23 General Fund: \$13,000,000 on or before June 15, 2016, on such date as
24 directed by the budget administrator of the budget division of the
25 Department of Administrative Services;

26 (c) From the Charitable Gaming Operations Fund to the General Fund:
27 \$2,000,000 on or before June 15, 2016, on such date as directed by the
28 budget administrator of the budget division of the Department of
29 Administrative Services;

30 (d) From the Severance Tax Administration Cash Fund to the General
31 Fund: \$150,000 on or before June 15, 2016, on such date as directed by

1 the budget administrator of the budget division of the Department of
2 Administrative Services;

3 (e) From the Securities Act Cash Fund to the General Fund:
4 \$12,000,000 on or before September 30, 2015, \$12,000,000 on or before
5 March 31, 2016, and \$6,000,000 on or before June 30, 2016, on such dates
6 as directed by the budget administrator of the budget division of the
7 Department of Administrative Services;

8 (f) From the Health and Human Services Cash Fund to the University
9 of Nebraska Eppley Institute for Research in Cancer and Allied Diseases
10 Cash Fund: \$500,000, pursuant to section 81-638;

11 (g) From the Department of Insurance Cash Fund to the General Fund:
12 \$3,125,000 on or before September 30, 2015, \$3,125,000 on or before March
13 31, 2016, and \$2,000,000 on or before June 30, 2016, on such dates as
14 directed by the budget administrator of the budget division of the
15 Department of Administrative Services;

16 (h) From the Roads Operations Cash Fund to the Carrier Enforcement
17 Cash Fund: \$7,823,910, less the unexpended balance existing on June 30,
18 2015, in the Carrier Enforcement Cash Fund. Transfers shall be made in
19 four equal quarterly amounts on or before July 15, October 15, January
20 15, and April 15;

21 (i) From the Petroleum Release Remedial Action Cash Fund to the
22 Underground Storage Tank Fund: \$50,000 on or before July 5, 2015;

23 (j) From the State Building Revolving Fund to the Capitol Security
24 Revolving Fund: \$642,437. Transfers shall be made in four equal quarterly
25 amounts on or before July 15, October 15, January 15, and April 15.

26 Transfers shall be made to pay non-General-Fund costs associated
27 with the operation of the state capitol security division of the Nebraska
28 State Patrol;

29 (k) From the Highway Trust Fund to the Motor Fuel Tax Enforcement
30 and Collection Cash Fund: \$1,400,000. Transfers shall be made in twelve
31 equal monthly amounts;

1 (1) From the Highway Trust Fund to the Motor Carrier Division Cash
2 Fund: Up to a maximum of \$300,000. Transfers shall be made as required by
3 the Department of Motor Vehicles to operate the Division of Motor Carrier
4 Services;

5 (m) From the Civic and Community Center Financing Fund to the
6 Department of Revenue Enforcement Fund: \$43,900 on July 1, 2015, or as
7 soon thereafter as administratively possible, as provided for in sections
8 13-2704 and 77-5601;

9 (n) From the Highway Trust Fund to the License Plate Cash Fund:
10 \$9,050,000. Transfers shall be made as required by the Department of
11 Motor Vehicles to meet the expenditures of plate and sticker production;

12 (o) From the Flexible Spending Trust Fund to the Health and Life
13 Benefit Administration Cash Fund: \$140,000, except that if the total
14 available unobligated balance of forfeitures in the Flexible Spending
15 Trust Fund as of June 30, 2015, is less than \$140,000, then the State
16 Treasurer shall transfer the difference, not to exceed \$140,000, from the
17 State Employees Insurance Fund. Transfers shall be made to pay the costs
18 associated with the administration of the Flexible Spending Account
19 program;

20 (p) From the State Employees Insurance Fund to the Health and Life
21 Benefit Administration Cash Fund: \$973,433, less the June 30, 2015,
22 unobligated Health and Life Benefit Administration Cash Fund balance;

23 (q) From the Severance Tax Fund to the Municipal Rate Negotiations
24 Revolving Loan Fund: \$10,000, pursuant to section 57-705;

25 (r) From the Severance Tax Fund to the State Energy Office Cash
26 Fund: \$300,000, pursuant to section 57-705. Transfers shall be made in
27 twelve equal monthly amounts;

28 (s) From the General Fund to the Victim's Compensation Fund:
29 \$50,000;

30 (t) From the Ignition Interlock Cash Fund to the General Fund:
31 \$200,000 on or before June 15, 2016, on such date as directed by the

1 budget administrator of the budget division of the Department of
2 Administrative Services;

3 (u) From the Waste Reduction and Recycling Incentive Fund to the
4 General Fund: \$1,000,000 on or before June 15, 2016, on such date as
5 directed by the budget administrator of the budget division of the
6 Department of Administrative Services; and

7 (v) From the General Fund to the Nebraska Capital Construction Fund:
8 \$800,000.

9 (2) Transfers for FY2016-17 shall include:

10 (a) From the General Fund to the Nebraska State Patrol Cash Fund:
11 \$115,000 less the unexpended balance existing on June 30, 2016, in (i)
12 the Nebraska State Patrol Cash Fund, (ii) the Investigation Petty Cash
13 Fund, (iii) any special checking account or accounts used by the Nebraska
14 State Patrol, and (iv) the possession of agency personnel involved in
15 investigations, when the unexpended balances resulted from General Fund
16 transfers to the Nebraska State Patrol Cash Fund or from General Fund
17 appropriations. Any transfers made shall be subject to a final
18 reconciliation of available investigation cash fund balances as of June
19 30, 2016, by the Nebraska State Patrol.

20 It is the intent of the Legislature that the Nebraska State Patrol
21 have available a total of \$115,000 from the General Fund for FY2016-17 to
22 be used in making drug purchases, for enforcing Nebraska laws relating to
23 felonies, for enforcing the Nebraska liquor laws, and for payment of
24 investigative expenses;

25 (b) From the Tobacco Products Administration Cash Fund to the
26 General Fund: ~~\$11,000,000~~ ~~\$10,000,000~~ on or before June 15, 2017, on such
27 date as directed by the budget administrator of the budget division of
28 the Department of Administrative Services;

29 (c) From the Severance Tax Administration Cash Fund to the General
30 Fund: ~~\$100,000~~ ~~\$150,000~~ on or before June 15, 2017, on such date as
31 directed by the budget administrator of the budget division of the

1 Department of Administrative Services;

2 (d) From the Securities Act Cash Fund to the General Fund:
3 \$15,000,000 on or before September 30, 2016, and \$15,000,000 on or before
4 March 31, 2017, on such dates as directed by the budget administrator of
5 the budget division of the Department of Administrative Services;

6 (e) From the Health and Human Services Cash Fund to the University
7 of Nebraska Eppley Institute for Research in Cancer and Allied Diseases
8 Cash Fund: \$500,000, pursuant to section 81-638;

9 (f) From the Department of Insurance Cash Fund to the General Fund:
10 \$4,125,000 on or before September 30, 2016, and \$4,125,000 on or before
11 March 31, 2017, on such dates as directed by the budget administrator of
12 the budget division of the Department of Administrative Services;

13 (g) From the Roads Operations Cash Fund to the Carrier Enforcement
14 Cash Fund: \$8,064,775. Transfers shall be made in four equal quarterly
15 amounts on or before July 15, October 15, January 15, and April 15;

16 (h) From the Petroleum Release Remedial Action Cash Fund to the
17 Underground Storage Tank Fund: \$50,000 on or before July 5, 2016;

18 (i) From the State Building Revolving Fund to the Capitol Security
19 Revolving Fund: \$666,530. Transfers shall be made in four equal quarterly
20 amounts on or before July 15, October 15, January 15, and April 15.

21 Transfers shall be made to pay non-General-Fund costs associated
22 with the operation of the state capitol security division of the Nebraska
23 State Patrol;

24 (j) From the Highway Trust Fund to the Motor Fuel Tax Enforcement
25 and Collection Cash Fund: \$1,200,000. Transfers shall be made in twelve
26 equal monthly amounts;

27 (k) From the Highway Trust Fund to the Motor Carrier Division Cash
28 Fund: Up to a maximum of \$1,200,000. Transfers shall be made as required
29 by the Department of Motor Vehicles to operate the Division of Motor
30 Carrier Services;

31 (l) From the Civic and Community Center Financing Fund to the

1 Department of Revenue Enforcement Fund: \$43,900 on July 1, 2016, or as
2 soon thereafter as administratively possible, as provided for in sections
3 13-2704 and 77-5601;

4 (m) From the Highway Trust Fund to the License Plate Cash Fund: Up
5 to a maximum of \$5,200,000. Transfers shall be made as required by the
6 Department of Motor Vehicles to meet the expenditures of plate and
7 sticker production;

8 (n) From the Flexible Spending Trust Fund to the Health and Life
9 Benefit Administration Cash Fund: \$140,000, except that if the total
10 available unobligated balance of forfeitures in the Flexible Spending
11 Trust Fund as of June 30, 2016, is less than \$140,000, then the State
12 Treasurer shall transfer the difference, not to exceed \$140,000, from the
13 State Employees Insurance Fund. Transfers shall be made to pay the costs
14 associated with the administration of the Flexible Spending Account
15 program;

16 (o) From the State Employees Insurance Fund to the Health and Life
17 Benefit Administration Cash Fund: \$959,762;

18 (p) From the Severance Tax Fund to the Municipal Rate Negotiations
19 Revolving Loan Fund: \$10,000, pursuant to section 57-705;

20 (q) From the Severance Tax Fund to the State Energy Office Cash
21 Fund: \$300,000, pursuant to section 57-705. Transfers shall be made in
22 twelve equal monthly amounts;

23 (r) From the General Fund to the Victim's Compensation Fund:
24 \$50,000; ~~and~~

25 (s) From the Department of Motor Vehicles Ignition Interlock Cash
26 Fund to the General Fund: \$450,000 ~~\$200,000~~ on or before June 15, 2017,
27 on such date as directed by the budget administrator of the budget
28 division of the Department of Administrative Services; ~~+~~

29 (t) From the Treasury Management Cash Fund to the General Fund:
30 \$150,000 on or before June 30, 2017, on such date as directed by the
31 budget administrator of the budget division of the Department of

1 Administrative Services;

2 (u) From the Life Insurance Demutualization Trust Fund to the
3 General Fund: \$400,000 on or before June 30, 2017, on such date as
4 directed by the budget administrator of the budget division of the
5 Department of Administrative Services;

6 (v) From the State Athletic Commissioner's Cash Fund to the General
7 Fund: \$200,000 on or before June 30, 2017, on such date as directed by
8 the budget administrator of the budget division of the Department of
9 Administrative Services;

10 (w) From the Charitable Gaming Operations Fund to the General Fund:
11 \$2,000,000 on or before June 30, 2017, on such date as directed by the
12 budget administrator of the budget division of the Department of
13 Administrative Services;

14 (x) From the Energy Conservation Improvement Fund to the General
15 Fund: The remaining balance on or before June 30, 2017, on such date as
16 directed by the budget administrator of the budget division of the
17 Department of Administrative Services;

18 (y) From the Marijuana and Controlled Substances Tax Administration
19 Cash Fund to the General Fund: \$25,000 on or before June 30, 2017, on
20 such date as directed by the budget administrator of the budget division
21 of the Department of Administrative Services;

22 (z) From the Department of Motor Vehicles Cash Fund to the General
23 Fund: \$1,000,000 on or before June 30, 2017, on such date as directed by
24 the budget administrator of the budget division of the Department of
25 Administrative Services;

26 (aa) From the Nebraska Motor Vehicle Industry Licensing Fund to the
27 General Fund: \$500,000 on or before June 30, 2017, on such date as
28 directed by the budget administrator of the budget division of the
29 Department of Administrative Services;

30 (bb) From the Waste Reduction and Recycling Incentive Fund to the
31 General Fund: \$500,000 on or before June 30, 2017, on such date as

1 directed by the budget administrator of the budget division of the
2 Department of Administrative Services;

3 (cc) From the Nebraska Litter Reduction and Recycling Fund to the
4 General Fund: \$500,000 on or before June 30, 2017, on such date as
5 directed by the budget administrator of the budget division of the
6 Department of Administrative Services;

7 (dd) From the Petroleum Release Remedial Action Cash Fund to the
8 General Fund: \$700,000 on or before June 30, 2017, on such date as
9 directed by the budget administrator of the budget division of the
10 Department of Administrative Services;

11 (ee) From the State Real Estate Commission's Fund to the General
12 Fund: \$200,000 on or before June 30, 2017, on such date as directed by
13 the budget administrator of the budget division of the Department of
14 Administrative Services;

15 (ff) From the State Building Renewal Assessment Fund to the General
16 Fund: \$344,000 on or before June 30, 2017, on such date as directed by
17 the budget administrator of the budget division of the Department of
18 Administrative Services; and

19 (gg) From the Building Renewal Allocation Fund to the General Fund:
20 \$364,000 on or before June 30, 2017, on such date as directed by the
21 budget administrator of the budget division of the Department of
22 Administrative Services.

23 Sec. 149. Laws 2016, LB956, section 67, is amended to read:

24 Sec. 67. AGENCY NO. 10 – AUDITOR OF PUBLIC ACCOUNTS

25 Program No. 10 - Salary - Auditor of Public Accounts

	FY2015-16	FY2016-17
26		
27 <u>GENERAL FUND</u>	<u>99,069</u>	<u>99,135</u>
28 <u>PROGRAM TOTAL</u>	<u>99,069</u>	<u>99,135</u>
29 <u>GENERAL FUND</u>	<u>99,069</u>	<u>121,135</u>
30 <u>PROGRAM TOTAL</u>	<u>99,069</u>	<u>121,135</u>
31 <u>SALARY LIMIT</u>	<u>85,000</u>	<u>85,000</u>

1 The unexpended General Fund appropriation balance existing on June
2 30, 2016, is not reappropriated.

3 Sec. 150. Laws 2016, LB1038A, section 1, is amended to read:

4 Section 1. There is hereby appropriated (1) ~~\$690,000~~ ~~\$1,000,000~~ from
5 the General Fund for FY2016-17 and (2) \$1,000,000 from the General Fund
6 for FY2017-18 to the Department of Agriculture, for Program 78, to aid in
7 carrying out the provisions of Legislative Bill 1038, One Hundred Fourth
8 Legislature, Second Session, 2016.

9 There is included in the appropriation to this program for FY2016-17
10 ~~\$675,000~~ ~~\$975,000~~ General Funds for state aid, which shall only be used
11 for such purpose. There is included in the appropriation to this program
12 for FY2017-18 \$975,000 General Funds for state aid, which shall only be
13 used for such purpose.

14 Sec. 151. LIMITATION ON SALARIES, WAGES, AND PER DIEMS.

15 (1) For purposes of this act, (a) SALARY LIMIT shall mean total
16 expenditures for permanent and temporary salaries and per diems and (b)
17 total expenditures for permanent and temporary salaries and per diems
18 shall mean all remuneration paid to employees treated as taxable
19 compensation by the Internal Revenue Service or subject to social
20 security coverage, specifically including payments accounted for as
21 vacation, holidays, sick leave, military leave, funeral leave, maternity
22 leave, administrative leave, compensatory time, deferred compensation, or
23 any other similar form, and amounts withheld pursuant to law, but
24 excluding state contributions for social security, retirement, and
25 employee insurance plans.

26 (2) Total expenditures for permanent and temporary salaries and per
27 diems shall be limited to the amount shown except when federal funds in
28 excess of the amount shown are available and approved by the Governor.
29 Expenditures for permanent and temporary salaries and per diems from such
30 grants shall be in addition to the limitation on permanent and temporary
31 salaries and per diems otherwise shown in this act. No agency shall

1 request any state funds for continuation or replacement of any such
2 personnel or activities in future budget requests. To the extent
3 feasible, requests for increases in the limitation on permanent and
4 temporary salaries and per diems shall be addressed to the Appropriations
5 Committee of the Legislature when the Legislature is in session.

6 (3) Expenditures for permanent and temporary salaries resulting from
7 awards made to employees under sections 81-1346 to 81-1354 shall be in
8 addition to the limitations on permanent and temporary salaries and per
9 diems otherwise shown in this act.

10 (4) The limitation on expenditures for permanent and temporary
11 salaries and per diems for FY2016-17 as enumerated in this act shall be
12 the basis for continuation funding for each fiscal year of the succeeding
13 biennium.

14 (5) The limitation on expenditures for permanent and temporary
15 salaries and per diems for FY2015-16 shall be increased by certified
16 encumbrance amounts from FY2014-15 for permanent and temporary salaries
17 and per diems. The limitation on expenditures for permanent and temporary
18 salaries and per diems for FY2016-17 shall be increased by certified
19 encumbrance amounts from FY2015-16 for permanent and temporary salaries
20 and per diems. Encumbered amounts shall be calculated in accordance with
21 section 81-138.01.

22 (6) The limitation on expenditures for permanent and temporary
23 salaries and per diems shall only apply to remuneration paid to state
24 employees or per diem payments made to members of state boards or
25 commissions.

26 Sec. 152. Original sections Laws 2015, LB259A, section 2; Laws
27 2015, LB469A, section 1; Laws 2015, LB605A, section 8; Laws 2015, LB657,
28 sections 10, 11, 12, 13, 14, 15, 16, 17, 19, 21, 25, 26, 27, 28, 29, 32,
29 34, 38, 39, 44, 51, 53, 54, 55, 56, 58, 67, 68, 71, 80, 83, 84, 85, 90,
30 94, 95, 97, 99, 100, 101, 107, 108, 112, 113, 114, 119, 126, 127, 129,
31 131, 133, 134, 136, 137, 138, 139, 140, 145, 150, 152, 153, 154, 155,

1 163, 166, 167, 169, 171, 174, 175, 178, 179, 188, 191, 192, 194, 195,
2 202, 204, 211, 213, 216, 218, 219, 221, 223, 224, 226, 232, 233, 234,
3 235, 236, 237, 238, 239, 240, 241, 242, 244, 245, 246, 247, 249, 256, and
4 260; Laws 2015, LB659, sections 7, 15, and 17; Laws 2015, LB660, sections
5 35 and 40; Laws 2016, LB956, sections 7, 10, 39, 41, 42, 44, 45, 46, 47,
6 48, 49, 51, 52, 53, 54, 55, 56, 61, 62, 63, 65, 66, and 67; and Laws
7 2016, LB1038A, section 1, are repealed.

8 Sec. 153. Since an emergency exists, this act takes effect when
9 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 144

Introduced by Friesen, 34.

Read first time January 09, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to the Tax Equity and Educational
- 2 Opportunities Support Act; to amend section 79-1016, Reissue Revised
- 3 Statutes of Nebraska; to change the calculation of adjusted
- 4 valuation for agricultural and horticultural land; and to repeal the
- 5 original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1016, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1016 (1) On or before August 25, the county assessor shall
4 certify to the Property Tax Administrator the total taxable value by
5 school district in the county for the current assessment year on forms
6 prescribed by the Tax Commissioner. The county assessor may amend the
7 filing for changes made to the taxable valuation of the school district
8 in the county if corrections or errors on the original certification are
9 discovered. Amendments shall be certified to the Property Tax
10 Administrator on or before September 30.

11 (2) On or before October 10, the Property Tax Administrator shall
12 compute and certify to the State Department of Education the adjusted
13 valuation for the current assessment year for each class of property in
14 each school district and each local system. The adjusted valuation of
15 property for each school district and each local system, for purposes of
16 determining state aid pursuant to the Tax Equity and Educational
17 Opportunities Support Act, shall reflect as nearly as possible state aid
18 value as defined in subsection (3) of this section. The Property Tax
19 Administrator shall notify each school district and each local system of
20 its adjusted valuation for the current assessment year by class of
21 property on or before October 10. Establishment of the adjusted valuation
22 shall be based on the taxable value certified by the county assessor for
23 each school district in the county adjusted by the determination of the
24 level of value for each school district from an analysis of the
25 comprehensive assessment ratio study or other studies developed by the
26 Property Tax Administrator, in compliance with professionally accepted
27 mass appraisal techniques, as required by section 77-1327. The Tax
28 Commissioner shall adopt and promulgate rules and regulations setting
29 forth standards for the determination of level of value for state aid
30 purposes.

31 (3) For purposes of this section, state aid value means:

1 (a) For real property other than agricultural and horticultural
2 land, ninety-six percent of actual value;

3 (b) For agricultural and horticultural land, the following
4 applicable percentages of either seventy-two percent of actual value as
5 provided in sections 77-1359 to 77-1363 or, for . ~~For~~ agricultural and
6 horticultural land that receives special valuation pursuant to section
7 77-1344, ~~seventy-two percent of~~ special valuation as defined in section
8 77-1343; ~~;~~ and

9 (i) For the calculation of aid for school fiscal years prior to
10 school fiscal year 2018-19, the applicable percentage shall be seventy-
11 two percent;

12 (ii) For the calculation of aid for school fiscal year 2018-19, the
13 applicable percentage shall be fifty percent;

14 (iii) For the calculation of aid for school fiscal year 2019-20, the
15 applicable percentage shall be forty percent;

16 (iv) For the calculation of aid for school fiscal year 2020-21, the
17 applicable percentage shall be thirty percent; and

18 (v) For the calculation of aid for school fiscal year 2021-22 and
19 each school fiscal year thereafter, the applicable percentage shall be
20 twenty percent; and

21 (c) For personal property, the net book value as defined in section
22 77-120.

23 (4) On or before November 10, any local system may file with the Tax
24 Commissioner written objections to the adjusted valuations prepared by
25 the Property Tax Administrator, stating the reasons why such adjusted
26 valuations are not the valuations required by subsection (3) of this
27 section. The Tax Commissioner shall fix a time for a hearing. Either
28 party shall be permitted to introduce any evidence in reference thereto.
29 On or before January 1, the Tax Commissioner shall enter a written order
30 modifying or declining to modify, in whole or in part, the adjusted
31 valuations and shall certify the order to the State Department of

1 Education. Modification by the Tax Commissioner shall be based upon the
2 evidence introduced at hearing and shall not be limited to the
3 modification requested in the written objections or at hearing. A copy of
4 the written order shall be mailed to the local system within seven days
5 after the date of the order. The written order of the Tax Commissioner
6 may be appealed within thirty days after the date of the order to the Tax
7 Equalization and Review Commission in accordance with section 77-5013.

8 (5) On or before November 10, any local system or county official
9 may file with the Tax Commissioner a written request for a nonappealable
10 correction of the adjusted valuation due to clerical error as defined in
11 section 77-128 or, for agricultural and horticultural land, assessed
12 value changes by reason of land qualified or disqualified for special use
13 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
14 following January 1, the Tax Commissioner shall approve or deny the
15 request and, if approved, certify the corrected adjusted valuations
16 resulting from such action to the State Department of Education.

17 (6) On or before May 31 of the year following the certification of
18 adjusted valuation pursuant to subsection (2) of this section, any local
19 system or county official may file with the Tax Commissioner a written
20 request for a nonappealable correction of the adjusted valuation due to
21 changes to the tax list that change the assessed value of taxable
22 property. Upon the filing of the written request, the Tax Commissioner
23 shall require the county assessor to recertify the taxable valuation by
24 school district in the county on forms prescribed by the Tax
25 Commissioner. The recertified valuation shall be the valuation that was
26 certified on the tax list, pursuant to section 77-1613, increased or
27 decreased by changes to the tax list that change the assessed value of
28 taxable property in the school district in the county in the prior
29 assessment year. On or before the following July 31, the Tax Commissioner
30 shall approve or deny the request and, if approved, certify the corrected
31 adjusted valuations resulting from such action to the State Department of

1 Education.

2 (7) No injunction shall be granted restraining the distribution of
3 state aid based upon the adjusted valuations pursuant to this section.

4 (8) A school district whose state aid is to be calculated pursuant
5 to subsection (5) of this section and whose state aid payment is
6 postponed as a result of failure to calculate state aid pursuant to such
7 subsection may apply to the state board for lump-sum payment of such
8 postponed state aid. Such application may be for any amount up to one
9 hundred percent of the postponed state aid. The state board may grant the
10 entire amount applied for or any portion of such amount. The state board
11 shall notify the Director of Administrative Services of the amount of
12 funds to be paid in a lump sum and the reduced amount of the monthly
13 payments. The Director of Administrative Services shall, at the time of
14 the next state aid payment made pursuant to section 79-1022, draw a
15 warrant for the lump-sum amount from appropriated funds and forward such
16 warrant to the district.

17 Sec. 2. Original section 79-1016, Reissue Revised Statutes of
18 Nebraska, is repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 175

Introduced by Morfeld, 46.

Read first time January 10, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to students; to adopt the Student Online
- 2 Personal Protection Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 3 of this act shall be known and may be
2 cited as the Student Online Personal Protection Act.

3 Sec. 2. For purposes of the Student Online Personal Protection Act:

4 (1) Covered information means personally identifiable information or
5 material or information that is linked to personally identifiable
6 information or material in any medium or format that is not publicly
7 available and is any of the following:

8 (a) Created or gathered by or provided to an operator by a student,
9 or the student's parent or legal guardian, in the course of the
10 student's, parent's, or legal guardian's use of the operator's site,
11 service, or application for elementary, middle, or high school purposes,
12 including persistent unique identifiers;

13 (b) Created by or provided to an operator by an employee or agent of
14 an elementary school, middle school, high school, or school district for
15 elementary, middle, or high school purposes; or

16 (c) Gathered by an operator through the operation of its site,
17 service, or application for elementary, middle, or high school purposes
18 and personally identifies a student, including, but not limited to,
19 information in the student's educational record or electronic mail, first
20 and last name, home address, telephone number, electronic mail address,
21 or other information that allows physical or online contact, discipline
22 records, test results, special education data, juvenile dependency
23 records, grades, evaluations, criminal records, medical records, health
24 records, social security number, biometric information, disabilities,
25 socioeconomic information, food purchases, political affiliations,
26 religious information, text messages, documents, student identifiers,
27 search activity, photos, voice recordings, or geolocation information;

28 (2) Interactive computer service has the definition found in 47
29 U.S.C. 230, as such section existed on January 1, 2017;

30 (3) Elementary, middle, or high school purposes means purposes that
31 are directed by or that customarily take place at the direction of an

1 elementary school, a middle school, a high school, a teacher, or a school
2 district or that aid in the administration of school activities,
3 including, but not limited to, instruction in the classroom or at home,
4 administrative activities, collaboration between students, school
5 personnel, or parents, and other purposes that are pursued for the use
6 and benefit of the school or school district;

7 (4) Operator means the operator of an Internet web site, online
8 service, online application, or mobile application with actual knowledge
9 that the site, service, or application is used primarily for elementary,
10 middle, or high school purposes and was designed and marketed for
11 elementary, middle, or high school purposes; and

12 (5) Targeted advertising means presenting advertisements to a
13 student where the advertisement is selected based on information obtained
14 or inferred over time from that student's online behavior, usage of
15 applications, or covered information. It does not include advertising to
16 a student at an online location based upon that student's current visit
17 to that location, or in response to that student's request for
18 information or feedback, without the retention of that student's online
19 activities or requests over time for the purpose of targeting subsequent
20 ads.

21 Sec. 3. (1) An operator shall not knowingly:

22 (a) Engage in targeted advertising on the operator's site, service,
23 or application or targeted advertising on any other site, service, or
24 application if the targeting of the advertising is based on any covered
25 information that the operator has acquired because of the use of that
26 operator's site, service, or application for elementary, middle, or high
27 school purposes;

28 (b) Use covered information created or gathered by the operator's
29 site, service, or application to amass a profile about a student except
30 in furtherance of elementary, middle, or high school purposes. Amassing a
31 profile does not include the collection and retention of account

1 information that remains under the control of the student, the student's
2 parent or guardian, or the elementary school, middle school, or high
3 school;

4 (c) Sell or rent a student's covered information. This subdivision
5 does not apply to (i) the purchase, merger, or other type of acquisition
6 of an operator by another entity if the operator or successor entity
7 complies with this section regarding such covered information or (ii) a
8 national assessment provider if the provider secures the express written
9 consent of the student or parent or guardian of the student given in
10 response to clear and conspicuous notice that access to covered
11 information shall only be provided for purposes of obtaining employment,
12 educational scholarships, financial aid, or postsecondary educational
13 opportunities for such student; or

14 (d) Except as otherwise provided in subsection (3) of this section,
15 disclose covered information unless the disclosure is made for the
16 following purposes:

17 (i) In furtherance of the elementary, middle, or high school purpose
18 of the site, service, or application, if the recipient of the covered
19 information disclosed under this subdivision does not further disclose
20 the covered information except to allow or improve operability and
21 functionality of the operator's site, service, or application;

22 (ii) To ensure legal and regulatory compliance or protect against
23 liability;

24 (iii) To respond to or participate in the judicial process;

25 (iv) To protect the safety or integrity of users of the site or
26 other individuals or the security of the site, service, or application;

27 (v) For a school, educational, or employment purpose requested by
28 the student or the student's parent or guardian if the covered
29 information is not used or further disclosed for any other purpose; or

30 (vi) To a third party if the operator contractually prohibits the
31 third party from using any covered information for any purpose other than

1 providing the contracted service to or on behalf of the operator,
2 prohibits the third party from disclosing any covered information
3 provided by the operator with subsequent third parties, and requires the
4 third party to implement and maintain reasonable security procedures and
5 practices.

6 (2) Nothing in this section shall prohibit the operator from using
7 covered information for maintaining, developing, supporting, improving,
8 or diagnosing the operator's site, service, or application.

9 (3) An operator shall:

10 (a) Implement and maintain reasonable security procedures and
11 practices appropriate to the nature of the covered information designed
12 to protect that covered information from unauthorized access,
13 destruction, use, modification, or disclosure; and

14 (b) Delete within a reasonable time period a student's covered
15 information if the elementary school, middle school, high school, or
16 school district requests deletion of covered information under the
17 control of the elementary school, middle school, high school, or school
18 district, unless a student or parent or guardian consents to the
19 maintenance of the covered information.

20 (4) An operator may use or disclose covered information of a student
21 under the following circumstances:

22 (a) If other provisions of federal or state law require the operator
23 to disclose the covered information and the operator complies with the
24 requirements of federal and state law in protecting and disclosing such
25 covered information;

26 (b) As long as no covered information is used for advertising or to
27 amass a profile on the student for purposes other than elementary,
28 middle, or high school purposes, for legitimate research purposes as
29 required by state or federal law and subject to the restrictions under
30 applicable state and federal law or as allowed by state or federal law
31 and in furtherance of elementary, middle, or high school purposes or

1 postsecondary educational purposes; or

2 (c) To state or local educational agencies, including elementary
3 schools, middle schools, high schools, and school districts, for
4 elementary, middle, or high school purposes, as permitted by state or
5 federal law.

6 (4) This section does not prohibit an operator from doing any of the
7 following:

8 (a) Using covered information to improve educational products if
9 such covered information is not associated with an identified student
10 within the operator's site, service, or application or other sites,
11 services, or applications owned by the operator;

12 (b) Using covered information that is not associated with an
13 identified student to demonstrate or market the effectiveness of the
14 operator's products or services;

15 (c) Sharing covered information that is not associated with an
16 identified student for the development and improvement of educational
17 sites, services, or applications;

18 (d) Using recommendation engines to recommend to a student either of
19 the following:

20 (i) Additional content relating to an educational, other learning,
21 or employment opportunity purpose within an online site, service, or
22 application if the recommendation is not determined in whole or in part
23 by payment or other consideration from a third party; or

24 (ii) Additional services relating to an educational, other learning,
25 or employment opportunity purpose within an online site, service, or
26 application if the recommendation is not determined in whole or in part
27 by payment or other consideration from a third party; or

28 (e) Responding to a student's request for information or for
29 feedback without the information or response being determined in whole or
30 in part by payment or other consideration from a third party.

31 (5) This section does not:

1 (a) Limit the authority of a law enforcement agency to obtain any
2 content or covered information from an operator as authorized by law or
3 under a court order;

4 (b) Limit the ability of an operator to use student data, including
5 covered information, for adaptive learning or customized student learning
6 purposes;

7 (c) Apply to general audience Internet web sites, general audience
8 online services, general audience online applications, or general
9 audience mobile applications, even if login credentials created for an
10 operator's site, service, or application may be used to access those
11 general audience sites, services, or applications;

12 (d) Limit service providers from providing Internet connectivity to
13 schools or a student and his or her family;

14 (e) Prohibit an operator of an Internet web site, online service,
15 online application, or mobile application from marketing educational
16 products directly to parents if the marketing did not result from the use
17 of covered information obtained by the operator through the provision of
18 services covered under this section;

19 (f) Impose a duty upon a provider of an electronic store, network
20 gateway, marketplace, or other means of purchasing or downloading
21 software or applications to review or enforce compliance with this
22 section on those applications or software;

23 (g) Impose a duty upon a provider of an interactive computer service
24 to review or enforce compliance with this section by third-party content
25 providers; or

26 (h) Prohibit a student from downloading, exporting, transferring,
27 saving, or maintaining his or her own student data or documents.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 219

Introduced by Nebraska Retirement Systems Committee: Kolterman, 24,
Chairperson; Bolz, 29; Groene, 42; Kolowski, 31; Lindstrom,
18; Stinner, 48.

Read first time January 10, 2017

Committee: Nebraska Retirement Systems

- 1 A BILL FOR AN ACT relating to retirement; to amend sections 24-701,
- 2 84-1301, and 84-1319, Reissue Revised Statutes of Nebraska, and
- 3 sections 23-2301, 23-2317, 79-902, and 81-2014, Revised Statutes
- 4 Cumulative Supplement, 2016; to redefine terms; to change provisions
- 5 relating to authorized benefit elections; to change provisions
- 6 relating to actuarial assumptions; to repeal the original sections;
- 7 and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 23-2301, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 23-2301 For purposes of the County Employees Retirement Act, unless
4 the context otherwise requires:

5 (1)(a) ~~(1)~~ Actuarial equivalent means the equality in value of the
6 aggregate amounts expected to be received under different forms of an
7 annuity payment.

8 (b) For a member hired prior to January 1, 2018, the The mortality
9 assumption used for purposes of converting the member cash balance
10 account shall be the 1994 Group Annuity Mortality Table using a unisex
11 rate that is fifty percent male and fifty percent female. For purposes of
12 converting the member cash balance account attributable to contributions
13 made prior to January 1, 1984, that were transferred pursuant to the act,
14 the 1994 Group Annuity Mortality Table for males shall be used. ÷

15 (c) For a member hired on or after January 1, 2018, or rehired on or
16 after January 1, 2018, after termination of employment and being paid a
17 retirement benefit or taking a refund of contributions, the mortality
18 assumption used for purposes of converting the member cash balance
19 account shall be a mortality table using a unisex rate that is fifty
20 percent male and fifty percent female that is recommended by the actuary
21 and approved by the board following an actuarial experience study, a
22 benefit adequacy study, or a plan valuation;

23 (2) Annuity means equal monthly payments provided by the retirement
24 system to a member or beneficiary under forms determined by the board
25 beginning the first day of the month after an annuity election is
26 received in the office of the Nebraska Public Employees Retirement
27 Systems or the first day of the month after the employee's termination of
28 employment, whichever is later. The last payment shall be at the end of
29 the calendar month in which the member dies or in accordance with the
30 payment option chosen by the member;

31 (3) Annuity start date means the date upon which a member's annuity

1 is first effective and shall be the first day of the month following the
2 member's termination or following the date the application is received by
3 the board, whichever is later;

4 (4) Cash balance benefit means a member's retirement benefit that is
5 equal to an amount based on annual employee contribution credits plus
6 interest credits and, if vested, employer contribution credits plus
7 interest credits and dividend amounts credited in accordance with
8 subdivision (4)(c) of section 23-2317;

9 (5)(a) Compensation means gross wages or salaries payable to the
10 member for personal services performed during the plan year. Compensation
11 does not include insurance premiums converted into cash payments,
12 reimbursement for expenses incurred, fringe benefits, per diems, or
13 bonuses for services not actually rendered, including, but not limited
14 to, early retirement inducements, cash awards, and severance pay, except
15 for retroactive salary payments paid pursuant to court order,
16 arbitration, or litigation and grievance settlements. Compensation
17 includes overtime pay, member retirement contributions, and amounts
18 contributed by the member to plans under sections 125, 403(b), and 457 of
19 the Internal Revenue Code or any other section of the code which defers
20 or excludes such amounts from income.

21 (b) Compensation in excess of the limitations set forth in section
22 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
23 employee who was a member of the retirement system before the first plan
24 year beginning after December 31, 1995, the limitation on compensation
25 shall not be less than the amount which was allowed to be taken into
26 account under the retirement system as in effect on July 1, 1993;

27 (6) Date of adoption of the retirement system by each county means
28 the first day of the month next following the date of approval of the
29 retirement system by the county board or January 1, 1987, whichever is
30 earlier;

31 (7) Date of disability means the date on which a member is

1 determined by the board to be disabled;

2 (8) Defined contribution benefit means a member's retirement benefit
3 from a money purchase plan in which member benefits equal annual
4 contributions and earnings pursuant to section 23-2309 and, if vested,
5 employer contributions and earnings pursuant to section 23-2310;

6 (9) Disability means an inability to engage in a substantially
7 gainful activity by reason of any medically determinable physical or
8 mental impairment which can be expected to result in death or be of a
9 long and indefinite duration;

10 (10) Employee means all persons or officers who are employed by a
11 county of the State of Nebraska on a permanent basis, persons or officers
12 employed by or serving in a municipal county formed by at least one
13 county participating in the retirement system, persons employed as
14 provided in section 2-1608, all elected officers of a county, and such
15 other persons or officers as are classified from time to time as
16 permanent employees by the county board of the county by which they are
17 employed, except that employee does not include judges, employees or
18 officers of any county having a population in excess of two hundred fifty
19 thousand inhabitants as determined by the most recent federal decennial
20 census, or, except as provided in section 23-2306, persons making
21 contributions to the School Employees Retirement System of the State of
22 Nebraska;

23 (11) Employee contribution credit means an amount equal to the
24 member contribution amount required by section 23-2307;

25 (12) Employer contribution credit means an amount equal to the
26 employer contribution amount required by section 23-2308;

27 (13) Final account value means the value of a member's account on
28 the date the account is either distributed to the member or used to
29 purchase an annuity from the plan, which date shall occur as soon as
30 administratively practicable after receipt of a valid application for
31 benefits, but no sooner than forty-five days after the member's

1 termination;

2 (14) Five-year break in service means a period of five consecutive
3 one-year breaks in service;

4 (15) Full-time employee means an employee who is employed to work
5 one-half or more of the regularly scheduled hours during each pay period;

6 (16) Future service means service following the date of adoption of
7 the retirement system;

8 (17) Guaranteed investment contract means an investment contract or
9 account offering a return of principal invested plus interest at a
10 specified rate. For investments made after July 19, 1996, guaranteed
11 investment contract does not include direct obligations of the United
12 States or its instrumentalities, bonds, participation certificates or
13 other obligations of the Federal National Mortgage Association, the
14 Federal Home Loan Mortgage Corporation, or the Government National
15 Mortgage Association, or collateralized mortgage obligations and other
16 derivative securities. This subdivision shall not be construed to require
17 the liquidation of investment contracts or accounts entered into prior to
18 July 19, 1996;

19 (18) Interest credit rate means the greater of (a) five percent or
20 (b) the applicable federal mid-term rate, as published by the Internal
21 Revenue Service as of the first day of the calendar quarter for which
22 interest credits are credited, plus one and one-half percent, such rate
23 to be compounded annually;

24 (19) Interest credits means the amounts credited to the employee
25 cash balance account and the employer cash balance account at the end of
26 each day. Such interest credit for each account shall be determined by
27 applying the daily portion of the interest credit rate to the account
28 balance at the end of the previous day. Such interest credits shall
29 continue to be credited to the employee cash balance account and the
30 employer cash balance account after a member ceases to be an employee,
31 except that no such credit shall be made with respect to the employee

1 cash balance account and the employer cash balance account for any day
2 beginning on or after the member's date of final account value. If
3 benefits payable to the member's surviving spouse or beneficiary are
4 delayed after the member's death, interest credits shall continue to be
5 credited to the employee cash balance account and the employer cash
6 balance account until such surviving spouse or beneficiary commences
7 receipt of a distribution from the plan;

8 (20) Member cash balance account means an account equal to the sum
9 of the employee cash balance account and, if vested, the employer cash
10 balance account and dividend amounts credited in accordance with
11 subdivision (4)(c) of section 23-2317;

12 (21) One-year break in service means a plan year during which the
13 member has not completed more than five hundred hours of service;

14 (22) Participation means qualifying for and making the required
15 deposits to the retirement system during the course of a plan year;

16 (23) Part-time employee means an employee who is employed to work
17 less than one-half of the regularly scheduled hours during each pay
18 period;

19 (24) Plan year means the twelve-month period beginning on January 1
20 and ending on December 31;

21 (25) Prior service means service prior to the date of adoption of
22 the retirement system;

23 (26) Regular interest means the rate of interest earned each
24 calendar year as determined by the retirement board in conformity with
25 actual and expected earnings on the investments through December 31,
26 1985;

27 (27) Required contribution means the deduction to be made from the
28 compensation of employees as provided in the act;

29 (28) Retirement means qualifying for and accepting the retirement
30 benefit granted under the act after terminating employment;

31 (29) Retirement application means the form approved and provided by

1 the retirement system for acceptance of a member's request for either
2 regular or disability retirement;

3 (30) Retirement board or board means the Public Employees Retirement
4 Board;

5 (31) Retirement date means (a) the first day of the month following
6 the date upon which a member's request for retirement is received on a
7 retirement application if the member is eligible for retirement and has
8 terminated employment or (b) the first day of the month following
9 termination of employment if the member is eligible for retirement and
10 has filed an application but has not yet terminated employment;

11 (32) Retirement system means the Retirement System for Nebraska
12 Counties;

13 (33) Service means the actual total length of employment as an
14 employee and is not deemed to be interrupted by (a) temporary or seasonal
15 suspension of service that does not terminate the employee's employment,
16 (b) leave of absence authorized by the employer for a period not
17 exceeding twelve months, (c) leave of absence because of disability, or
18 (d) military service, when properly authorized by the retirement board.
19 Service does not include any period of disability for which disability
20 retirement benefits are received under section 23-2315;

21 (34) Surviving spouse means (a) the spouse married to the member on
22 the date of the member's death or (b) the spouse or former spouse of the
23 member if survivorship rights are provided under a qualified domestic
24 relations order filed with the board pursuant to the Spousal Pension
25 Rights Act. The spouse or former spouse shall supersede the spouse
26 married to the member on the date of the member's death as provided under
27 a qualified domestic relations order. If the benefits payable to the
28 spouse or former spouse under a qualified domestic relations order are
29 less than the value of benefits entitled to the surviving spouse, the
30 spouse married to the member on the date of the member's death shall be
31 the surviving spouse for the balance of the benefits;

1 (35) Termination of employment occurs on the date on which a county
2 which is a member of the retirement system determines that its employer-
3 employee relationship with an employee is dissolved. The county shall
4 notify the board of the date on which such a termination has occurred.
5 Termination of employment does not occur if an employee whose employer-
6 employee relationship with a county is dissolved enters into an employer-
7 employee relationship with the same or another county which participates
8 in the Retirement System for Nebraska Counties and there are less than
9 one hundred twenty days between the date when the employee's employer-
10 employee relationship ceased with the county and the date when the
11 employer-employee relationship commenced with the same or another county
12 which qualifies the employee for participation in the plan. It is the
13 responsibility of the employer that is involved in the termination of
14 employment to notify the board of such change in employment and provide
15 the board with such information as the board deems necessary. If the
16 board determines that termination of employment has not occurred and a
17 retirement benefit has been paid to a member of the retirement system
18 pursuant to section 23-2319, the board shall require the member who has
19 received such benefit to repay the benefit to the retirement system; and
20 (36) Vesting credit means credit for years, or a fraction of a year,
21 of participation in another Nebraska governmental plan for purposes of
22 determining vesting of the employer account.

23 Sec. 2. Section 23-2317, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 23-2317 (1) The future service retirement benefit shall be an
26 annuity, payable monthly with the first payment made no earlier than the
27 annuity start date, which shall be the actuarial equivalent of the
28 retirement value as specified in section 23-2316 based on factors
29 determined by the board, except that gender shall not be a factor when
30 determining the amount of such payments pursuant to subsection (2) of
31 this section.

1 Except as provided in section 42-1107, at any time before the
2 annuity start date, the retiring employee may choose to receive his or
3 her annuity either in the form of an annuity as provided under subsection
4 (4) of this section or any optional form that is determined by the board.

5 Except as provided in section 42-1107, in lieu of the future service
6 retirement annuity, a retiring employee may receive a benefit not to
7 exceed the amount in his or her employer and employee accounts as of the
8 date of final account value payable in a lump sum and, if the employee
9 chooses not to receive the entire amount in such accounts, an annuity
10 equal to the actuarial equivalent of the remainder of the retirement
11 value, and the employee may choose any form of such annuity as provided
12 for by the board.

13 In any case, the amount of the monthly payment shall be such that
14 the annuity chosen shall be the actuarial equivalent of the retirement
15 value as specified in section 23-2316 except as provided in this section.

16 The board shall provide to any county employee who is eligible for
17 retirement, prior to his or her selecting any of the retirement options
18 provided by this section, information on the federal and state income tax
19 consequences of the various annuity or retirement benefit options.

20 (2) Except as provided in subsection (4) of this section, the
21 monthly income payable to a member retiring on or after January 1, 1984,
22 shall be as follows:

23 He or she shall receive at retirement the amount which may be
24 purchased by the accumulated contributions based on annuity rates in
25 effect on the annuity start date which do not utilize gender as a factor,
26 except that such amounts shall not be less than the retirement income
27 which can be provided by the sum of the amounts derived pursuant to
28 subdivisions (a) and (b) of this subsection as follows:

29 (a) The income provided by the accumulated contributions made prior
30 to January 1, 1984, based on male annuity purchase rates in effect on the
31 date of purchase; and

1 (b) The income provided by the accumulated contributions made on and
2 after January 1, 1984, based on the annuity purchase rates in effect on
3 the date of purchase which do not use gender as a factor.

4 (3) Any amount, in excess of contributions, which may be required in
5 order to purchase the retirement income specified in subsection (2) of
6 this section shall be withdrawn from the County Equal Retirement Benefit
7 Fund.

8 (4)(a) The normal form of payment shall be a single life annuity
9 with five-year certain, which is an annuity payable monthly during the
10 remainder of the member's life with the provision that, in the event of
11 his or her death before sixty monthly payments have been made, the
12 monthly payments will be continued to his or her estate or to the
13 beneficiary he or she has designated until sixty monthly payments have
14 been made in total. Such annuity shall be equal to the actuarial
15 equivalent of the member cash balance account or the sum of the employee
16 and employer accounts, whichever is applicable, as of the date of final
17 account value. As a part of the annuity, the normal form of payment may
18 include a two and one-half percent cost-of-living adjustment purchased by
19 the member, if the member elects such a payment option.

20 Except as provided in section 42-1107, a member may elect a lump-sum
21 distribution of his or her member cash balance account as of the date of
22 final account value upon termination of service or retirement.

23 For a member employed and participating in the retirement system
24 prior to January 1, 2003, who has elected to participate in the cash
25 balance benefit pursuant to section 23-2308.01, or for a member employed
26 and participating in the retirement system beginning on and after January
27 1, 2003, the balance of his or her member cash balance account as of the
28 date of final account value shall be converted to an annuity using an
29 annuity interest rate that is recommended by the actuary and approved by
30 the board following an actuarial experience study, a benefit adequacy
31 study, or a plan valuation used in the actuarial valuation as recommended

1 ~~by the actuary and approved by the board.~~

2 For an employee who is a member prior to January 1, 2003, who has
3 elected not to participate in the cash balance benefit pursuant to
4 section 23-2308.01, and who, at the time of retirement, chooses the
5 annuity option rather than the lump-sum option, his or her employee and
6 employer accounts as of the date of final account value shall be
7 converted to an annuity using an annuity interest rate that is equal to
8 ~~the lesser of (i) the Pension Benefit Guaranty Corporation initial~~
9 ~~interest rate for valuing annuities for terminating plans as of the~~
10 ~~beginning of the year during which payment begins plus three-fourths of~~
11 ~~one percent or (ii) the interest rate used in the actuarial valuation as~~
12 ~~recommended by the actuary and approved by the board.~~

13 (b) For the calendar year beginning January 1, 2003, and each
14 calendar year thereafter, the actuary for the board shall perform an
15 actuarial valuation of the system using the entry age actuarial cost
16 method. Under this method, the actuarially required funding rate is equal
17 to the normal cost rate plus the contribution rate necessary to amortize
18 the unfunded actuarial accrued liability on a level-payment basis. The
19 normal cost under this method shall be determined for each individual
20 member on a level percentage of salary basis. The normal cost amount is
21 then summed for all members. The initial unfunded actual accrued
22 liability as of January 1, 2003, if any, shall be amortized over a
23 twenty-five-year period. During each subsequent actuarial valuation,
24 changes in the unfunded actuarial accrued liability due to changes in
25 benefits, actuarial assumptions, the asset valuation method, or actuarial
26 gains or losses shall be measured and amortized over a twenty-five-year
27 period beginning on the valuation date of such change. If the unfunded
28 actuarial accrued liability under the entry age actuarial cost method is
29 zero or less than zero on an actuarial valuation date, then all prior
30 unfunded actuarial accrued liabilities shall be considered fully funded
31 and the unfunded actuarial accrued liability shall be reinitialized and

1 amortized over a twenty-five-year period as of the actuarial valuation
2 date. If the actuarially required contribution rate exceeds the rate of
3 all contributions required pursuant to the County Employees Retirement
4 Act, there shall be a supplemental appropriation sufficient to pay for
5 the difference between the actuarially required contribution rate and the
6 rate of all contributions required pursuant to the act.

7 (c) If the unfunded accrued actuarial liability under the entry age
8 actuarial cost method is less than zero on an actuarial valuation date,
9 and on the basis of all data in the possession of the retirement board,
10 including such mortality and other tables as are recommended by the
11 actuary engaged by the retirement board and adopted by the retirement
12 board, the retirement board may elect to pay a dividend to all members
13 participating in the cash balance option in an amount that would not
14 increase the actuarial contribution rate above ninety percent of the
15 actual contribution rate. Dividends shall be credited to the employee
16 cash balance account and the employer cash balance account based on the
17 account balances on the actuarial valuation date. In the event a dividend
18 is granted and paid after the actuarial valuation date, interest for the
19 period from the actuarial valuation date until the dividend is actually
20 paid shall be paid on the dividend amount. The interest rate shall be the
21 interest credit rate earned on regular contributions.

22 (5) At the option of the retiring member, any lump sum or annuity
23 provided under this section or section 23-2334 may be deferred to
24 commence at any time, except that no benefit shall be deferred later than
25 April 1 of the year following the year in which the employee has both
26 attained at least seventy and one-half years of age and has terminated
27 his or her employment with the county. Such election by the retiring
28 member may be made at any time prior to the commencement of the lump-sum
29 or annuity payments.

30 (6) A participant or beneficiary who would have been required to
31 receive required minimum distributions for 2009 but for the enactment of

1 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
2 satisfied that requirement by receiving distributions that are either
3 equal to the 2009 required minimum distributions or one or more payments
4 in a series of substantially equal distributions, including the 2009
5 required minimum distribution, made at least annually and expected to
6 last for the life or life expectancy of the participant, the joint lives
7 or joint life expectancy of the participant and the participant's
8 designated beneficiary, or for a period of at least ten years, shall
9 receive those distributions for 2009 unless the participant or
10 beneficiary chooses not to receive such distributions. Participants and
11 beneficiaries shall be given the opportunity to elect to stop receiving
12 the distributions described in this subsection.

13 Sec. 3. Section 24-701, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 24-701 For purposes of the Judges Retirement Act, unless the context
16 otherwise requires:

17 (1)(a) ~~(1)~~ Actuarial equivalence means the equality in value of the
18 aggregate amounts expected to be received under different forms of
19 payment.

20 (b) For a judge hired prior to July 1, 2017, the The determinations
21 are to be based on the 1994 Group Annuity Mortality Table reflecting sex-
22 distinct factors blended using seventy-five percent of the male table and
23 twenty-five percent of the female table. An annuity interest rate of
24 eight percent per annum shall be reflected in making these
25 determinations. ÷

26 (c) For a judge hired on or after July 1, 2017, or rehired on or
27 after July 1, 2017, after termination of employment and being paid a
28 retirement benefit or taking a refund of contributions, the
29 determinations shall be based on a mortality table using seventy-five
30 percent of the male table and twenty-five percent of the female table and
31 an annuity rate specified by the board. Both the mortality table and the

1 annuity rate shall be recommended by the actuary and approved by the
2 board following an actuarial experience study, a benefit adequacy study,
3 or a plan valuation;

4 (2) Beneficiary means a person so designated by a judge in the last
5 designation of beneficiary on file with the board or, if no designated
6 person survives or if no designation is on file, the estate of such
7 judge;

8 (3) Board means the Public Employees Retirement Board;

9 (4)(a) Compensation means the statutory salary of a judge or the
10 salary being received by such judge pursuant to law. Compensation does
11 not include compensation for unused sick leave or unused vacation leave
12 converted to cash payments, insurance premiums converted into cash
13 payments, reimbursement for expenses incurred, fringe benefits, per
14 diems, or bonuses for services not actually rendered, including, but not
15 limited to, early retirement inducements, cash awards, and severance pay,
16 except for retroactive salary payments paid pursuant to court order,
17 arbitration, or litigation and grievance settlements. Compensation
18 includes overtime pay, member retirement contributions, and amounts
19 contributed by the member to plans under sections 125 and 457 of the
20 Internal Revenue Code as defined in section 49-801.01 or any other
21 section of the code which defers or excludes such amounts from income.

22 (b) Compensation in excess of the limitations set forth in section
23 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
24 shall be disregarded. For an employee who was a member of the retirement
25 system before the first plan year beginning after December 31, 1995, the
26 limitation on compensation shall not be less than the amount which was
27 allowed to be taken into account under the retirement system as in effect
28 on July 1, 1993;

29 (5) Creditable service means the total number of years served as a
30 judge, including prior service, military service, and current service,
31 computed to the nearest one-twelfth year. For current service prior to

1 the time that the member has contributed the required percentage of
2 salary until the maximum benefit as limited by section 24-710 has been
3 earned, creditable service does not include current service for which
4 member contributions are not made or are withdrawn and not repaid;

5 (6) Current benefit means the initial benefit increased by all
6 adjustments made pursuant to the Judges Retirement Act;

7 (7)(a) Current service means the period of service (i) any judge of
8 the Supreme Court or judge of the district court serves in such capacity
9 from and after January 3, 1957, (ii)(A) any judge of the Nebraska
10 Workmen's Compensation Court served in such capacity from and after
11 September 20, 1957, and prior to July 17, 1986, and (B) any judge of the
12 Nebraska Workers' Compensation Court serves in such capacity on and after
13 July 17, 1986, (iii) any county judge serves in such capacity from and
14 after January 5, 1961, (iv) any judge of a separate juvenile court serves
15 in such capacity, (v) any judge of the municipal court served in such
16 capacity subsequent to October 23, 1967, and prior to July 1, 1985, (vi)
17 any judge of the county court or associate county judge serves in such
18 capacity subsequent to January 4, 1973, (vii) any clerk magistrate, who
19 was an associate county judge and a member of the fund at the time of
20 appointment as a clerk magistrate, serves in such capacity from and after
21 July 1, 1986, and (viii) any judge of the Court of Appeals serves in such
22 capacity on or after September 6, 1991.

23 (b) Current service shall not be deemed to be interrupted by (i)
24 temporary or seasonal suspension of service that does not terminate the
25 employee's employment, (ii) leave of absence authorized by the employer
26 for a period not exceeding twelve months, (iii) leave of absence because
27 of disability, or (iv) military service, when properly authorized by the
28 board. Current service does not include any period of disability for
29 which disability retirement benefits are received under section 24-709;

30 (8) Final average compensation for a judge who becomes a member
31 prior to July 1, 2015, means the average monthly compensation for the

1 three twelve-month periods of service as a judge in which compensation
2 was the greatest or, in the event of a judge serving less than three
3 twelve-month periods, the average monthly compensation for such judge's
4 period of service. Final average compensation for a judge who becomes a
5 member on and after July 1, 2015, means the average monthly compensation
6 for the five twelve-month periods of service as a judge in which
7 compensation was the greatest or, in the event of a judge serving less
8 than five twelve-month periods, the average monthly compensation for such
9 judge's period of service;

10 (9) Fund means the Nebraska Retirement Fund for Judges;

11 (10) Future member means a judge who first served as a judge on or
12 after December 25, 1969, or means a judge who first served as a judge
13 prior to December 25, 1969, who elects to become a future member on or
14 before June 30, 1970, as provided in subsection (8) of section 24-703 or
15 section 24-710.01;

16 (11) Initial benefit means the retirement benefit calculated at the
17 time of retirement;

18 (12) Judge means and includes (a) all duly elected or appointed
19 Chief Justices or judges of the Supreme Court and judges of the district
20 courts of Nebraska who serve in such capacity on and after January 3,
21 1957, (b)(i) all duly appointed judges of the Nebraska Workmen's
22 Compensation Court who served in such capacity on and after September 20,
23 1957, and prior to July 17, 1986, and (ii) judges of the Nebraska
24 Workers' Compensation Court who serve in such capacity on and after July
25 17, 1986, (c) judges of separate juvenile courts, (d) judges of the
26 county courts of the respective counties who serve in such capacity on
27 and after January 5, 1961, (e) judges of the county court and clerk
28 magistrates who were associate county judges and members of the fund at
29 the time of their appointment as clerk magistrates, (f) judges of
30 municipal courts established by Chapter 26, article 1, who served in such
31 capacity on and after October 23, 1967, and prior to July 1, 1985, and

1 (g) judges of the Court of Appeals;

2 (13) Member means a judge eligible to participate in the retirement
3 system established under the Judges Retirement Act;

4 (14) Military service means active service of (a) any judge of the
5 Supreme Court or judge of the district court in any of the armed forces
6 of the United States during a war or national emergency prior or
7 subsequent to September 18, 1955, if such service commenced while such
8 judge was holding the office of judge, (b) any judge of the Nebraska
9 Workmen's Compensation Court or the Nebraska Workers' Compensation Court
10 in any of the armed forces of the United States during a war or national
11 emergency prior or subsequent to September 20, 1957, if such service
12 commenced while such judge was holding the office of judge, (c) any judge
13 of the municipal court in any of the armed forces of the United States
14 during a war or national emergency prior or subsequent to October 23,
15 1967, and prior to July 1, 1985, if such service commenced while such
16 judge was holding the office of judge, (d) any judge of the county court
17 or associate county judge in any of the armed forces of the United States
18 during a war or national emergency prior or subsequent to January 4,
19 1973, if such service commenced while such judge was holding the office
20 of judge, (e) any clerk magistrate, who was an associate county judge and
21 a member of the fund at the time of appointment as a clerk magistrate, in
22 any of the armed forces of the United States during a war or national
23 emergency on or after July 1, 1986, if such service commenced while such
24 clerk magistrate was holding the office of clerk magistrate, and (f) any
25 judge of the Court of Appeals in any of the armed forces of the United
26 States during a war or national emergency on or after September 6, 1991,
27 if such service commenced while such judge was holding the office of
28 judge. The board shall have the power to determine when a national
29 emergency exists or has existed for the purpose of applying this
30 definition and provision;

31 (15) Normal form annuity means a series of equal monthly payments

1 payable at the end of each calendar month during the life of a retired
2 judge as provided in sections 24-707 and 24-710, except as provided in
3 section 42-1107. The first payment shall include all amounts accrued
4 since the effective date of the award of the annuity. The last payment
5 shall be at the end of the calendar month in which such judge dies. If at
6 the time of death the amount of annuity payments such judge has received
7 is less than contributions to the fund made by such judge, plus regular
8 interest, the difference shall be paid to the beneficiary or estate;

9 (16) Normal retirement date means the first day of the month
10 following attainment of age sixty-five;

11 (17) Original member means a judge who first served as a judge prior
12 to December 25, 1969, who does not elect to become a future member
13 pursuant to subsection (8) of section 24-703 or section 24-710.01, and
14 who was retired on or before December 31, 1992;

15 (18) Plan year means the twelve-month period beginning on July 1 and
16 ending on June 30 of the following year;

17 (19) Prior service means all the periods of time any person has
18 served as a (a) judge of the Supreme Court or judge of the district court
19 prior to January 3, 1957, (b) judge of the county court prior to January
20 5, 1961, (c) judge of the Nebraska Workmen's Compensation Court prior to
21 September 20, 1957, (d) judge of the separate juvenile court, or (e)
22 judge of the municipal court prior to October 23, 1967;

23 (20) Regular interest means interest fixed at a rate equal to the
24 daily treasury yield curve for one-year treasury securities, as published
25 by the Secretary of the Treasury of the United States, that applies on
26 July 1 of each year, which may be credited monthly, quarterly,
27 semiannually, or annually as the board may direct;

28 (21) Retirement application means the form approved and provided by
29 the retirement system for acceptance of a member's request for either
30 regular or disability retirement;

31 (22) Retirement date means (a) the first day of the month following

1 the date upon which a member's request for retirement is received on a
2 retirement application if the member is eligible for retirement and has
3 terminated employment or (b) the first day of the month following
4 termination of employment if the member is eligible for retirement and
5 has filed an application but has not yet terminated employment;

6 (23) Retirement system or system means the Nebraska Judges
7 Retirement System as provided in the Judges Retirement Act;

8 (24) Surviving spouse means (a) the spouse married to the member on
9 the date of the member's death or (b) the spouse or former spouse of the
10 member if survivorship rights are provided under a qualified domestic
11 relations order filed with the board pursuant to the Spousal Pension
12 Rights Act. The spouse or former spouse shall supersede the spouse
13 married to the member on the date of the member's death as provided under
14 a qualified domestic relations order. If the benefits payable to the
15 spouse or former spouse under the qualified domestic relations order are
16 less than the value of benefits entitled to the surviving spouse, the
17 spouse married to the member on the date of the member's death shall be
18 the surviving spouse for the balance of the benefits; and

19 (25) Termination of employment occurs on the date on which the State
20 Court Administrator's office determines that the judge's employer-
21 employee relationship with the State of Nebraska is dissolved. The State
22 Court Administrator's office shall notify the board of the date on which
23 such a termination has occurred. Termination of employment does not
24 include ceasing employment as a judge if the judge returns to regular
25 employment as a judge or is employed on a regular basis by another agency
26 of the State of Nebraska and there are less than one hundred twenty days
27 between the date when the judge's employer-employee relationship ceased
28 and the date when the employer-employee relationship recommences. It is
29 the responsibility of the employer that is involved in the termination of
30 employment to notify the board of such change in employment and provide
31 the board with such information as the board deems necessary. If the

1 board determines that termination of employment has not occurred and a
2 retirement benefit has been paid to a member of the retirement system
3 pursuant to section 24-710, the board shall require the member who has
4 received such benefit to repay the benefit to the retirement system.

5 Sec. 4. Section 79-902, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 79-902 For purposes of the School Employees Retirement Act, unless
8 the context otherwise requires:

9 (1) Accumulated contributions means the sum of all amounts deducted
10 from the compensation of a member and credited to his or her individual
11 account in the School Retirement Fund together with regular interest
12 thereon, compounded monthly, quarterly, semiannually, or annually;

13 (2)(a) {2} Actuarial equivalent means the equality in value of the
14 aggregate amounts expected to be received under different forms of
15 payment.

16 (b) For a school employee hired before July 1, 2017, the The
17 determinations shall be based on the 1994 Group Annuity Mortality Table
18 reflecting sex-distinct factors blended using twenty-five percent of the
19 male table and seventy-five percent of the female table. An annuity
20 interest rate of eight percent per annum shall be reflected in making
21 these determinations except when a lump-sum settlement is made to an
22 estate.

23 (c) For a school employee hired on or after July 1, 2017, or rehired
24 on or after July 1, 2017, after termination of employment and being paid
25 a retirement benefit or taking a refund of contributions, the
26 determinations shall be based on a mortality table using twenty-five
27 percent of the male table and seventy-five percent of the female table
28 and an annuity rate specified by the board. Both the mortality table and
29 the annuity rate shall be recommended by the actuary and approved by the
30 retirement board following an actuarial experience study, a benefit
31 adequacy study, or a plan valuation.

1 (d) If the lump-sum settlement is made to an estate, the interest
2 rate will be determined by the Moody's Triple A Bond Index as of the
3 prior June 30, rounded to the next lower quarter percent;

4 (3) Beneficiary means any person in receipt of a school retirement
5 allowance or other benefit provided by the act;

6 (4)(a) Compensation means gross wages or salaries payable to the
7 member for personal services performed during the plan year and includes
8 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
9 salary payments paid pursuant to court order, arbitration, or litigation
10 and grievance settlements, and (iv) amounts contributed by the member to
11 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
12 defined in section 49-801.01 or any other section of the code which
13 defers or excludes such amounts from income.

14 (b) Compensation does not include (i) fraudulently obtained amounts
15 as determined by the retirement board, (ii) amounts for unused sick leave
16 or unused vacation leave converted to cash payments, (iii) insurance
17 premiums converted into cash payments, (iv) reimbursement for expenses
18 incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii)
19 bonuses for services not actually rendered, including, but not limited
20 to, early retirement inducements, cash awards, and severance pay, or
21 (viii) beginning on September 4, 2005, employer contributions made for
22 the purposes of separation payments made at retirement and early
23 retirement inducements as provided for in section 79-514.

24 (c) Compensation in excess of the limitations set forth in section
25 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
26 shall be disregarded. For an employee who was a member of the retirement
27 system before the first plan year beginning after December 31, 1995, the
28 limitation on compensation shall not be less than the amount which was
29 allowed to be taken into account under the retirement system as in effect
30 on July 1, 1993;

31 (5) County school official means (a) until July 1, 2000, the county

1 superintendent or district superintendent and any person serving in his
2 or her office who is required by law to have a teacher's certificate and
3 (b) on or after July 1, 2000, the county superintendent, county school
4 administrator, or district superintendent and any person serving in his
5 or her office who is required by law to have a teacher's certificate;

6 (6) Creditable service means prior service for which credit is
7 granted under sections 79-926 to 79-929, service credit purchased under
8 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
9 while a contributing member of the retirement system. Creditable service
10 includes working days, sick days, vacation days, holidays, and any other
11 leave days for which the employee is paid regular wages as part of the
12 employee's agreement with the employer. Creditable service does not
13 include lump-sum payments to the employee upon termination or retirement
14 in lieu of accrued benefits for such days, eligibility and vesting
15 credit, nor service years for which member contributions are withdrawn
16 and not repaid. Creditable service also does not include service rendered
17 by a member for which the retirement board determines that the member was
18 paid less in compensation than the minimum wage as provided in the Wage
19 and Hour Act or service which the board determines was rendered with the
20 intent to defraud the retirement system;

21 (7) Current benefit means the initial benefit increased by all
22 adjustments made pursuant to the School Employees Retirement Act;

23 (8) Disability means an inability to engage in a substantially
24 gainful activity by reason of any medically determinable physical or
25 mental impairment which can be expected to result in death or be of a
26 long and indefinite duration;

27 (9) Disability retirement allowance means the annuity paid to a
28 person upon retirement for disability under section 79-952;

29 (10) Disability retirement date means the first day of the month
30 following the date upon which a member's request for disability
31 retirement is received on a retirement application provided by the

1 retirement system if the member has terminated employment in the school
2 system and has complied with sections 79-951 to 79-954 as such sections
3 refer to disability retirement;

4 (11) Eligibility and vesting credit means credit for years, or a
5 fraction of a year, of participation in a Nebraska government plan for
6 purposes of determining eligibility for benefits under the School
7 Employees Retirement Act. Such credit shall not be included as years of
8 creditable service in the benefit calculation;

9 (12) Emeritus member means a person (a) who has entered retirement
10 under the provisions of the act, including those persons who have retired
11 since July 1, 1945, under any other regularly established retirement or
12 pension system as contemplated by section 79-916, (b) who has thereafter
13 been reemployed in any capacity by a public school, a Class V school
14 district, or a school under the control and management of the Board of
15 Trustees of the Nebraska State Colleges, the Board of Regents of the
16 University of Nebraska, or a community college board of governors or has
17 become a state school official or county school official subsequent to
18 such retirement, and (c) who has applied to the board for emeritus
19 membership in the retirement system. The school district or agency shall
20 certify to the retirement board on forms prescribed by the retirement
21 board that the annuitant was reemployed, rendered a service, and was paid
22 by the district or agency for such services;

23 (13) Employer means the State of Nebraska or any subdivision thereof
24 or agency of the state or subdivision authorized by law to hire school
25 employees or to pay their compensation;

26 (14)(a) Final average compensation means:

27 (i) Except as provided in subdivision (ii) of this subdivision:

28 (A) The sum of the member's total compensation during the three
29 twelve-month periods of service as a school employee in which such
30 compensation was the greatest divided by thirty-six; or

31 (B) If a member has such compensation for less than thirty-six

1 months, the sum of the member's total compensation in all months divided
2 by the total number of months of his or her creditable service therefor;
3 and

4 (ii) For an employee who became a member on or after July 1, 2013:

5 (A) The sum of the member's total compensation during the five
6 twelve-month periods of service as a school employee in which such
7 compensation was the greatest divided by sixty; or

8 (B) If a member has such compensation for less than sixty months,
9 the sum of the member's total compensation in all months divided by the
10 total number of months of his or her creditable service therefor.

11 (b) Payments under the Retirement Incentive Plan pursuant to section
12 79-855 and Staff Development Assistance pursuant to section 79-856 shall
13 not be included in the determination of final average compensation;

14 (15) Fiscal year means any year beginning July 1 and ending June 30
15 next following;

16 (16) Initial benefit means the retirement benefit calculated at the
17 time of retirement;

18 (17) Member means any person who has an account in the School
19 Retirement Fund;

20 (18) Participation means qualifying for and making required deposits
21 to the retirement system during the course of a plan year;

22 (19) Plan year means the twelve-month period beginning on July 1 and
23 ending on June 30 of the following year;

24 (20) Prior service means service rendered as a school employee in
25 the public schools of the State of Nebraska prior to July 1, 1945;

26 (21) Public school means any and all schools offering instruction in
27 elementary or high school grades, as defined in section 79-101, which
28 schools are supported by public funds and are wholly under the control
29 and management of the State of Nebraska or any subdivision thereof,
30 including (a) schools or other entities established, maintained, and
31 controlled by the school boards of local school districts, except Class V

1 school districts, (b) any educational service unit, and (c) any other
2 educational institution wholly supported by public funds, except schools
3 under the control and management of the Board of Trustees of the Nebraska
4 State Colleges, the Board of Regents of the University of Nebraska, or
5 the community college boards of governors for any community college
6 areas;

7 (22) Regular employee means an employee hired by a public school or
8 under contract in a regular full-time or part-time position who works a
9 full-time or part-time schedule on an ongoing basis for twenty or more
10 hours per week. An employee hired as described in this subdivision to
11 provide service for less than twenty hours per week but who provides
12 service for an average of twenty hours or more per week in each calendar
13 month of any three calendar months of a plan year shall, beginning with
14 the next full payroll period, commence contributions and shall be deemed
15 a regular employee for all future employment with the same employer;

16 (23) Regular interest means interest fixed at a rate equal to the
17 daily treasury yield curve for one-year treasury securities, as published
18 by the Secretary of the Treasury of the United States, that applies on
19 July 1 of each year, which may be credited monthly, quarterly,
20 semiannually, or annually as the board may direct;

21 (24) Relinquished creditable service means, with respect to a member
22 who has withdrawn his or her accumulated contributions under section
23 79-955, the total amount of creditable service which such member has
24 given up as a result of his or her election not to remain a member of the
25 retirement system;

26 (25) Required deposit means the deduction from a member's
27 compensation as provided for in section 79-958 which shall be deposited
28 in the School Retirement Fund;

29 (26) Retirement means qualifying for and accepting a school or
30 disability retirement allowance granted under the School Employees
31 Retirement Act;

1 (27) Retirement application means the form approved and provided by
2 the retirement system for acceptance of a member's request for either
3 regular or disability retirement;

4 (28) Retirement board or board means the Public Employees Retirement
5 Board;

6 (29) Retirement date means (a) if the member has terminated
7 employment, the first day of the month following the date upon which a
8 member's request for retirement is received on a retirement application
9 provided by the retirement system or (b) if the member has filed a
10 retirement application but has not yet terminated employment, the first
11 day of the month following the date on which the member terminates
12 employment. An application may be filed no more than one hundred twenty
13 days prior to the effective date of the member's initial benefit;

14 (30) Retirement system means the School Employees Retirement System
15 of the State of Nebraska;

16 (31) Savings annuity means payments for life, made in equal monthly
17 payments, derived from the accumulated contributions of a member;

18 (32) School employee means a contributing member who earns service
19 credit pursuant to section 79-927. For purposes of this section,
20 contributing member means the following persons who receive compensation
21 from a public school: (a) Regular employees; (b) regular employees having
22 retired pursuant to the School Employees Retirement Act who subsequently
23 provide compensated service on a regular basis in any capacity; and (c)
24 regular employees hired by a public school on an ongoing basis to assume
25 the duties of other regular employees who are temporarily absent.
26 Substitute employees, temporary employees, and employees who have not
27 attained the age of eighteen years shall not be considered school
28 employees;

29 (33) School year means one fiscal year which includes not less than
30 one thousand instructional hours or, in the case of service in the State
31 of Nebraska prior to July 1, 1945, not less than seventy-five percent of

1 the then legal school year;

2 (34) School retirement allowance means the total of the savings
3 annuity and the service annuity or formula annuity paid a person who has
4 retired under sections 79-931 to 79-935. The monthly payments shall be
5 payable at the end of each calendar month during the life of a retired
6 member. The first payment shall include all amounts accrued since the
7 effective date of the award of annuity. The last payment shall be at the
8 end of the calendar month in which such member dies or in accordance with
9 the payment option chosen by the member;

10 (35) Service means employment as a school employee and shall not be
11 deemed interrupted by (a) termination at the end of the school year of
12 the contract of employment of an employee in a public school if the
13 employee enters into a contract of employment in any public school,
14 except a school in a Class V school district, for the following school
15 year, (b) temporary or seasonal suspension of service that does not
16 terminate the employee's employment, (c) leave of absence authorized by
17 the employer for a period not exceeding twelve months, (d) leave of
18 absence because of disability, or (e) military service when properly
19 authorized by the retirement board. Service does not include any period
20 of disability for which disability retirement benefits are received under
21 sections 79-951 to 79-953;

22 (36) Service annuity means payments for life, made in equal monthly
23 installments, derived from appropriations made by the State of Nebraska
24 to the retirement system;

25 (37) State deposit means the deposit by the state in the retirement
26 system on behalf of any member;

27 (38) State school official means the Commissioner of Education and
28 his or her professional staff who are required by law or by the State
29 Department of Education to hold a certificate as such term is defined in
30 section 79-807;

31 (39) Substitute employee means a person hired by a public school as

1 a temporary employee to assume the duties of regular employees due to a
2 temporary absence of any regular employees. Substitute employee does not
3 mean a person hired as a regular employee on an ongoing basis to assume
4 the duties of other regular employees who are temporarily absent;

5 (40) Surviving spouse means (a) the spouse married to the member on
6 the date of the member's death or (b) the spouse or former spouse of the
7 member if survivorship rights are provided under a qualified domestic
8 relations order filed with the board pursuant to the Spousal Pension
9 Rights Act. The spouse or former spouse shall supersede the spouse
10 married to the member on the date of the member's death as provided under
11 a qualified domestic relations order. If the benefits payable to the
12 spouse or former spouse under a qualified domestic relations order are
13 less than the value of benefits entitled to the surviving spouse, the
14 spouse married to the member on the date of the member's death shall be
15 the surviving spouse for the balance of the benefits;

16 (41) Temporary employee means an employee hired by a public school
17 who is not a regular employee and who is hired to provide service for a
18 limited period of time to accomplish a specific purpose or task. When
19 such specific purpose or task is complete, the employment of such
20 temporary employee shall terminate and in no case shall the temporary
21 employment period exceed one year in duration; and

22 (42) Termination of employment occurs on the date on which the
23 member experiences a bona fide separation from service of employment with
24 the member's employer, the date of which separation is determined by the
25 end of the member's contractual agreement or, if there is no contract or
26 only partial fulfillment of a contract, by the employer. A member shall
27 not be deemed to have terminated employment if the member subsequently
28 provides service to any employer participating in the retirement system
29 provided for in the School Employees Retirement Act within one hundred
30 eighty days after ceasing employment unless such service:

31 (a) Is bona fide unpaid voluntary service or substitute service,

1 provided on an intermittent basis; or

2 (b) Is as provided in subsection (2) of section 79-920.

3 Nothing in this subdivision precludes an employer from adopting a
4 policy which limits or denies employees who have terminated employment
5 from providing voluntary or substitute service within one hundred eighty
6 days after termination.

7 A member shall not be deemed to have terminated employment if the
8 board determines that a claimed termination was not a bona fide
9 separation from service with the employer or that a member was
10 compensated for a full contractual period when the member terminated
11 prior to the end date of the contract.

12 Sec. 5. Section 81-2014, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 81-2014 For purposes of the Nebraska State Patrol Retirement Act:

15 (1)(a) ~~(1)~~ Actuarial equivalent means the equality in value of the
16 aggregate amounts expected to be received under different forms of
17 payment or to be received at an earlier retirement age than the normal
18 retirement age.

19 (b) For an officer hired before July 1, 2017, the ~~The~~ determinations
20 shall be based on the 1994 Group Annuity Mortality Table reflecting sex-
21 distinct factors blended using seventy-five percent of the male table and
22 twenty-five percent of the female table. An annuity interest ~~rate~~ of
23 eight percent per annum shall be reflected in making the determinations
24 until such percent is amended by the Legislature. ~~÷~~

25 (c) For an officer hired on or after July 1, 2017, or rehired on or
26 after July 1, 2017, after termination of employment and being paid a
27 retirement benefit or taking a refund of contributions, the
28 determinations shall be based on a mortality table using seventy-five
29 percent of the male table and twenty-five percent of the female table and
30 an annuity rate specified by the board. Both the mortality table and the
31 annuity rate shall be recommended by the actuary and approved by the

1 board following an actuarial experience study, a benefit adequacy study,
2 or a plan valuation;

3 (2) Board means the Public Employees Retirement Board;

4 (3)(a)(i) Compensation means gross wages or salaries payable to the
5 member for personal services performed during the plan year. Compensation
6 does not include insurance premiums converted into cash payments,
7 reimbursement for expenses incurred, fringe benefits, per diems, or
8 bonuses for services not actually rendered, including, but not limited
9 to, early retirement inducements, cash awards, and severance pay, except
10 for retroactive salary payments paid pursuant to court order,
11 arbitration, or litigation and grievance settlements. Compensation
12 includes overtime pay, member retirement contributions, and amounts
13 contributed by the member to plans under sections 125 and 457 of the
14 Internal Revenue Code as defined in section 49-801.01 or any other
15 section of the code which defers or excludes such amounts from income.

16 (ii) For any officer employed on or prior to January 4, 1979,
17 compensation includes compensation for unused sick leave or unused
18 vacation leave converted to cash payments.

19 (iii) For any officer employed after January 4, 1979, and prior to
20 July 1, 2016, compensation does not include compensation for unused sick
21 leave or unused vacation leave converted to cash payments and includes
22 compensation for unused holiday compensatory time and unused compensatory
23 time converted to cash payments.

24 (iv) For any officer employed on or after July 1, 2016, compensation
25 does not include compensation for unused sick leave, unused vacation
26 leave, unused holiday compensatory time, unused compensatory time, or any
27 other type of unused leave, compensatory time, or similar benefits,
28 converted to cash payments.

29 (b) Compensation in excess of the limitations set forth in section
30 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
31 shall be disregarded. For an employee who was a member of the retirement

1 system before the first plan year beginning after December 31, 1995, the
2 limitation on compensation shall not be less than the amount which was
3 allowed to be taken into account under the retirement system as in effect
4 on July 1, 1993;

5 (4) Creditable service means service granted pursuant to section
6 81-2034 and all service rendered while a contributing member of the
7 retirement system. Creditable service includes working days, sick days,
8 vacation days, holidays, and any other leave days for which the officer
9 is paid regular wages except as specifically provided in the Nebraska
10 State Patrol Retirement Act. Creditable service does not include
11 eligibility and vesting credit nor service years for which member
12 contributions are withdrawn and not repaid;

13 (5) Current benefit means the initial benefit increased by all
14 adjustments made pursuant to the Nebraska State Patrol Retirement Act;

15 (6) DROP means the deferred retirement option plan as provided in
16 section 81-2041;

17 (7) DROP account means an individual DROP participant's defined
18 contribution account under section 414(k) of the Internal Revenue Code;

19 (8) DROP period means the amount of time the member elects to
20 participate in DROP which shall be for a period not to exceed five years
21 from and after the date of the member's DROP election;

22 (9) Eligibility and vesting credit means credit for years, or a
23 fraction of a year, of participation in a Nebraska government plan for
24 purposes of determining eligibility for benefits under the Nebraska State
25 Patrol Retirement Act. Such credit shall be used toward the vesting
26 percentage pursuant to subsection (2) of section 81-2031 but shall not be
27 included as years of service in the benefit calculation;

28 (10) Initial benefit means the retirement benefit calculated at the
29 time of retirement;

30 (11) Officer means an officer provided for in sections 81-2001 to
31 81-2009;

1 (12) Plan year means the twelve-month period beginning on July 1 and
2 ending on June 30 of the following year;

3 (13) Regular interest means interest fixed at a rate equal to the
4 daily treasury yield curve for one-year treasury securities, as published
5 by the Secretary of the Treasury of the United States, that applies on
6 July 1 of each year, which may be credited monthly, quarterly,
7 semiannually, or annually as the board may direct;

8 (14) Retirement application means the form approved and provided by
9 the retirement system for acceptance of a member's request for either
10 regular or disability retirement;

11 (15) Retirement date means (a) the first day of the month following
12 the date upon which a member's request for retirement is received on a
13 retirement application if the member is eligible for retirement and has
14 terminated employment or (b) the first day of the month following
15 termination of employment if the member is eligible for retirement and
16 has filed an application but has not yet terminated employment;

17 (16) Retirement system or system means the Nebraska State Patrol
18 Retirement System as provided in the act;

19 (17) Service means employment as a member of the Nebraska State
20 Patrol and shall not be deemed to be interrupted by (a) temporary or
21 seasonal suspension of service that does not terminate the employee's
22 employment, (b) leave of absence authorized by the employer for a period
23 not exceeding twelve months, (c) leave of absence because of disability,
24 or (d) military service, when properly authorized by the board. Service
25 does not include any period of disability for which disability retirement
26 benefits are received under subsection (1) of section 81-2025;

27 (18) Surviving spouse means (a) the spouse married to the member on
28 the date of the member's death if married for at least one year prior to
29 death or if married on the date of the member's retirement or (b) the
30 spouse or former spouse of the member if survivorship rights are provided
31 under a qualified domestic relations order filed with the board pursuant

1 to the Spousal Pension Rights Act. The spouse or former spouse shall
2 supersede the spouse married to the member on the date of the member's
3 death as provided under a qualified domestic relations order. If the
4 benefits payable to the spouse or former spouse under a qualified
5 domestic relations order are less than the value of benefits entitled to
6 the surviving spouse, the spouse married to the member on the date of the
7 member's death shall be the surviving spouse for the balance of the
8 benefits; and

9 (19) Termination of employment occurs on the date on which the
10 Nebraska State Patrol determines that the officer's employer-employee
11 relationship with the patrol is dissolved. The Nebraska State Patrol
12 shall notify the board of the date on which such a termination has
13 occurred. Termination of employment does not include ceasing employment
14 with the Nebraska State Patrol if the officer returns to regular
15 employment with the Nebraska State Patrol or another agency of the State
16 of Nebraska and there are less than one hundred twenty days between the
17 date when the employee's employer-employee relationship ceased and the
18 date when the employer-employee relationship commenced with the Nebraska
19 State Patrol or another state agency. Termination of employment does not
20 occur upon an officer's participation in DROP pursuant to section
21 81-2041. It is the responsibility of the employer that is involved in the
22 termination of employment to notify the board of such change in
23 employment and provide the board with such information as the board deems
24 necessary. If the board determines that termination of employment has not
25 occurred and a retirement benefit has been paid to a member of the
26 retirement system pursuant to section 81-2026, the board shall require
27 the member who has received such benefit to repay the benefit to the
28 retirement system.

29 Sec. 6. Section 84-1301, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 84-1301 For purposes of the State Employees Retirement Act, unless

1 the context otherwise requires:

2 (1)(a) ~~(1)~~ Actuarial equivalent means the equality in value of the
3 aggregate amounts expected to be received under different forms of an
4 annuity payment.

5 (b) For an employee hired prior to January 1, 2018, the The
6 mortality assumption used for purposes of converting the member cash
7 balance account shall be the 1994 Group Annuity Mortality Table using a
8 unisex rate that is fifty percent male and fifty percent female. For
9 purposes of converting the member cash balance account attributable to
10 contributions made prior to January 1, 1984, that were transferred
11 pursuant to the act, the 1994 Group Annuity Mortality Table for males
12 shall be used. ÷

13 (c) For an employee hired on or after January 1, 2018, or rehired on
14 or after January 1, 2018, after termination of employment and being paid
15 a retirement benefit or taking a refund of contributions, the mortality
16 assumption used for purposes of converting the member cash balance
17 account shall be a mortality table using a unisex rate that is fifty
18 percent male and fifty percent female that is recommended by the actuary
19 and approved by the board following an actuarial experience study, a
20 benefit adequacy study, or a plan valuation;

21 (2) Annuity means equal monthly payments provided by the retirement
22 system to a member or beneficiary under forms determined by the board
23 beginning the first day of the month after an annuity election is
24 received in the office of the Nebraska Public Employees Retirement
25 Systems or the first day of the month after the employee's termination of
26 employment, whichever is later. The last payment shall be at the end of
27 the calendar month in which the member dies or in accordance with the
28 payment option chosen by the member;

29 (3) Annuity start date means the date upon which a member's annuity
30 is first effective and shall be the first day of the month following the
31 member's termination or following the date the application is received by

1 the board, whichever is later;

2 (4) Cash balance benefit means a member's retirement benefit that is
3 equal to an amount based on annual employee contribution credits plus
4 interest credits and, if vested, employer contribution credits plus
5 interest credits and dividend amounts credited in accordance with
6 subdivision (4)(c) of section 84-1319;

7 (5)(a) Compensation means gross wages or salaries payable to the
8 member for personal services performed during the plan year. Compensation
9 does not include insurance premiums converted into cash payments,
10 reimbursement for expenses incurred, fringe benefits, per diems, or
11 bonuses for services not actually rendered, including, but not limited
12 to, early retirement inducements, cash awards, and severance pay, except
13 for retroactive salary payments paid pursuant to court order,
14 arbitration, or litigation and grievance settlements. Compensation
15 includes overtime pay, member retirement contributions, and amounts
16 contributed by the member to plans under sections 125, 403(b), and 457 of
17 the Internal Revenue Code or any other section of the code which defers
18 or excludes such amounts from income.

19 (b) Compensation in excess of the limitations set forth in section
20 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
21 employee who was a member of the retirement system before the first plan
22 year beginning after December 31, 1995, the limitation on compensation
23 shall not be less than the amount which was allowed to be taken into
24 account under the retirement system as in effect on July 1, 1993;

25 (6) Date of disability means the date on which a member is
26 determined to be disabled by the board;

27 (7) Defined contribution benefit means a member's retirement benefit
28 from a money purchase plan in which member benefits equal annual
29 contributions and earnings pursuant to section 84-1310 and, if vested,
30 employer contributions and earnings pursuant to section 84-1311;

31 (8) Disability means an inability to engage in a substantially

1 gainful activity by reason of any medically determinable physical or
2 mental impairment which can be expected to result in death or to be of
3 long-continued and indefinite duration;

4 (9) Employee means any employee of the State Board of Agriculture
5 who is a member of the state retirement system on July 1, 1982, and any
6 person or officer employed by the State of Nebraska whose compensation is
7 paid out of state funds or funds controlled or administered by a state
8 department through any of its executive or administrative officers when
9 acting exclusively in their respective official, executive, or
10 administrative capacities. Employee does not include (a) judges as
11 defined in section 24-701, (b) members of the Nebraska State Patrol,
12 except for those members of the Nebraska State Patrol who elected
13 pursuant to section 60-1304 to remain members of the State Employees
14 Retirement System of the State of Nebraska, (c) employees of the
15 University of Nebraska, (d) employees of the state colleges, (e)
16 employees of community colleges, (f) employees of the Department of Labor
17 employed prior to July 1, 1984, and paid from funds provided pursuant to
18 Title III of the federal Social Security Act or funds from other federal
19 sources, except that if the contributory retirement plan or contract let
20 pursuant to section 48-609 is terminated, such employees shall become
21 employees for purposes of the State Employees Retirement Act on the first
22 day of the first pay period following the termination of such
23 contributory retirement plan or contract, (g) employees of the State
24 Board of Agriculture who are not members of the state retirement system
25 on July 1, 1982, (h) the Nebraska National Guard air and army
26 technicians, (i) persons eligible for membership under the School
27 Employees Retirement System of the State of Nebraska who have not elected
28 to become members of the retirement system pursuant to section 79-920 or
29 been made members of the system pursuant to such section, except that
30 those persons so eligible and who as of September 2, 1973, are
31 contributing to the State Employees Retirement System of the State of

1 Nebraska shall continue as members of such system, or (j) employees of
2 the Coordinating Commission for Postsecondary Education who are eligible
3 for and have elected to become members of a qualified retirement program
4 approved by the commission which is commensurate with retirement programs
5 at the University of Nebraska. Any individual appointed by the Governor
6 may elect not to become a member of the State Employees Retirement System
7 of the State of Nebraska;

8 (10) Employee contribution credit means an amount equal to the
9 member contribution amount required by section 84-1308;

10 (11) Employer contribution credit means an amount equal to the
11 employer contribution amount required by section 84-1309;

12 (12) Final account value means the value of a member's account on
13 the date the account is either distributed to the member or used to
14 purchase an annuity from the plan, which date shall occur as soon as
15 administratively practicable after receipt of a valid application for
16 benefits, but no sooner than forty-five days after the member's
17 termination;

18 (13) Five-year break in service means five consecutive one-year
19 breaks in service;

20 (14) Full-time employee means an employee who is employed to work
21 one-half or more of the regularly scheduled hours during each pay period;

22 (15) Fund means the State Employees Retirement Fund created by
23 section 84-1309;

24 (16) Guaranteed investment contract means an investment contract or
25 account offering a return of principal invested plus interest at a
26 specified rate. For investments made after July 19, 1996, guaranteed
27 investment contract does not include direct obligations of the United
28 States or its instrumentalities, bonds, participation certificates or
29 other obligations of the Federal National Mortgage Association, the
30 Federal Home Loan Mortgage Corporation, or the Government National
31 Mortgage Association, or collateralized mortgage obligations and other

1 derivative securities. This subdivision shall not be construed to require
2 the liquidation of investment contracts or accounts entered into prior to
3 July 19, 1996;

4 (17) Interest credit rate means the greater of (a) five percent or
5 (b) the applicable federal mid-term rate, as published by the Internal
6 Revenue Service as of the first day of the calendar quarter for which
7 interest credits are credited, plus one and one-half percent, such rate
8 to be compounded annually;

9 (18) Interest credits means the amounts credited to the employee
10 cash balance account and the employer cash balance account at the end of
11 each day. Such interest credit for each account shall be determined by
12 applying the daily portion of the interest credit rate to the account
13 balance at the end of the previous day. Such interest credits shall
14 continue to be credited to the employee cash balance account and the
15 employer cash balance account after a member ceases to be an employee,
16 except that no such credit shall be made with respect to the employee
17 cash balance account and the employer cash balance account for any day
18 beginning on or after the member's date of final account value. If
19 benefits payable to the member's surviving spouse or beneficiary are
20 delayed after the member's death, interest credits shall continue to be
21 credited to the employee cash balance account and the employer cash
22 balance account until such surviving spouse or beneficiary commences
23 receipt of a distribution from the plan;

24 (19) Member cash balance account means an account equal to the sum
25 of the employee cash balance account and, if vested, the employer cash
26 balance account and dividend amounts credited in accordance with
27 subdivision (4)(c) of section 84-1319;

28 (20) One-year break in service means a plan year during which the
29 member has not completed more than five hundred hours of service;

30 (21) Participation means qualifying for and making the required
31 deposits to the retirement system during the course of a plan year;

1 (22) Part-time employee means an employee who is employed to work
2 less than one-half of the regularly scheduled hours during each pay
3 period;

4 (23) Plan year means the twelve-month period beginning on January 1
5 and ending on December 31;

6 (24) Prior service means service before January 1, 1964;

7 (25) Regular interest means the rate of interest earned each
8 calendar year commencing January 1, 1975, as determined by the retirement
9 board in conformity with actual and expected earnings on the investments
10 through December 31, 1984;

11 (26) Required contribution means the deduction to be made from the
12 compensation of employees as provided in section 84-1308;

13 (27) Retirement means qualifying for and accepting the retirement
14 benefit granted under the State Employees Retirement Act after
15 terminating employment;

16 (28) Retirement application means the form approved and provided by
17 the retirement system for acceptance of a member's request for either
18 regular or disability retirement;

19 (29) Retirement board or board means the Public Employees Retirement
20 Board;

21 (30) Retirement date means (a) the first day of the month following
22 the date upon which a member's request for retirement is received on a
23 retirement application if the member is eligible for retirement and has
24 terminated employment or (b) the first day of the month following
25 termination of employment if the member is eligible for retirement and
26 has filed an application but has not yet terminated employment;

27 (31) Retirement system means the State Employees Retirement System
28 of the State of Nebraska;

29 (32) Service means the actual total length of employment as an
30 employee and shall not be deemed to be interrupted by (a) temporary or
31 seasonal suspension of service that does not terminate the employee's

1 employment, (b) leave of absence authorized by the employer for a period
2 not exceeding twelve months, (c) leave of absence because of disability,
3 or (d) military service, when properly authorized by the retirement
4 board. Service does not include any period of disability for which
5 disability retirement benefits are received under section 84-1317;

6 (33) State department means any department, bureau, commission, or
7 other division of state government not otherwise specifically defined or
8 exempted in the act, the employees and officers of which are not already
9 covered by a retirement plan;

10 (34) Surviving spouse means (a) the spouse married to the member on
11 the date of the member's death or (b) the spouse or former spouse of the
12 member if survivorship rights are provided under a qualified domestic
13 relations order filed with the board pursuant to the Spousal Pension
14 Rights Act. The spouse or former spouse shall supersede the spouse
15 married to the member on the date of the member's death as provided under
16 a qualified domestic relations order. If the benefits payable to the
17 spouse or former spouse under a qualified domestic relations order are
18 less than the value of benefits entitled to the surviving spouse, the
19 spouse married to the member on the date of the member's death shall be
20 the surviving spouse for the balance of the benefits;

21 (35) Termination of employment occurs on the date on which the
22 agency which employs the member determines that the member's employer-
23 employee relationship with the State of Nebraska is dissolved. The agency
24 which employs the member shall notify the board of the date on which such
25 a termination has occurred. Termination of employment does not occur if
26 an employee whose employer-employee relationship with the State of
27 Nebraska is dissolved enters into an employer-employee relationship with
28 the same or another agency of the State of Nebraska and there are less
29 than one hundred twenty days between the date when the employee's
30 employer-employee relationship ceased with the state and the date when
31 the employer-employee relationship commenced with the same or another

1 agency. It is the responsibility of the employer that is involved in the
2 termination of employment to notify the board of such change in
3 employment and provide the board with such information as the board deems
4 necessary. If the board determines that termination of employment has not
5 occurred and a retirement benefit has been paid to a member of the
6 retirement system pursuant to section 84-1321, the board shall require
7 the member who has received such benefit to repay the benefit to the
8 retirement system; and

9 (36) Vesting credit means credit for years, or a fraction of a year,
10 of participation in another Nebraska governmental plan for purposes of
11 determining vesting of the employer account.

12 Sec. 7. Section 84-1319, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 84-1319 (1) The future service retirement benefit shall be an
15 annuity, payable monthly with the first payment made no earlier than the
16 annuity start date, which shall be the actuarial equivalent of the
17 retirement value as specified in section 84-1318 based on factors
18 determined by the board, except that gender shall not be a factor when
19 determining the amount of such payments except as provided in this
20 section.

21 Except as provided in section 42-1107, at any time before the
22 annuity start date, the retiring employee may choose to receive his or
23 her annuity either in the form of an annuity as provided under subsection
24 (4) of this section or any optional form that is determined acceptable by
25 the board.

26 Except as provided in section 42-1107, in lieu of the future service
27 retirement annuity, a retiring employee may receive a benefit not to
28 exceed the amount in his or her employer and employee accounts as of the
29 date of final account value payable in a lump sum and, if the employee
30 chooses not to receive the entire amount in such accounts, an annuity
31 equal to the actuarial equivalent of the remainder of the retirement

1 value, and the employee may choose any form of such annuity as provided
2 for by the board.

3 In any case, the amount of the monthly payment shall be such that
4 the annuity chosen shall be the actuarial equivalent of the retirement
5 value as specified in section 84-1318 except as provided in this section.

6 The board shall provide to any state employee who is eligible for
7 retirement, prior to his or her selecting any of the retirement options
8 provided by this section, information on the federal and state income tax
9 consequences of the various annuity or retirement benefit options.

10 (2) Except as provided in subsection (4) of this section, the
11 monthly annuity income payable to a member retiring on or after January
12 1, 1984, shall be as follows:

13 He or she shall receive at retirement the amount which may be
14 purchased by the accumulated contributions based on annuity rates in
15 effect on the annuity start date which do not utilize gender as a factor,
16 except that such amounts shall not be less than the retirement income
17 which can be provided by the sum of the amounts derived pursuant to
18 subdivisions (a) and (b) of this subsection as follows:

19 (a) The income provided by the accumulated contributions made prior
20 to January 1, 1984, based on male annuity purchase rates in effect on the
21 date of purchase; and

22 (b) The income provided by the accumulated contributions made on and
23 after January 1, 1984, based on the annuity purchase rates in effect on
24 the date of purchase which do not use gender as a factor.

25 (3) Any amounts, in excess of contributions, which may be required
26 in order to purchase the retirement income specified in subsection (2) of
27 this section shall be withdrawn from the State Equal Retirement Benefit
28 Fund.

29 (4)(a) The normal form of payment shall be a single life annuity
30 with five-year certain, which is an annuity payable monthly during the
31 remainder of the member's life with the provision that, in the event of

1 his or her death before sixty monthly payments have been made, the
2 monthly payments will be continued to his or her estate or to the
3 beneficiary he or she has designated until sixty monthly payments have
4 been made in total. Such annuity shall be equal to the actuarial
5 equivalent of the member cash balance account or the sum of the employee
6 and employer accounts, whichever is applicable, as of the date of final
7 account value. As a part of the annuity, the normal form of payment may
8 include a two and one-half percent cost-of-living adjustment purchased by
9 the member, if the member elects such a payment option.

10 Except as provided in section 42-1107, a member may elect a lump-sum
11 distribution of his or her member cash balance account as of the date of
12 final account value upon termination of service or retirement.

13 For a member employed and participating in the retirement system
14 prior to January 1, 2003, who has elected to participate in the cash
15 balance benefit pursuant to section 84-1309.02, or for a member employed
16 and participating in the retirement system beginning on and after January
17 1, 2003, the balance of his or her member cash balance account as of the
18 date of final account value shall be converted to an annuity using an
19 annuity interest rate that is recommended by the actuary and approved by
20 the board following an actuarial experience study, a benefit adequacy
21 study, or a plan valuation used in the actuarial valuation as recommended
22 by the actuary and approved by the board.

23 For an employee who is a member prior to January 1, 2003, who has
24 elected not to participate in the cash balance benefit pursuant to
25 section 84-1309.02, and who, at the time of retirement, chooses the
26 annuity option rather than the lump-sum option, his or her employee and
27 employer accounts as of the date of final account value shall be
28 converted to an annuity using an annuity interest rate that is equal to
29 ~~the lesser of (i)~~ the Pension Benefit Guaranty Corporation initial
30 interest rate for valuing annuities for terminating plans as of the
31 beginning of the year during which payment begins plus three-fourths of

1 ~~one percent or (ii) the interest rate used in the actuarial valuation as~~
2 ~~recommended by the actuary and approved by the board.~~

3 (b) For the calendar year beginning January 1, 2003, and each
4 calendar year thereafter, the actuary for the board shall perform an
5 actuarial valuation of the system using the entry age actuarial cost
6 method. Under this method, the actuarially required funding rate is equal
7 to the normal cost rate plus the contribution rate necessary to amortize
8 the unfunded actuarial accrued liability on a level-payment basis. The
9 normal cost under this method shall be determined for each individual
10 member on a level percentage of salary basis. The normal cost amount is
11 then summed for all members. The initial unfunded actual accrued
12 liability as of January 1, 2003, if any, shall be amortized over a
13 twenty-five-year period. During each subsequent actuarial valuation,
14 changes in the unfunded actuarial accrued liability due to changes in
15 benefits, actuarial assumptions, the asset valuation method, or actuarial
16 gains or losses shall be measured and amortized over a twenty-five-year
17 period beginning on the valuation date of such change. If the unfunded
18 actuarial accrued liability under the entry age actuarial cost method is
19 zero or less than zero on an actuarial valuation date, then all prior
20 unfunded actuarial accrued liabilities shall be considered fully funded
21 and the unfunded actuarial accrued liability shall be reinitialized and
22 amortized over a twenty-five-year period as of the actuarial valuation
23 date. If the actuarially required contribution rate exceeds the rate of
24 all contributions required pursuant to the State Employees Retirement
25 Act, there shall be a supplemental appropriation sufficient to pay for
26 the difference between the actuarially required contribution rate and the
27 rate of all contributions required pursuant to the act.

28 (c) If the unfunded accrued actuarial liability under the entry age
29 actuarial cost method is less than zero on an actuarial valuation date,
30 and on the basis of all data in the possession of the retirement board,
31 including such mortality and other tables as are recommended by the

1 actuary engaged by the retirement board and adopted by the retirement
2 board, the retirement board may elect to pay a dividend to all members
3 participating in the cash balance option in an amount that would not
4 increase the actuarial contribution rate above ninety percent of the
5 actual contribution rate. Dividends shall be credited to the employee
6 cash balance account and the employer cash balance account based on the
7 account balances on the actuarial valuation date. In the event a dividend
8 is granted and paid after the actuarial valuation date, interest for the
9 period from the actuarial valuation date until the dividend is actually
10 paid shall be paid on the dividend amount. The interest rate shall be the
11 interest credit rate earned on regular contributions.

12 (5) At the option of the retiring member, any lump sum or annuity
13 provided under this section or section 84-1320 may be deferred to
14 commence at any time, except that no benefit shall be deferred later than
15 April 1 of the year following the year in which the employee has both
16 attained at least seventy and one-half years of age and has terminated
17 his or her employment with the state. Such election by the retiring
18 member may be made at any time prior to the commencement of the lump-sum
19 or annuity payments.

20 (6) A participant or beneficiary who would have been required to
21 receive required minimum distributions for 2009 but for the enactment of
22 section 401(a)(9)(H) of the Internal Revenue Code, and who would have
23 satisfied that requirement by receiving distributions that are either
24 equal to the 2009 required minimum distributions or one or more payments
25 in a series of substantially equal distributions, including the 2009
26 required minimum distribution, made at least annually and expected to
27 last for the life or life expectancy of the participant, the joint lives
28 or joint life expectancy of the participant and the participant's
29 designated beneficiary, or for a period of at least ten years, shall
30 receive those distributions for 2009 unless the participant or
31 beneficiary chooses not to receive such distributions. Participants and

1 beneficiaries shall be given the opportunity to elect to stop receiving
2 the distributions described in this subsection.

3 Sec. 8. Original sections 24-701, 84-1301, and 84-1319, Reissue
4 Revised Statutes of Nebraska, and sections 23-2301, 23-2317, 79-902, and
5 81-2014, Revised Statutes Cumulative Supplement, 2016, are repealed.

6 Sec. 9. Since an emergency exists, this act takes effect when
7 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 232

Introduced by Kolterman, 24.

Read first time January 11, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend section
- 2 77-202, Revised Statutes Cumulative Supplement, 2016; to provide a
- 3 property tax exemption for property leased to the state or a
- 4 governmental subdivision; to provide an operative date; and to
- 5 repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-202, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-202 (1) The following property shall be exempt from property
4 taxes:

5 (a) Property of the state and its governmental subdivisions to the
6 extent used or being developed for use by the state or governmental
7 subdivision for a public purpose. For purposes of this subdivision:

8 (i) Property of the state and its governmental subdivisions means
9 (A) property held in fee title by the state or a governmental
10 subdivision, (B) property leased to the state or a governmental
11 subdivision by the person or entity holding legal title to the property,
12 or (C) ~~(B)~~ property beneficially owned by the state or a governmental
13 subdivision in that it is used for a public purpose and is being acquired
14 under a lease-purchase agreement, financing lease, or other instrument
15 which provides for transfer of legal title to the property to the state
16 or a governmental subdivision upon payment of all amounts due thereunder.
17 If the property to be beneficially owned by a governmental subdivision
18 has a total acquisition cost that exceeds the threshold amount or will be
19 used as the site of a public building with a total estimated construction
20 cost that exceeds the threshold amount, then such property shall qualify
21 for an exemption under this section only if the question of acquiring
22 such property or constructing such public building has been submitted at
23 a primary, general, or special election held within the governmental
24 subdivision and has been approved by the voters of the governmental
25 subdivision. For purposes of this subdivision, threshold amount means the
26 greater of fifty thousand dollars or six-tenths of one percent of the
27 total actual value of real and personal property of the governmental
28 subdivision that will beneficially own the property as of the end of the
29 governmental subdivision's prior fiscal year; and

30 (ii) Public purpose means use of the property (A) to provide public
31 services with or without cost to the recipient, including the general

1 operation of government, public education, public safety, transportation,
2 public works, civil and criminal justice, public health and welfare,
3 developments by a public housing authority, parks, culture, recreation,
4 community development, and cemetery purposes, or (B) to carry out the
5 duties and responsibilities conferred by law with or without
6 consideration. Public purpose does not include leasing of property to a
7 private party unless the lease of the property is at fair market value
8 for a public purpose. Leases of property by a public housing authority to
9 low-income individuals as a place of residence are for the authority's
10 public purpose;

11 (b) Unleased property of the state or its governmental subdivisions
12 which is not being used or developed for use for a public purpose but
13 upon which a payment in lieu of taxes is paid for public safety, rescue,
14 and emergency services and road or street construction or maintenance
15 services to all governmental units providing such services to the
16 property. Except as provided in Article VIII, section 11, of the
17 Constitution of Nebraska, the payment in lieu of taxes shall be based on
18 the proportionate share of the cost of providing public safety, rescue,
19 or emergency services and road or street construction or maintenance
20 services unless a general policy is adopted by the governing body of the
21 governmental subdivision providing such services which provides for a
22 different method of determining the amount of the payment in lieu of
23 taxes. The governing body may adopt a general policy by ordinance or
24 resolution for determining the amount of payment in lieu of taxes by
25 majority vote after a hearing on the ordinance or resolution. Such
26 ordinance or resolution shall nevertheless result in an equitable
27 contribution for the cost of providing such services to the exempt
28 property;

29 (c) Property owned by and used exclusively for agricultural and
30 horticultural societies;

31 (d) Property owned by educational, religious, charitable, or

1 cemetery organizations, or any organization for the exclusive benefit of
2 any such educational, religious, charitable, or cemetery organization,
3 and used exclusively for educational, religious, charitable, or cemetery
4 purposes, when such property is not (i) owned or used for financial gain
5 or profit to either the owner or user, (ii) used for the sale of
6 alcoholic liquors for more than twenty hours per week, or (iii) owned or
7 used by an organization which discriminates in membership or employment
8 based on race, color, or national origin. For purposes of this
9 subdivision, educational organization means (A) an institution operated
10 exclusively for the purpose of offering regular courses with systematic
11 instruction in academic, vocational, or technical subjects or assisting
12 students through services relating to the origination, processing, or
13 guarantying of federally reinsured student loans for higher education or
14 (B) a museum or historical society operated exclusively for the benefit
15 and education of the public. For purposes of this subdivision, charitable
16 organization includes an organization operated exclusively for the
17 purpose of the mental, social, or physical benefit of the public or an
18 indefinite number of persons and a fraternal benefit society organized
19 and licensed under sections 44-1072 to 44-10,109; and

20 (e) Household goods and personal effects not owned or used for
21 financial gain or profit to either the owner or user.

22 (2) The increased value of land by reason of shade and ornamental
23 trees planted along the highway shall not be taken into account in the
24 valuation of land.

25 (3) Tangible personal property which is not depreciable tangible
26 personal property as defined in section 77-119 shall be exempt from
27 property tax.

28 (4) Motor vehicles, trailers, and semitrailers required to be
29 registered for operation on the highways of this state shall be exempt
30 from payment of property taxes.

31 (5) Business and agricultural inventory shall be exempt from the

1 personal property tax. For purposes of this subsection, business
2 inventory includes personal property owned for purposes of leasing or
3 renting such property to others for financial gain only if the personal
4 property is of a type which in the ordinary course of business is leased
5 or rented thirty days or less and may be returned at the option of the
6 lessee or renter at any time and the personal property is of a type which
7 would be considered household goods or personal effects if owned by an
8 individual. All other personal property owned for purposes of leasing or
9 renting such property to others for financial gain shall not be
10 considered business inventory.

11 (6) Any personal property exempt pursuant to subsection (2) of
12 section 77-4105 or section 77-5209.02 shall be exempt from the personal
13 property tax.

14 (7) Livestock shall be exempt from the personal property tax.

15 (8) Any personal property exempt pursuant to the Nebraska Advantage
16 Act shall be exempt from the personal property tax.

17 (9) Any depreciable tangible personal property used directly in the
18 generation of electricity using wind as the fuel source shall be exempt
19 from the property tax levied on depreciable tangible personal property.
20 Any depreciable tangible personal property used directly in the
21 generation of electricity using solar, biomass, or landfill gas as the
22 fuel source shall be exempt from the property tax levied on depreciable
23 tangible personal property if such depreciable tangible personal property
24 was installed on or after January 1, 2016, and has a nameplate capacity
25 of one hundred kilowatts or more. Depreciable tangible personal property
26 used directly in the generation of electricity using wind, solar,
27 biomass, or landfill gas as the fuel source includes, but is not limited
28 to, wind turbines, rotors and blades, towers, solar panels, trackers,
29 generating equipment, transmission components, substations, supporting
30 structures or racks, inverters, and other system components such as
31 wiring, control systems, switchgears, and generator step-up transformers.

1 (10) Any tangible personal property that is acquired by a person
2 operating a data center located in this state, that is assembled,
3 engineered, processed, fabricated, manufactured into, attached to, or
4 incorporated into other tangible personal property, both in component
5 form or that of an assembled product, for the purpose of subsequent use
6 at a physical location outside this state by the person operating a data
7 center shall be exempt from the personal property tax. Such exemption
8 extends to keeping, retaining, or exercising any right or power over
9 tangible personal property in this state for the purpose of subsequently
10 transporting it outside this state for use thereafter outside this state.
11 For purposes of this subsection, data center means computers, supporting
12 equipment, and other organized assembly of hardware or software that are
13 designed to centralize the storage, management, or dissemination of data
14 and information, environmentally controlled structures or facilities or
15 interrelated structures or facilities that provide the infrastructure for
16 housing the equipment, such as raised flooring, electricity supply,
17 communication and data lines, Internet access, cooling, security, and
18 fire suppression, and any building housing the foregoing.

19 (11) For each person who owns property required to be reported to
20 the county assessor under section 77-1201, there shall be allowed an
21 exemption amount as provided in the Personal Property Tax Relief Act. For
22 each person who owns property required to be valued by the state as
23 provided in section 77-601, 77-682, 77-801, or 77-1248, there shall be
24 allowed a compensating exemption factor as provided in the Personal
25 Property Tax Relief Act.

26 Sec. 2. This act becomes operative on January 1, 2018.

27 Sec. 3. Original section 77-202, Revised Statutes Cumulative
28 Supplement, 2016, is repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 266

Introduced by Friesen, 34.

Read first time January 11, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
- 2 77-5023 and 79-1016, Reissue Revised Statutes of Nebraska, and
- 3 section 77-201, Revised Statutes Cumulative Supplement, 2016; to
- 4 change the valuation of agricultural land and horticultural land as
- 5 prescribed; to harmonize provisions; to provide an operative date;
- 6 and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-201, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-201 (1) Except as provided in subsections (2) through (4) of this
4 section, all real property in this state, not expressly exempt therefrom,
5 shall be subject to taxation and shall be valued at its actual value.

6 (2) Agricultural land and horticultural land as defined in section
7 77-1359 shall constitute a separate and distinct class of property for
8 purposes of property taxation, shall be subject to taxation, unless
9 expressly exempt from taxation, and shall be valued at seventy-five
10 percent of its actual value, except that for school district taxation
11 purposes such land shall be valued at a percentage of its actual value
12 determined from the table in subsection (6) of this section.

13 (3) Agricultural land and horticultural land actively devoted to
14 agricultural or horticultural purposes which has value for purposes other
15 than agricultural or horticultural uses and which meets the
16 qualifications for special valuation under section 77-1344 shall
17 constitute a separate and distinct class of property for purposes of
18 property taxation, shall be subject to taxation, and shall be valued for
19 taxation at seventy-five percent of its special valuation value as
20 defined in section 77-1343, except that for school district taxation
21 purposes such land shall be valued at a percentage of its special
22 valuation as defined in section 77-1343 determined from the table in
23 subsection (6) of this section.

24 (4) Historically significant real property which meets the
25 qualifications for historic rehabilitation valuation under sections
26 77-1385 to 77-1394 shall be valued for taxation as provided in such
27 sections.

28 (5) Tangible personal property, not including motor vehicles,
29 trailers, and semitrailers registered for operation on the highways of
30 this state, shall constitute a separate and distinct class of property
31 for purposes of property taxation, shall be subject to taxation, unless

1 expressly exempt from taxation, and shall be valued at its net book
2 value. Tangible personal property transferred as a gift or devise or as
3 part of a transaction which is not a purchase shall be subject to
4 taxation based upon the date the property was acquired by the previous
5 owner and at the previous owner's Nebraska adjusted basis. Tangible
6 personal property acquired as replacement property for converted property
7 shall be subject to taxation based upon the date the converted property
8 was acquired and at the Nebraska adjusted basis of the converted property
9 unless insurance proceeds are payable by reason of the conversion. For
10 purposes of this subsection, (a) converted property means tangible
11 personal property which is compulsorily or involuntarily converted as a
12 result of its destruction in whole or in part, theft, seizure,
13 requisition, or condemnation, or the threat or imminence thereof, and no
14 gain or loss is recognized for federal or state income tax purposes by
15 the holder of the property as a result of the conversion and (b)
16 replacement property means tangible personal property acquired within two
17 years after the close of the calendar year in which tangible personal
18 property was converted and which is, except for date of construction or
19 manufacture, substantially the same as the converted property.

20 (6) The applicable percentage to be used for purposes of subsections
21 (2) and (3) of this section shall be determined from the following table:

<u>Tax Year</u>	<u>Percentage</u>
23 <u>2018</u>	<u>50</u>
24 <u>2019</u>	<u>40</u>
25 <u>2020 and after</u>	<u>30</u>

26 Sec. 2. Section 77-5023, Reissue Revised Statutes of Nebraska, is
27 amended to read:

28 77-5023 (1) Pursuant to section 77-5022, the commission shall have
29 the power to increase or decrease the value of a class or subclass of
30 real property in any county or taxing authority or of real property
31 valued by the state so that all classes or subclasses of real property in

1 all counties fall within an acceptable range.

2 (2) An acceptable range is the percentage of variation from a
3 standard for valuation as measured by an established indicator of central
4 tendency of assessment. Acceptable ranges are: (a) For agricultural land
5 and horticultural land as defined in section 77-1359, sixty-nine to
6 seventy-five percent of actual value, except that for school district
7 taxation purposes the acceptable range is a percentage range of actual
8 value determined pursuant to subsection (6) of this section; (b) for
9 lands receiving special valuation, sixty-nine to seventy-five percent of
10 special valuation as defined in section 77-1343, except that for school
11 district taxation purposes the acceptable range is a percentage range of
12 special valuation as defined in section 77-1343 determined pursuant to
13 subsection (6) of this section; and (c) for all other real property,
14 ninety-two to one hundred percent of actual value.

15 (3) Any increase or decrease shall cause the level of value
16 determined by the commission to be at the midpoint of the applicable
17 acceptable range.

18 (4) Any decrease or increase to a subclass of property shall also
19 cause the level of value determined by the commission for the class from
20 which the subclass is drawn to be within the applicable acceptable range.

21 (5) Whether or not the level of value determined by the commission
22 falls within an acceptable range or at the midpoint of an acceptable
23 range may be determined to a reasonable degree of certainty relying upon
24 generally accepted mass appraisal techniques.

25 (6) The applicable percentage range to be used for purposes of
26 subsection (2) of this section shall be determined from the following
27 table:

28 <u>Tax Year</u>	<u>Percentage Range</u>
29 <u>2018</u>	<u>44 to 50</u>
30 <u>2019</u>	<u>34 to 40</u>
31 <u>2020 and after</u>	<u>24 to 30</u>

1 Sec. 3. Section 79-1016, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1016 (1) On or before August 25, the county assessor shall
4 certify to the Property Tax Administrator the total taxable value by
5 school district in the county for the current assessment year on forms
6 prescribed by the Tax Commissioner. The county assessor may amend the
7 filing for changes made to the taxable valuation of the school district
8 in the county if corrections or errors on the original certification are
9 discovered. Amendments shall be certified to the Property Tax
10 Administrator on or before September 30.

11 (2) On or before October 10, the Property Tax Administrator shall
12 compute and certify to the State Department of Education the adjusted
13 valuation for the current assessment year for each class of property in
14 each school district and each local system. The adjusted valuation of
15 property for each school district and each local system, for purposes of
16 determining state aid pursuant to the Tax Equity and Educational
17 Opportunities Support Act, shall reflect as nearly as possible state aid
18 value as defined in subsection (3) of this section. The Property Tax
19 Administrator shall notify each school district and each local system of
20 its adjusted valuation for the current assessment year by class of
21 property on or before October 10. Establishment of the adjusted valuation
22 shall be based on the taxable value certified by the county assessor for
23 each school district in the county adjusted by the determination of the
24 level of value for each school district from an analysis of the
25 comprehensive assessment ratio study or other studies developed by the
26 Property Tax Administrator, in compliance with professionally accepted
27 mass appraisal techniques, as required by section 77-1327. The Tax
28 Commissioner shall adopt and promulgate rules and regulations setting
29 forth standards for the determination of level of value for state aid
30 purposes.

31 (3) For purposes of this section, state aid value means:

1 (a) For real property other than agricultural and horticultural
2 land, ninety-six percent of actual value;

3 ~~(b)(i) (b)~~ For agricultural and horticultural land, a percentage
4 ~~seventy-two percent~~ of actual value as provided in sections 77-1359 and
5 ~~to 77-1363~~ determined using the table provided in subdivision (3)(b)(ii)
6 of this section. For agricultural and horticultural land that receives
7 special valuation pursuant to section 77-1344, a percentage ~~seventy-two~~
8 ~~percent~~ of special valuation as defined in section 77-1343 determined
9 using the table provided in subdivision (3)(b)(ii) of this section; ~~and~~

10 (ii) The applicable percentage to be used for purposes of
11 subdivision (3)(b)(i) of this section shall be determined from the
12 following table:

<u>Tax Year</u>	<u>Percentage</u>
14 <u>2018</u>	<u>47</u>
15 <u>2019</u>	<u>37</u>
16 <u>2020 and after</u>	<u>27</u>

17 (c) For personal property, the net book value as defined in section
18 77-120.

19 (4) On or before November 10, any local system may file with the Tax
20 Commissioner written objections to the adjusted valuations prepared by
21 the Property Tax Administrator, stating the reasons why such adjusted
22 valuations are not the valuations required by subsection (3) of this
23 section. The Tax Commissioner shall fix a time for a hearing. Either
24 party shall be permitted to introduce any evidence in reference thereto.
25 On or before January 1, the Tax Commissioner shall enter a written order
26 modifying or declining to modify, in whole or in part, the adjusted
27 valuations and shall certify the order to the State Department of
28 Education. Modification by the Tax Commissioner shall be based upon the
29 evidence introduced at hearing and shall not be limited to the
30 modification requested in the written objections or at hearing. A copy of
31 the written order shall be mailed to the local system within seven days

1 after the date of the order. The written order of the Tax Commissioner
2 may be appealed within thirty days after the date of the order to the Tax
3 Equalization and Review Commission in accordance with section 77-5013.

4 (5) On or before November 10, any local system or county official
5 may file with the Tax Commissioner a written request for a nonappealable
6 correction of the adjusted valuation due to clerical error as defined in
7 section 77-128 or, for agricultural and horticultural land, assessed
8 value changes by reason of land qualified or disqualified for special use
9 valuation pursuant to sections 77-1343 to 77-1347.01. On or before the
10 following January 1, the Tax Commissioner shall approve or deny the
11 request and, if approved, certify the corrected adjusted valuations
12 resulting from such action to the State Department of Education.

13 (6) On or before May 31 of the year following the certification of
14 adjusted valuation pursuant to subsection (2) of this section, any local
15 system or county official may file with the Tax Commissioner a written
16 request for a nonappealable correction of the adjusted valuation due to
17 changes to the tax list that change the assessed value of taxable
18 property. Upon the filing of the written request, the Tax Commissioner
19 shall require the county assessor to recertify the taxable valuation by
20 school district in the county on forms prescribed by the Tax
21 Commissioner. The recertified valuation shall be the valuation that was
22 certified on the tax list, pursuant to section 77-1613, increased or
23 decreased by changes to the tax list that change the assessed value of
24 taxable property in the school district in the county in the prior
25 assessment year. On or before the following July 31, the Tax Commissioner
26 shall approve or deny the request and, if approved, certify the corrected
27 adjusted valuations resulting from such action to the State Department of
28 Education.

29 (7) No injunction shall be granted restraining the distribution of
30 state aid based upon the adjusted valuations pursuant to this section.

31 (8) A school district whose state aid is to be calculated pursuant

1 to subsection (5) of this section and whose state aid payment is
2 postponed as a result of failure to calculate state aid pursuant to such
3 subsection may apply to the state board for lump-sum payment of such
4 postponed state aid. Such application may be for any amount up to one
5 hundred percent of the postponed state aid. The state board may grant the
6 entire amount applied for or any portion of such amount. The state board
7 shall notify the Director of Administrative Services of the amount of
8 funds to be paid in a lump sum and the reduced amount of the monthly
9 payments. The Director of Administrative Services shall, at the time of
10 the next state aid payment made pursuant to section 79-1022, draw a
11 warrant for the lump-sum amount from appropriated funds and forward such
12 warrant to the district.

13 Sec. 4. This act becomes operative on January 1, 2018.

14 Sec. 5. Original sections 77-5023 and 79-1016, Reissue Revised
15 Statutes of Nebraska, and section 77-201, Revised Statutes Cumulative
16 Supplement, 2016, are repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 312

Introduced by Briesse, 41; Erdman, 47; Friesen, 34; Hughes, 44;
Watermeier, 1.

Read first time January 12, 2017

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 77-382, 77-2701.16, 77-2701.35, 77-2703, 77-2704.10, 77-2704.24,
3 77-2715.07, and 77-27,132, Revised Statutes Cumulative Supplement,
4 2016; to change provisions relating to a tax expenditure report; to
5 impose sales and use taxes on certain services and trade-ins; to
6 change and eliminate certain sales and use tax exemptions; to
7 increase the earned income tax credit; to provide for the use of the
8 net increase in tax revenue; to create a fund; to provide property
9 tax credits; to harmonize provisions; to provide an operative date;
10 to repeal the original sections; and to outright repeal sections
11 77-2704.07, 77-2704.14, 77-2704.38, 77-2704.52, and 77-2704.55,
12 Reissue Revised Statutes of Nebraska, and sections 77-2704.56,
13 77-2704.65, and 77-2704.67, Revised Statutes Cumulative Supplement,
14 2016.
15 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-382, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-382 (1) The department shall prepare a tax expenditure report
4 describing (a) the basic provisions of the Nebraska tax laws, (b) the
5 actual or estimated revenue loss caused by the exemptions, deductions,
6 exclusions, deferrals, credits, and preferential rates in effect on July
7 1 of each year and allowed under Nebraska's tax structure and in the
8 property tax, (c) the actual or estimated revenue loss caused by failure
9 to impose sales and use tax on services purchased for nonbusiness use,
10 and (d) the elements which make up the tax base for state and local
11 income, including income, sales and use, property, and miscellaneous
12 taxes.

13 (2) The department shall review the major tax exemptions for which
14 state general funds are used to reduce the impact of revenue lost due to
15 a tax expenditure. The report shall indicate an estimate of the amount of
16 the reduction in revenue resulting from the operation of all tax
17 expenditures. The report shall list each tax expenditure relating to
18 sales and use tax under the following categories:

19 (a) Agriculture, which shall include a separate listing for the
20 following items: Agricultural machinery; agricultural chemicals; seeds
21 sold to commercial producers; water for irrigation and manufacturing;
22 commercial artificial insemination; mineral oil as dust suppressant;
23 animal grooming; oxygen for use in aquaculture; animal life whose
24 products constitute food for human consumption; and grains;

25 (b) Business across state lines, which shall include a separate
26 listing for the following items: Property shipped out-of-state;
27 fabrication labor for items to be shipped out-of-state; property to be
28 transported out-of-state; property purchased in other states to be used
29 in Nebraska; aircraft delivery to an out-of-state resident or business;
30 state reciprocal agreements for industrial machinery; and property taxed
31 in another state;

1 (c) Common carrier and logistics, which shall include a separate
2 listing for the following items: Railroad rolling stock and repair parts
3 and services; common or contract carriers and repair parts and services;
4 common or contract carrier accessories; and common or contract carrier
5 safety equipment;

6 (d) Consumer goods, which shall include a separate listing for the
7 following items: Merchandise ~~Motor vehicles and motorboat trade-ins;~~
8 ~~merchandise~~ trade-ins; certain medical equipment and medicine;
9 ~~newspapers; laundromats; telefloral deliveries;~~ motor vehicle discounts
10 for the disabled; and political campaign fundraisers;

11 (e) Energy, which shall include a separate listing for the following
12 items: Motor fuels; energy used in industry; energy used in agriculture;
13 aviation fuel; and minerals, oil, and gas severed from real property;

14 (f) Food, which shall include a separate listing for the following
15 items: Food for home consumption; Supplemental Nutrition Assistance
16 Program; ~~school lunches;~~ meals sold by hospitals; meals sold by
17 institutions at a flat rate; food for the elderly, handicapped, and
18 Supplemental Security Income recipients; and meals sold by churches;

19 (g) General business, which shall include a separate listing for the
20 following items: Component and ingredient parts; manufacturing machinery;
21 containers; film rentals; molds and dies; syndicated programming;
22 intercompany sales; intercompany leases; sale of a business or farm
23 machinery; and transfer of property in a change of business ownership;

24 (h) Lodging and shelter, which shall include a separate listing for
25 the following item: Room rentals by certain institutions;

26 (i) Miscellaneous, which shall include a separate listing for the
27 following items: Cash discounts and coupons; separately stated finance
28 charges; casual sales; lease-to-purchase agreements; and separately
29 stated taxes;

30 (j) Nonprofits, governments, and exempt entities, which shall
31 include a separate listing for the following items: Purchases by

1 political subdivisions of the state; purchases by churches and nonprofit
2 colleges and medical facilities; purchasing agents for public real estate
3 construction improvements; contractor as purchasing agent for public
4 agencies; ~~Nebraska lottery; admissions to school events;~~ sales on Native
5 American Indian reservations; school-supporting fundraisers; ~~fine art~~
6 ~~purchases by a museum;~~ purchases by the Nebraska State Fair Board;
7 purchases by the Nebraska Investment Finance Authority and licensees of
8 the State Racing Commission; purchases by the United States Government;
9 public records; and sales by religious organizations;

10 (k) Recent sales tax expenditures, which shall include a separate
11 listing for each sales tax expenditure created by statute or rule and
12 regulation after July 19, 2012;

13 (l) Services purchased for nonbusiness use, which shall include a
14 separate listing for each such service, including, but not limited to,
15 the following items: Household ~~Motor vehicle cleaning, maintenance, and~~
16 ~~repair services; cleaning and repair of clothing; cleaning, maintenance,~~
17 ~~and repair of other tangible personal property; maintenance, painting,~~
18 ~~and repair of real property; entertainment admissions; personal care~~
19 ~~services; lawn care, gardening, and landscaping services; pet-related~~
20 ~~services; storage and moving services; household utilities; and certain~~
21 ~~other personal services; taxi, limousine, and other transportation~~
22 ~~services; legal services; accounting services; other professional~~
23 ~~services; and other real estate services; and~~

24 (m) Telecommunications, which shall include a separate listing for
25 the following items: Telecommunications access charges; ~~prepaid calling~~
26 ~~arrangements;~~ conference bridging services; and nonvoice data services.

27 (3) It is the intent of the Legislature that nothing in the Tax
28 Expenditure Reporting Act shall cause the valuation or assessment of any
29 property exempt from taxation on the basis of its use exclusively for
30 religious, educational, or charitable purposes.

31 Sec. 2. Section 77-2701.16, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 77-2701.16 (1) Gross receipts means the total amount of the sale or
3 lease or rental price, as the case may be, of the retail sales of
4 retailers.

5 (2) Gross receipts of every person engaged as a public utility
6 specified in this subsection, as a community antenna television service
7 operator, or as a satellite service operator or any person involved in
8 connecting and installing services defined in subdivision (2)(a), (b), or
9 (d) of this section means:

10 (a)(i) In the furnishing of telephone communication service, other
11 than mobile telecommunications service as described in section
12 77-2703.04, the gross income received from furnishing ancillary services,
13 except for conference bridging services, and intrastate
14 telecommunications services, except for value-added, nonvoice data
15 service.

16 (ii) In the furnishing of mobile telecommunications service as
17 described in section 77-2703.04, the gross income received from
18 furnishing mobile telecommunications service that originates and
19 terminates in the same state to a customer with a place of primary use in
20 Nebraska;

21 (b) In the furnishing of telegraph service, the gross income
22 received from the furnishing of intrastate telegraph services;

23 (c)(i) In the furnishing of gas, sewer, water, and electricity
24 service, other than electricity service to a customer-generator as
25 defined in section 70-2002, the gross income received from the furnishing
26 of such services upon billings or statements rendered to consumers for
27 such utility services.

28 (ii) In the furnishing of electricity service to a customer-
29 generator as defined in section 70-2002, the net energy use upon billings
30 or statements rendered to customer-generators for such electricity
31 service;

1 (d) In the furnishing of community antenna television service or
2 satellite service, the gross income received from the furnishing of such
3 community antenna television service as regulated under sections 18-2201
4 to 18-2205 or 23-383 to 23-388 or satellite service; and

5 (e) The gross income received from the provision, installation,
6 construction, servicing, or removal of property used in conjunction with
7 the furnishing, installing, or connecting of any public utility services
8 specified in subdivision (2)(a) or (b) of this section or community
9 antenna television service or satellite service specified in subdivision
10 (2)(d) of this section, except when acting as a subcontractor for a
11 public utility, this subdivision does not apply to the gross income
12 received by a contractor electing to be treated as a consumer of building
13 materials under subdivision (2) or (3) of section 77-2701.10 for any such
14 services performed on the customer's side of the utility demarcation
15 point.

16 (3) Gross receipts of every person engaged in selling, leasing, or
17 otherwise providing intellectual or entertainment property means:

18 (a) In the furnishing of computer software, the gross income
19 received, including the charges for coding, punching, or otherwise
20 producing any computer software and the charges for the tapes, disks,
21 punched cards, or other properties furnished by the seller; and

22 (b) In the furnishing of videotapes, movie film, satellite
23 programming, satellite programming service, and satellite television
24 signal descrambling or decoding devices, the gross income received from
25 the license, franchise, or other method establishing the charge.

26 (4) Gross receipts for providing a service means:

27 (a) The gross income received for building cleaning and maintenance,
28 pest control, and security;

29 (b) The gross income received for motor vehicle washing, waxing,
30 towing, and painting;

31 (c) The gross income received for computer software training;

1 (d) The gross income received for installing and applying tangible
2 personal property if the sale of the property is subject to tax. If any
3 or all of the charge for installation is free to the customer and is paid
4 by a third-party service provider to the installer, any tax due on that
5 part of the activation commission, finder's fee, installation charge, or
6 similar payment made by the third-party service provider shall be paid
7 and remitted by the third-party service provider;

8 (e) The gross income received for services of recreational vehicle
9 parks;

10 (f) The gross income received for labor for repair or maintenance
11 services performed with regard to tangible personal property the sale of
12 which would be subject to sales and use taxes, ~~excluding motor vehicles,~~
13 except as otherwise provided in section 77-2704.26 or 77-2704.50;

14 (g) The gross income received for animal specialty services and pet-
15 related services; ~~except (i) veterinary services, (ii) specialty services~~
16 ~~performed on livestock as defined in section 54-183, and (iii) animal~~
17 ~~grooming performed by a licensed veterinarian or a licensed veterinary~~
18 ~~technician in conjunction with medical treatment; and~~

19 (h) The gross income received for detective services; ~~+~~

20 (i) The gross income received for the cleaning of tangible personal
21 property;

22 (j) The gross income received for storage and moving services;

23 (k) The gross income received for investment advice;

24 (l) The gross income received for personal care services, including
25 hair care, massages, nail services, spa services, and tattoo services;

26 (m) The gross income received for maintenance, painting, repair, and
27 interior decoration services for single-family housing;

28 (n) The gross income received for limousine, taxi, and other
29 transportation services;

30 (o) The gross income received for the services of travel agents and
31 tour operators;

1 (p) The gross income received for lawn care, gardening, and
2 landscaping services;

3 (q) The gross income received for parking lot services;

4 (r) The gross income received for swimming pool cleaning and
5 maintenance services;

6 (s) The gross income received for dating and escort services;

7 (t) The gross income received for instruction in music, dance, golf,
8 and other recreational activities;

9 (u) The gross income received for custom meat slaughtering services;

10 (v) The gross income received for legal services, excluding legal
11 services performed in the furtherance of a for-profit business
12 enterprise;

13 (w) The gross income received for accounting services, excluding
14 accounting services performed in the furtherance of a for-profit business
15 enterprise;

16 (x) The gross income received for real estate services relating to
17 the sale of single-family housing;

18 (y) The gross income received for architectural services for single-
19 family housing;

20 (z) The gross income received for telefloral delivery services; and

21 (aa) The gross income received for the labor of a contractor for any
22 major addition, remodeling, restoration, repair, or renovation of owner-
23 occupied residential housing.

24 (5) Gross receipts includes the sale of admissions. When an
25 admission to an activity or a membership constituting an admission is
26 combined with the solicitation of a contribution, the portion or the
27 amount charged representing the fair market price of the admission shall
28 be considered a retail sale subject to the tax imposed by section
29 77-2703. The organization conducting the activity shall determine the
30 amount properly attributable to the purchase of the privilege, benefit,
31 or other consideration in advance, and such amount shall be clearly

1 indicated on any ticket, receipt, or other evidence issued in connection
2 with the payment.

3 (6) Gross receipts includes the sale of live plants incorporated
4 into real estate except when such incorporation is incidental to the
5 transfer of an improvement upon real estate or the real estate.

6 (7) Gross receipts includes the sale of any building materials
7 annexed to real estate by a person electing to be taxed as a retailer
8 pursuant to subdivision (1) of section 77-2701.10.

9 (8) Gross receipts includes the sale of and recharge of prepaid
10 calling service and prepaid wireless calling service.

11 (9) Gross receipts includes the retail sale of digital audio works,
12 digital audiovisual works, digital codes, and digital books delivered
13 electronically if the products are taxable when delivered on tangible
14 storage media. A sale includes the transfer of a permanent right of use,
15 the transfer of a right of use that terminates on some condition, and the
16 transfer of a right of use conditioned upon the receipt of continued
17 payments.

18 (10) Gross receipts does not include:

19 (a) The amount of any rebate granted by a motor vehicle or motorboat
20 manufacturer or dealer at the time of sale of the motor vehicle or
21 motorboat, which rebate functions as a discount from the sales price of
22 the motor vehicle or motorboat; or

23 (b) The price of property or services returned or rejected by
24 customers when the full sales price is refunded either in cash or credit.

25 Sec. 3. Section 77-2701.35, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 77-2701.35 (1) Sales price applies to the measure subject to sales
28 tax and means the total amount of consideration, including cash, credit,
29 property, and services, for which personal property or services are sold,
30 leased, or rented, valued in money, whether received in money or
31 otherwise, without any deduction for the following:

1 (a) The seller's cost of the property sold;

2 (b) The cost of materials used, the cost of labor or service,
3 interest, losses, all costs of transportation to the seller, all taxes
4 imposed on the seller, and any other expense of the seller;

5 (c) Charges by the seller for any services necessary to complete the
6 sale;

7 (d) Delivery charges; and

8 (e) Installation charges.

9 (2) Sales price includes consideration received by the seller from
10 third parties if:

11 (a) The seller actually receives consideration from a party other
12 than the purchaser and the consideration is directly related to a price
13 reduction or discount on the sale;

14 (b) The seller has an obligation to pass the price reduction or
15 discount through to the purchaser;

16 (c) The amount of the consideration attributable to the sale is
17 fixed and determinable by the seller at the time of the sale of the item
18 to the purchaser; and

19 (d) One of the following criteria is met:

20 (i) The purchaser presents a coupon, certificate, or other
21 documentation to the seller to claim a price reduction or discount when
22 the coupon, certificate, or documentation is authorized, distributed, or
23 granted by a third party with the understanding that the third party will
24 reimburse any seller to whom the coupon, certificate, or documentation is
25 presented;

26 (ii) The purchaser identifies himself or herself to the seller as a
27 member of a group or organization entitled to a price reduction or
28 discount. A preferred customer card that is available to any patron does
29 not constitute membership in such a group; or

30 (iii) The price reduction or discount is identified as a third-party
31 price reduction or discount on the invoice received by the purchaser or

1 on a coupon, certificate, or other documentation presented by the
2 purchaser.

3 (3) Sales price does not include:

4 (a) Any discounts, including cash, terms, or coupons that are not
5 reimbursed by a third party that are allowed by a seller and taken by a
6 purchaser on a sale;

7 (b) Interest, financing, and carrying charges from credit extended
8 on the sale of personal property or services, if the amount is separately
9 stated on the invoice, bill of sale, or similar document given to the
10 purchaser;

11 (c) Any taxes legally imposed directly on the consumer that are
12 separately stated on the invoice, bill of sale, or similar document given
13 to the purchaser;

14 (d) United States postage charges on direct mail that are separately
15 stated on the invoice, bill of sale, or similar document given to the
16 purchaser; and

17 (e) Credit for any trade-in as follows:

18 ~~(i) The value of property taken by a seller in trade as all or a part of~~
19 ~~the consideration for a sale of property of any kind or nature, excluding~~
20 ~~motor vehicles, motorboats, all-terrain vehicles, and utility-type~~
21 ~~vehicles. ; or (ii) The value of a motor vehicle, motorboat, all-terrain~~
22 ~~vehicle, or utility-type vehicle taken by any person in trade as all or a~~
23 ~~part of the consideration for a sale of another motor vehicle, motorboat,~~
24 ~~all-terrain vehicle, or utility-type vehicle.~~

25 Sec. 4. Section 77-2703, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 77-2703 (1) There is hereby imposed a tax at the rate provided in
28 section 77-2701.02 upon the gross receipts from all sales of tangible
29 personal property sold at retail in this state; the gross receipts of
30 every person engaged as a public utility, as a community antenna
31 television service operator, or as a satellite service operator, any

1 person involved in the connecting and installing of the services defined
2 in subdivision (2)(a), (b), (d), or (e) of section 77-2701.16, or every
3 person engaged as a retailer of intellectual or entertainment properties
4 referred to in subsection (3) of section 77-2701.16; the gross receipts
5 from the sale of admissions in this state; the gross receipts from the
6 sale of warranties, guarantees, service agreements, or maintenance
7 agreements when the items covered are subject to tax under this section;
8 beginning January 1, 2008, the gross receipts from the sale of bundled
9 transactions when one or more of the products included in the bundle are
10 taxable; the gross receipts from the provision of services defined in
11 subsection (4) of section 77-2701.16; and the gross receipts from the
12 sale of products delivered electronically as described in subsection (9)
13 of section 77-2701.16. Except as provided in section 77-2701.03, when
14 there is a sale, the tax shall be imposed at the rate in effect at the
15 time the gross receipts are realized under the accounting basis used by
16 the retailer to maintain his or her books and records.

17 (a) The tax imposed by this section shall be collected by the
18 retailer from the consumer. It shall constitute a part of the purchase
19 price and until collected shall be a debt from the consumer to the
20 retailer and shall be recoverable at law in the same manner as other
21 debts. The tax required to be collected by the retailer from the consumer
22 constitutes a debt owed by the retailer to this state.

23 (b) It is unlawful for any retailer to advertise, hold out, or state
24 to the public or to any customer, directly or indirectly, that the tax or
25 part thereof will be assumed or absorbed by the retailer, that it will
26 not be added to the selling, renting, or leasing price of the property
27 sold, rented, or leased, or that, if added, it or any part thereof will
28 be refunded. The provisions of this subdivision shall not apply to a
29 public utility.

30 (c) The tax required to be collected by the retailer from the
31 purchaser, unless otherwise provided by statute or by rule and regulation

1 of the Tax Commissioner, shall be displayed separately from the list
2 price, the price advertised in the premises, the marked price, or other
3 price on the sales check or other proof of sales, rentals, or leases.

4 (d) For the purpose of more efficiently securing the payment,
5 collection, and accounting for the sales tax and for the convenience of
6 the retailer in collecting the sales tax, it shall be the duty of the Tax
7 Commissioner to provide a schedule or schedules of the amounts to be
8 collected from the consumer or user to effectuate the computation and
9 collection of the tax imposed by the Nebraska Revenue Act of 1967. Such
10 schedule or schedules shall provide that the tax shall be collected from
11 the consumer or user uniformly on sales according to brackets based on
12 sales prices of the item or items. Retailers may compute the tax due on
13 any transaction on an item or an invoice basis. The rounding rule
14 provided in section 77-3,117 applies.

15 (e) The use of tokens or stamps for the purpose of collecting or
16 enforcing the collection of the taxes imposed in the Nebraska Revenue Act
17 of 1967 or for any other purpose in connection with such taxes is
18 prohibited.

19 (f) For the purpose of the proper administration of the provisions
20 of the Nebraska Revenue Act of 1967 and to prevent evasion of the retail
21 sales tax, it shall be presumed that all gross receipts are subject to
22 the tax until the contrary is established. The burden of proving that a
23 sale of property is not a sale at retail is upon the person who makes the
24 sale unless he or she takes from the purchaser (i) a resale certificate
25 to the effect that the property is purchased for the purpose of
26 reselling, leasing, or renting it, (ii) an exemption certificate pursuant
27 to subsection (7) of section 77-2705, or (iii) a direct payment permit
28 pursuant to sections 77-2705.01 to 77-2705.03. Receipt of a resale
29 certificate, exemption certificate, or direct payment permit shall be
30 conclusive proof for the seller that the sale was made for resale or was
31 exempt or that the tax will be paid directly to the state.

1 (g) In the rental or lease of automobiles, trucks, trailers,
2 semitrailers, and truck-tractors as defined in the Motor Vehicle
3 Registration Act, the tax shall be collected by the lessor on the rental
4 or lease price, except as otherwise provided within this section.

5 (h) In the rental or lease of automobiles, trucks, trailers,
6 semitrailers, and truck-tractors as defined in the act, for periods of
7 one year or more, the lessor may elect not to collect and remit the sales
8 tax on the gross receipts and instead pay a sales tax on the cost of such
9 vehicle. If such election is made, it shall be made pursuant to the
10 following conditions:

11 (i) Notice of the desire to make such election shall be filed with
12 the Tax Commissioner and shall not become effective until the Tax
13 Commissioner is satisfied that the taxpayer has complied with all
14 conditions of this subsection and all rules and regulations of the Tax
15 Commissioner;

16 (ii) Such election when made shall continue in force and effect for
17 a period of not less than two years and thereafter until such time as the
18 lessor elects to terminate the election;

19 (iii) When such election is made, it shall apply to all vehicles of
20 the lessor rented or leased for periods of one year or more except
21 vehicles to be leased to common or contract carriers who provide to the
22 lessor a valid common or contract carrier exemption certificate. If the
23 lessor rents or leases other vehicles for periods of less than one year,
24 such lessor shall maintain his or her books and records and his or her
25 accounting procedure as the Tax Commissioner prescribes; and

26 (iv) The Tax Commissioner by rule and regulation shall prescribe the
27 contents and form of the notice of election, a procedure for the
28 determination of the tax base of vehicles which are under an existing
29 lease at the time such election becomes effective, the method and manner
30 for terminating such election, and such other rules and regulations as
31 may be necessary for the proper administration of this subdivision.

1 (i) The tax imposed by this section on the sales of motor vehicles,
2 semitrailers, and trailers as defined in sections 60-339, 60-348, and
3 60-354 shall be the liability of the purchaser and, with the exception of
4 motor vehicles, semitrailers, and trailers registered pursuant to section
5 60-3,198, the tax shall be collected by the county treasurer as provided
6 in the Motor Vehicle Registration Act at the time the purchaser makes
7 application for the registration of the motor vehicle, semitrailer, or
8 trailer for operation upon the highways of this state. The tax imposed by
9 this section on motor vehicles, semitrailers, and trailers registered
10 pursuant to section 60-3,198 shall be collected by the Department of
11 Motor Vehicles at the time the purchaser makes application for the
12 registration of the motor vehicle, semitrailer, or trailer for operation
13 upon the highways of this state. At the time of the sale of any motor
14 vehicle, semitrailer, or trailer, the seller shall (i) state on the sales
15 invoice the dollar amount of the tax imposed under this section and (ii)
16 furnish to the purchaser a certified statement of the transaction, in
17 such form as the Tax Commissioner prescribes, setting forth as a minimum
18 the total sales price, ~~the allowance for any trade-in, and the difference~~
19 ~~between the two.~~ The sales tax due shall be computed on the ~~difference~~
20 ~~between the total sales price and the allowance for any trade-in~~ as
21 disclosed by such certified statement. Any seller who willfully
22 understates the amount upon which the sales tax is due shall be subject
23 to a penalty of one thousand dollars. A copy of such certified statement
24 shall also be furnished to the Tax Commissioner. Any seller who fails or
25 refuses to furnish such certified statement shall be guilty of a
26 misdemeanor and shall, upon conviction thereof, be punished by a fine of
27 not less than twenty-five dollars nor more than one hundred dollars. If
28 the purchaser does not register such motor vehicle, semitrailer, or
29 trailer for operation on the highways of this state within thirty days of
30 the purchase thereof, the tax imposed by this section shall immediately
31 thereafter be paid by the purchaser to the county treasurer or the

1 Department of Motor Vehicles. If the tax is not paid on or before the
2 thirtieth day after its purchase, the county treasurer or Department of
3 Motor Vehicles shall also collect from the purchaser interest from the
4 thirtieth day through the date of payment and sales tax penalties as
5 provided in the Nebraska Revenue Act of 1967. The county treasurer or
6 Department of Motor Vehicles shall report and remit the tax so collected
7 to the Tax Commissioner by the fifteenth day of the following month. The
8 county treasurer shall deduct and withhold for the use of the county
9 general fund, from all amounts required to be collected under this
10 subsection, the collection fee permitted to be deducted by any retailer
11 collecting the sales tax. The Department of Motor Vehicles shall deduct,
12 withhold, and deposit in the Motor Carrier Division Cash Fund the
13 collection fee permitted to be deducted by any retailer collecting the
14 sales tax. The collection fee shall be forfeited if the county treasurer
15 or Department of Motor Vehicles violates any rule or regulation
16 pertaining to the collection of the use tax.

17 (j)(i) The tax imposed by this section on the sale of a motorboat as
18 defined in section 37-1204 shall be the liability of the purchaser. The
19 tax shall be collected by the county treasurer at the time the purchaser
20 makes application for the registration of the motorboat. At the time of
21 the sale of a motorboat, the seller shall (A) state on the sales invoice
22 the dollar amount of the tax imposed under this section and (B) furnish
23 to the purchaser a certified statement of the transaction, in such form
24 as the Tax Commissioner prescribes, setting forth as a minimum the total
25 sales price, ~~the allowance for any trade-in, and the difference between~~
26 ~~the two.~~ The sales tax due shall be computed on the ~~difference between~~
27 ~~the total sales price and the allowance for any trade-in~~ as disclosed by
28 such certified statement. Any seller who willfully understates the amount
29 upon which the sales tax is due shall be subject to a penalty of one
30 thousand dollars. A copy of such certified statement shall also be
31 furnished to the Tax Commissioner. Any seller who fails or refuses to

1 furnish such certified statement shall be guilty of a misdemeanor and
2 shall, upon conviction thereof, be punished by a fine of not less than
3 twenty-five dollars nor more than one hundred dollars. If the purchaser
4 does not register such motorboat within thirty days of the purchase
5 thereof, the tax imposed by this section shall immediately thereafter be
6 paid by the purchaser to the county treasurer. If the tax is not paid on
7 or before the thirtieth day after its purchase, the county treasurer
8 shall also collect from the purchaser interest from the thirtieth day
9 through the date of payment and sales tax penalties as provided in the
10 Nebraska Revenue Act of 1967. The county treasurer shall report and remit
11 the tax so collected to the Tax Commissioner by the fifteenth day of the
12 following month. The county treasurer shall deduct and withhold for the
13 use of the county general fund, from all amounts required to be collected
14 under this subsection, the collection fee permitted to be deducted by any
15 retailer collecting the sales tax. The collection fee shall be forfeited
16 if the county treasurer violates any rule or regulation pertaining to the
17 collection of the use tax.

18 (ii) In the rental or lease of motorboats, the tax shall be
19 collected by the lessor on the rental or lease price.

20 (k)(i) The tax imposed by this section on the sale of an all-terrain
21 vehicle as defined in section 60-103 or a utility-type vehicle as defined
22 in section 60-135.01 shall be the liability of the purchaser. The tax
23 shall be collected by the county treasurer at the time the purchaser
24 makes application for the certificate of title for the all-terrain
25 vehicle or utility-type vehicle. At the time of the sale of an all-
26 terrain vehicle or a utility-type vehicle, the seller shall (A) state on
27 the sales invoice the dollar amount of the tax imposed under this section
28 and (B) furnish to the purchaser a certified statement of the
29 transaction, in such form as the Tax Commissioner prescribes, setting
30 forth as a minimum the total sales price, ~~the allowance for any trade-in,~~
31 ~~and the difference between the two.~~ The sales tax due shall be computed

1 on the difference between the total sales price and the allowance for any
2 trade-in as disclosed by such certified statement. Any seller who
3 willfully understates the amount upon which the sales tax is due shall be
4 subject to a penalty of one thousand dollars. A copy of such certified
5 statement shall also be furnished to the Tax Commissioner. Any seller who
6 fails or refuses to furnish such certified statement shall be guilty of a
7 misdemeanor and shall, upon conviction thereof, be punished by a fine of
8 not less than twenty-five dollars nor more than one hundred dollars. If
9 the purchaser does not obtain a certificate of title for such all-terrain
10 vehicle or utility-type vehicle within thirty days of the purchase
11 thereof, the tax imposed by this section shall immediately thereafter be
12 paid by the purchaser to the county treasurer. If the tax is not paid on
13 or before the thirtieth day after its purchase, the county treasurer
14 shall also collect from the purchaser interest from the thirtieth day
15 through the date of payment and sales tax penalties as provided in the
16 Nebraska Revenue Act of 1967. The county treasurer shall report and remit
17 the tax so collected to the Tax Commissioner by the fifteenth day of the
18 following month. The county treasurer shall deduct and withhold for the
19 use of the county general fund, from all amounts required to be collected
20 under this subsection, the collection fee permitted to be deducted by any
21 retailer collecting the sales tax. The collection fee shall be forfeited
22 if the county treasurer violates any rule or regulation pertaining to the
23 collection of the use tax.

24 (ii) In the rental or lease of an all-terrain vehicle or a utility-
25 type vehicle, the tax shall be collected by the lessor on the rental or
26 lease price.

27 (iii) County treasurers are appointed as sales and use tax
28 collectors for all sales of all-terrain vehicles or utility-type vehicles
29 made outside of this state to purchasers or users of all-terrain vehicles
30 or utility-type vehicles which are required to have a certificate of
31 title in this state. The county treasurer shall collect the applicable

1 use tax from the purchaser of an all-terrain vehicle or a utility-type
2 vehicle purchased outside of this state at the time application for a
3 certificate of title is made. The full use tax on the purchase price
4 shall be collected by the county treasurer if a sales or occupation tax
5 was not paid by the purchaser in the state of purchase. If a sales or
6 occupation tax was lawfully paid in the state of purchase at a rate less
7 than the tax imposed in this state, use tax must be collected on the
8 difference as a condition for obtaining a certificate of title in this
9 state.

10 (1) The Tax Commissioner shall adopt and promulgate necessary rules
11 and regulations for determining the amount subject to the taxes imposed
12 by this section so as to insure that the full amount of any applicable
13 tax is paid in cases in which a sale is made of which a part is subject
14 to the taxes imposed by this section and a part of which is not so
15 subject and a separate accounting is not practical or economical.

16 (2) A use tax is hereby imposed on the storage, use, or other
17 consumption in this state of property purchased, leased, or rented from
18 any retailer and on any transaction the gross receipts of which are
19 subject to tax under subsection (1) of this section on or after June 1,
20 1967, for storage, use, or other consumption in this state at the rate
21 set as provided in subsection (1) of this section on the sales price of
22 the property or, in the case of leases or rentals, of the lease or rental
23 prices.

24 (a) Every person storing, using, or otherwise consuming in this
25 state property purchased from a retailer or leased or rented from another
26 person for such purpose shall be liable for the use tax at the rate in
27 effect when his or her liability for the use tax becomes certain under
28 the accounting basis used to maintain his or her books and records. His
29 or her liability shall not be extinguished until the use tax has been
30 paid to this state, except that a receipt from a retailer engaged in
31 business in this state or from a retailer who is authorized by the Tax

1 Commissioner, under such rules and regulations as he or she may
2 prescribe, to collect the sales tax and who is, for the purposes of the
3 Nebraska Revenue Act of 1967 relating to the sales tax, regarded as a
4 retailer engaged in business in this state, which receipt is given to the
5 purchaser pursuant to subdivision (b) of this subsection, shall be
6 sufficient to relieve the purchaser from further liability for the tax to
7 which the receipt refers.

8 (b) Every retailer engaged in business in this state and selling,
9 leasing, or renting property for storage, use, or other consumption in
10 this state shall, at the time of making any sale, collect any tax which
11 may be due from the purchaser and shall give to the purchaser, upon
12 request, a receipt therefor in the manner and form prescribed by the Tax
13 Commissioner.

14 (c) The Tax Commissioner, in order to facilitate the proper
15 administration of the use tax, may designate such person or persons as he
16 or she may deem necessary to be use tax collectors and delegate to such
17 persons such authority as is necessary to collect any use tax which is
18 due and payable to the State of Nebraska. The Tax Commissioner may
19 require of all persons so designated a surety bond in favor of the State
20 of Nebraska to insure against any misappropriation of state funds so
21 collected. The Tax Commissioner may require any tax official, city,
22 county, or state, to collect the use tax on behalf of the state. All
23 persons designated to or required to collect the use tax shall account
24 for such collections in the manner prescribed by the Tax Commissioner.
25 Nothing in this subdivision shall be so construed as to prevent the Tax
26 Commissioner or his or her employees from collecting any use taxes due
27 and payable to the State of Nebraska.

28 (d) All persons designated to collect the use tax and all persons
29 required to collect the use tax shall forward the total of such
30 collections to the Tax Commissioner at such time and in such manner as
31 the Tax Commissioner may prescribe. For all use taxes collected prior to

1 October 1, 2002, such collectors of the use tax shall deduct and withhold
2 from the amount of taxes collected two and one-half percent of the first
3 three thousand dollars remitted each month and one-half of one percent of
4 all amounts in excess of three thousand dollars remitted each month as
5 reimbursement for the cost of collecting the tax. For use taxes collected
6 on and after October 1, 2002, such collectors of the use tax shall deduct
7 and withhold from the amount of taxes collected two and one-half percent
8 of the first three thousand dollars remitted each month as reimbursement
9 for the cost of collecting the tax. Any such deduction shall be forfeited
10 to the State of Nebraska if such collector violates any rule, regulation,
11 or directive of the Tax Commissioner.

12 (e) For the purpose of the proper administration of the Nebraska
13 Revenue Act of 1967 and to prevent evasion of the use tax, it shall be
14 presumed that property sold, leased, or rented by any person for delivery
15 in this state is sold, leased, or rented for storage, use, or other
16 consumption in this state until the contrary is established. The burden
17 of proving the contrary is upon the person who purchases, leases, or
18 rents the property.

19 (f) For the purpose of the proper administration of the Nebraska
20 Revenue Act of 1967 and to prevent evasion of the use tax, for the sale
21 of property to an advertising agency which purchases the property as an
22 agent for a disclosed or undisclosed principal, the advertising agency is
23 and remains liable for the sales and use tax on the purchase the same as
24 if the principal had made the purchase directly.

25 Sec. 5. Section 77-2704.10, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 77-2704.10 Sales and use taxes shall not be imposed on the gross
28 receipts from the sale, lease, or rental of and the storage, use, or
29 other consumption in this state of:

30 ~~(1) Prepared food and food and food ingredients served by public or~~
31 ~~private schools, school districts, student organizations, or parent-~~

1 ~~teacher associations pursuant to an agreement with the proper school~~
2 ~~authorities, in an elementary or secondary school or at any institution~~
3 ~~of higher education, public or private, during the regular school day or~~
4 ~~at an approved function of any such school or institution. This exemption~~
5 ~~does not apply to sales by an institution of higher education at any~~
6 ~~facility or function which is open to the general public;~~

7 ~~(1) (2) Prepared food and food and food ingredients sold by a church~~
8 ~~at a function of such church;~~

9 ~~(2) (3) Prepared food and food and food ingredients served to~~
10 ~~patients and inmates of hospitals and other institutions licensed by the~~
11 ~~state for the care of human beings;~~

12 ~~(3) (4) Prepared food and food and food ingredients sold at a~~
13 ~~political event by ballot question committees, candidate committees,~~
14 ~~independent committees, and political party committees as defined in the~~
15 ~~Nebraska Political Accountability and Disclosure Act or fees and~~
16 ~~admissions charged for such political event; and~~

17 ~~(4) (5) Prepared food and food and food ingredients sold to the~~
18 ~~elderly, handicapped, or recipients of Supplemental Security Income by an~~
19 ~~organization that actually accepts electronic benefits transfer under~~
20 ~~regulations issued by the United States Department of Agriculture~~
21 ~~although it is not necessary for the purchaser to use electronic benefits~~
22 ~~transfer to pay for the prepared food and food and food ingredients. ÷~~

23 ~~(6) Fees and admissions charged by a public or private elementary or~~
24 ~~secondary school and fees and admissions charged by a school district,~~
25 ~~student organization, or parent-teacher association, pursuant to an~~
26 ~~agreement with the proper school authorities, in a public or private~~
27 ~~elementary or secondary school during the regular school day or at an~~
28 ~~approved function of any such school;~~

29 ~~(7) Fees and admissions charged for participants in any activity~~
30 ~~provided by a nonprofit organization that is exempt from income tax under~~
31 ~~section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which~~

1 ~~organization conducts statewide sport events with multiple sports for~~
2 ~~both adults and youth; and~~

3 ~~(8) Fees and admissions charged for participants in any activity~~
4 ~~provided by a nonprofit organization that is exempt from income tax under~~
5 ~~section 501(c)(3) of the Internal Revenue Code of 1986, as amended, which~~
6 ~~organization is affiliated with a national organization, primarily~~
7 ~~dedicated to youth development and healthy living, and offers sports~~
8 ~~instruction and sports leagues or sports events in multiple sports.~~

9 Sec. 6. Section 77-2704.24, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

11 77-2704.24 (1) Sales and use taxes shall not be imposed on the gross
12 receipts from the sale, lease, or rental of and the storage, use, or
13 other consumption in this state of food or food ingredients except for
14 prepared food and food sold through vending machines.

15 (2) For purposes of this section:

16 (a) Alcoholic beverages means beverages that are suitable for human
17 consumption and contain one-half of one percent or more of alcohol by
18 volume;

19 (b) Dietary supplement means any product, other than tobacco,
20 intended to supplement the diet that contains one or more of the
21 following dietary ingredients: (i) A vitamin, (ii) a mineral, (iii) an
22 herb or other botanical, (iv) an amino acid, (v) a dietary substance for
23 use by humans to supplement the diet by increasing the total dietary
24 intake, or (vi) a concentrate, metabolite, constituent, extract, or
25 combination of any ingredients described in subdivisions (2)(b)(i)
26 through (v) of this section; that is intended for ingestion in tablet,
27 capsule, powder, softgel, gelcap, or liquid form or, if not intended for
28 ingestion in such a form, is not presented as conventional food and is
29 not represented for use as a sole item of a meal or of the diet; and that
30 is required to be labeled as a dietary supplement, identifiable by the
31 supplemental facts box found on the label and as required pursuant to 21

1 C.F.R. 101.36, as such regulation existed on January 1, 2003;

2 (c) Food and food ingredients means substances, whether in liquid,
3 concentrated, solid, frozen, dried, or dehydrated form, that are sold for
4 ingestion or chewing by humans and are consumed for their taste or
5 nutritional value. Food and food ingredients does not include alcoholic
6 beverages, dietary supplements, ~~or~~ tobacco, soft drinks, candy, or
7 bottled water;

8 (d) Food sold through vending machines means food that is dispensed
9 from a machine or other mechanical device that accepts payment;

10 (e) Prepared food means:

11 (i) Food sold with eating utensils provided by the seller, including
12 plates, knives, forks, spoons, glasses, cups, napkins, or straws. A plate
13 does not include a container or packaging used to transport the food; or

14 (ii) Two or more food ingredients mixed or combined by the seller
15 for sale as a single item and food sold in a heated state or heated by
16 the seller, except:

17 (A) Food that is only cut, repackaged, or pasteurized by the seller;

18 (B) Eggs, fish, meat, poultry, and foods containing these raw animal
19 foods requiring cooking by the consumer as recommended by the federal
20 Food and Drug Administration in chapter 3, part 401.11 of its Food Code,
21 as it existed on January 1, 2003, so as to prevent food borne illnesses;

22 (C) Food sold by a seller whose proper primary North American
23 Industry Classification System classification is manufacturing in sector
24 311, except subsector 3118, bakeries;

25 (D) Food sold in an unheated state by weight or volume as a single
26 item;

27 (E) Bakery items, including bread, rolls, buns, biscuits, bagels,
28 croissants, pastries, donuts, danish, cakes, tortes, pies, tarts,
29 muffins, bars, cookies, and tortillas; and

30 (F) Food that ordinarily requires additional cooking to finish the
31 product to its desired final condition; and

1 (f) Tobacco means cigarettes, cigars, chewing or pipe tobacco, or
2 any other item that contains tobacco.

3 Sec. 7. Section 77-2715.07, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 77-2715.07 (1) There shall be allowed to qualified resident
6 individuals as a nonrefundable credit against the income tax imposed by
7 the Nebraska Revenue Act of 1967:

8 (a) A credit equal to the federal credit allowed under section 22 of
9 the Internal Revenue Code; and

10 (b) A credit for taxes paid to another state as provided in section
11 77-2730.

12 (2) There shall be allowed to qualified resident individuals against
13 the income tax imposed by the Nebraska Revenue Act of 1967:

14 (a) For returns filed reporting federal adjusted gross incomes of
15 greater than twenty-nine thousand dollars, a nonrefundable credit equal
16 to twenty-five percent of the federal credit allowed under section 21 of
17 the Internal Revenue Code of 1986, as amended, except that for taxable
18 years beginning or deemed to begin on or after January 1, 2015, such
19 nonrefundable credit shall be allowed only if the individual would have
20 received the federal credit allowed under section 21 of the code after
21 adding back in any carryforward of a net operating loss that was deducted
22 pursuant to such section in determining eligibility for the federal
23 credit;

24 (b) For returns filed reporting federal adjusted gross income of
25 twenty-nine thousand dollars or less, a refundable credit equal to a
26 percentage of the federal credit allowable under section 21 of the
27 Internal Revenue Code of 1986, as amended, whether or not the federal
28 credit was limited by the federal tax liability. The percentage of the
29 federal credit shall be one hundred percent for incomes not greater than
30 twenty-two thousand dollars, and the percentage shall be reduced by ten
31 percent for each one thousand dollars, or fraction thereof, by which the

1 reported federal adjusted gross income exceeds twenty-two thousand
2 dollars, except that for taxable years beginning or deemed to begin on or
3 after January 1, 2015, such refundable credit shall be allowed only if
4 the individual would have received the federal credit allowed under
5 section 21 of the code after adding back in any carryforward of a net
6 operating loss that was deducted pursuant to such section in determining
7 eligibility for the federal credit;

8 (c) A refundable credit as provided in section 77-5209.01 for
9 individuals who qualify for an income tax credit as a qualified beginning
10 farmer or livestock producer under the Beginning Farmer Tax Credit Act
11 for all taxable years beginning or deemed to begin on or after January 1,
12 2006, under the Internal Revenue Code of 1986, as amended;

13 (d) A refundable credit for individuals who qualify for an income
14 tax credit under the Angel Investment Tax Credit Act, the Nebraska
15 Advantage Microenterprise Tax Credit Act, the Nebraska Advantage Research
16 and Development Act, or the Volunteer Emergency Responders Incentive Act;
17 and

18 (e)(i) {e} A refundable credit equal to:

19 (A) Ten ten percent of the federal credit allowed under section 32
20 of the Internal Revenue Code of 1986, as amended, for taxable years
21 beginning or deemed to begin before January 1, 2018; and

22 (B) Seventeen percent of the federal credit allowed under section 32
23 of the Internal Revenue Code of 1986, as amended, for taxable years
24 beginning or deemed to begin on or after January 1, 2018.

25 (ii) For except that for taxable years beginning or deemed to begin
26 on or after January 1, 2015, the such refundable credit provided in
27 subdivision (2)(e)(i) of this section shall be allowed only if the
28 individual would have received the federal credit allowed under section
29 32 of the code after adding back in any carryforward of a net operating
30 loss that was deducted pursuant to such section in determining
31 eligibility for the federal credit.

1 (3) There shall be allowed to all individuals as a nonrefundable
2 credit against the income tax imposed by the Nebraska Revenue Act of
3 1967:

4 (a) A credit for personal exemptions allowed under section
5 77-2716.01;

6 (b) A credit for contributions to certified community betterment
7 programs as provided in the Community Development Assistance Act. Each
8 partner, each shareholder of an electing subchapter S corporation, each
9 beneficiary of an estate or trust, or each member of a limited liability
10 company shall report his or her share of the credit in the same manner
11 and proportion as he or she reports the partnership, subchapter S
12 corporation, estate, trust, or limited liability company income;

13 (c) A credit for investment in a biodiesel facility as provided in
14 section 77-27,236;

15 (d) A credit as provided in the New Markets Job Growth Investment
16 Act;

17 (e) A credit as provided in the Nebraska Job Creation and Mainstreet
18 Revitalization Act;

19 (f) A credit to employers as provided in section 77-27,238; and

20 (g) A credit as provided in the Affordable Housing Tax Credit Act.

21 (4) There shall be allowed as a credit against the income tax
22 imposed by the Nebraska Revenue Act of 1967:

23 (a) A credit to all resident estates and trusts for taxes paid to
24 another state as provided in section 77-2730;

25 (b) A credit to all estates and trusts for contributions to
26 certified community betterment programs as provided in the Community
27 Development Assistance Act; and

28 (c) A refundable credit for individuals who qualify for an income
29 tax credit as an owner of agricultural assets under the Beginning Farmer
30 Tax Credit Act for all taxable years beginning or deemed to begin on or
31 after January 1, 2009, under the Internal Revenue Code of 1986, as

1 amended. The credit allowed for each partner, shareholder, member, or
2 beneficiary of a partnership, corporation, limited liability company, or
3 estate or trust qualifying for an income tax credit as an owner of
4 agricultural assets under the Beginning Farmer Tax Credit Act shall be
5 equal to the partner's, shareholder's, member's, or beneficiary's portion
6 of the amount of tax credit distributed pursuant to subsection (4) of
7 section 77-5211.

8 (5)(a) For all taxable years beginning on or after January 1, 2007,
9 and before January 1, 2009, under the Internal Revenue Code of 1986, as
10 amended, there shall be allowed to each partner, shareholder, member, or
11 beneficiary of a partnership, subchapter S corporation, limited liability
12 company, or estate or trust a nonrefundable credit against the income tax
13 imposed by the Nebraska Revenue Act of 1967 equal to fifty percent of the
14 partner's, shareholder's, member's, or beneficiary's portion of the
15 amount of franchise tax paid to the state under sections 77-3801 to
16 77-3807 by a financial institution.

17 (b) For all taxable years beginning on or after January 1, 2009,
18 under the Internal Revenue Code of 1986, as amended, there shall be
19 allowed to each partner, shareholder, member, or beneficiary of a
20 partnership, subchapter S corporation, limited liability company, or
21 estate or trust a nonrefundable credit against the income tax imposed by
22 the Nebraska Revenue Act of 1967 equal to the partner's, shareholder's,
23 member's, or beneficiary's portion of the amount of franchise tax paid to
24 the state under sections 77-3801 to 77-3807 by a financial institution.

25 (c) Each partner, shareholder, member, or beneficiary shall report
26 his or her share of the credit in the same manner and proportion as he or
27 she reports the partnership, subchapter S corporation, limited liability
28 company, or estate or trust income. If any partner, shareholder, member,
29 or beneficiary cannot fully utilize the credit for that year, the credit
30 may not be carried forward or back.

31 (6) There shall be allowed to all individuals nonrefundable credits

1 against the income tax imposed by the Nebraska Revenue Act of 1967 as
2 provided in section 77-3604 and refundable credits against the income tax
3 imposed by the Nebraska Revenue Act of 1967 as provided in section
4 77-3605.

5 Sec. 8. Section 77-27,132, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 77-27,132 (1) There is hereby created a fund to be designated the
8 Revenue Distribution Fund which shall be set apart and maintained by the
9 Tax Commissioner. Revenue not required to be credited to the General Fund
10 or any other specified fund may be credited to the Revenue Distribution
11 Fund. Credits and refunds of such revenue shall be paid from the Revenue
12 Distribution Fund. The balance of the amount credited, after credits and
13 refunds, shall be allocated as provided by the statutes creating such
14 revenue.

15 (2) The Tax Commissioner shall pay to a depository bank designated
16 by the State Treasurer all amounts collected under the Nebraska Revenue
17 Act of 1967. The Tax Commissioner shall present to the State Treasurer
18 bank receipts showing amounts so deposited in the bank, and of the
19 amounts so deposited the State Treasurer shall:

20 (a) For transactions occurring on or after October 1, 2014, and
21 before October 1, 2019, credit to the Game and Parks Commission Capital
22 Maintenance Fund all of the proceeds of the sales and use taxes imposed
23 pursuant to section 77-2703 on the sale or lease of motorboats as defined
24 in section 37-1204, personal watercraft as defined in section 37-1204.01,
25 all-terrain vehicles as defined in section 60-103, and utility-type
26 vehicles as defined in section 60-135.01;

27 (b) Credit to the Highway Trust Fund all of the proceeds of the
28 sales and use taxes derived from the sale or lease for periods of more
29 than thirty-one days of motor vehicles, trailers, and semitrailers,
30 except that the proceeds equal to any sales tax rate provided for in
31 section 77-2701.02 that is in excess of five percent derived from the

1 sale or lease for periods of more than thirty-one days of motor vehicles,
2 trailers, and semitrailers shall be credited to the Highway Allocation
3 Fund;

4 (c) For transactions occurring on or after July 1, 2013, and before
5 July 1, 2033, of the proceeds of the sales and use taxes derived from
6 transactions other than those listed in subdivisions (2)(a) and (b) of
7 this section from a sales tax rate of one-quarter of one percent, credit
8 monthly eighty-five percent to the State Highway Capital Improvement Fund
9 and fifteen percent to the Highway Allocation Fund;~~and~~

10 (d) Of the proceeds of the sales and use taxes derived from
11 transactions other than those listed in subdivisions (2)(a) and (b) of
12 this section, credit to the Property Tax Credit Cash Fund the amount
13 certified under section 77-27,237, if any such certification is made;
14 and -

15 (e) Credit to the Excess Revenue Property Tax Credit Fund an amount
16 equal to the net increase in state tax revenue received as a result of
17 the changes made by this legislative bill. Such amount shall be
18 determined annually by the Tax Commissioner.

19 The balance of all amounts collected under the Nebraska Revenue Act
20 of 1967 shall be credited to the General Fund.

21 Sec. 9. (1) The Excess Revenue Property Tax Credit Fund is created.
22 The fund shall consist of funds credited under section 77-27,132 and
23 shall be used to provide a property tax credit to owners of real
24 property. Any money in the fund available for investment shall be
25 invested by the state investment officer pursuant to the Nebraska Capital
26 Expansion Act and the Nebraska State Funds Investment Act.

27 (2) To determine the amount of the property tax credit, the county
28 treasurer shall multiply the amount disbursed to the county under
29 subsection (4) of this section by the ratio of the real property
30 valuation of the parcel to the total real property valuation in the
31 county. The amount determined shall be the property tax credit for the

1 property. The property tax credit shall appear on the property tax
2 statement.

3 (3) If the real property owner qualifies for a homestead exemption
4 under sections 77-3501 to 77-3529, the owner shall also be qualified for
5 the property tax credit provided in this section to the extent of any
6 remaining liability after calculation of the relief provided by the
7 homestead exemption. If the credit results in a property tax liability on
8 the homestead that is less than zero, the amount of the credit which
9 cannot be used by the taxpayer shall be returned to the State Treasurer
10 by July 1 of the year the amount disbursed to the county was disbursed.
11 The State Treasurer shall immediately credit any funds returned under
12 this subsection to the Excess Revenue Property Tax Credit Fund.

13 (4) The amount disbursed to each county shall be equal to the amount
14 in the Excess Revenue Property Tax Credit Fund multiplied by the ratio of
15 the real property valuation in the county to the real property valuation
16 in the state. By September 15, the Property Tax Administrator shall
17 determine the amount to be disbursed under this subsection to each county
18 and certify such amounts to the State Treasurer and to each county. The
19 disbursements to the counties shall occur in two equal payments, the
20 first on or before January 31 and the second on or before April 1. After
21 retaining one percent of the receipts for costs, the county treasurer
22 shall allocate the remaining receipts to each taxing unit levying taxes
23 on taxable property in the tax district in which the real property is
24 located in the same proportion that the levy of such taxing unit bears to
25 the total levy on taxable property of all the taxing units in the tax
26 district in which the real property is located.

27 Sec. 10. This act becomes operative on January 1, 2018.

28 Sec. 11. Original sections 77-382, 77-2701.16, 77-2701.35, 77-2703,
29 77-2704.10, 77-2704.24, 77-2715.07, and 77-27,132, Revised Statutes
30 Cumulative Supplement, 2016, are repealed.

31 Sec. 12. The following sections are outright repealed: Sections

- 1 77-2704.07, 77-2704.14, 77-2704.38, 77-2704.52, and 77-2704.55, Reissue
- 2 Revised Statutes of Nebraska, and sections 77-2704.56, 77-2704.65, and
- 3 77-2704.67, Revised Statutes Cumulative Supplement, 2016.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 327

Introduced by Speaker Scheer, 19; at the request of the Governor.

Read first time January 12, 2017

Committee: Appropriations

- 1 A BILL FOR AN ACT relating to appropriations; to state intent; to define
- 2 terms; to make appropriations for the expenses of Nebraska State
- 3 Government for the biennium ending June 30, 2019; to transfer funds;
- 4 to provide duties; to provide an operative date; and to declare an
- 5 emergency.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. DEFINITION OF APPROPRIATION PERIOD.

2 For purposes of this act and any other legislative bill passed by
3 the One Hundred Fifth Legislature, First or Second Session, which
4 appropriates funds, FY2016-17 means the period July 1, 2016, through June
5 30, 2017; FY2017-18 means the period July 1, 2017, through June 30, 2018;
6 FY2018-19 means the period July 1, 2018, through June 30, 2019; FY2019-20
7 means the period July 1, 2019, through June 30, 2020; and FY2020-21 means
8 the period July 1, 2020, through June 30, 2021.

9 Sec. 2. APPROPRIATION LANGUAGE.

10 There are hereby appropriated, for FY2017-18 and FY2018-19, the sums
11 set forth in this act to each agency for each program from the respective
12 funds for the general operations of state government, postsecondary
13 education, and state aid, except as otherwise appropriated.

14 Sec. 3. REAPPROPRIATION OF BALANCE, FY2017-18 to FY2018-19.

15 In addition to the appropriations set forth in this act, there are
16 hereby reappropriated all unexpended appropriation balances existing on
17 June 30, 2018, for FY2018-19 to the respective agencies, programs, and
18 funds listed in this act, except as otherwise provided in this act.

19 Sec. 4. CERTIFIED ENCUMBRANCES.

20 All certified encumbrance amounts on June 30, 2017, and June 30,
21 2018, not otherwise reappropriated pursuant to this act, are hereby
22 appropriated for FY2017-18 and FY2018-19, respectively, which amounts
23 shall be in addition to the amounts shown in this act.

24 Sec. 5. NEBRASKA ACCOUNTING SYSTEM MANUAL DEFINITIONS.

25 The definitions contained in the Nebraska Accounting System Manual,
26 and any amendments thereto, on file with the Clerk of the Legislature are
27 hereby adopted by the Legislature as the definitions for this act, except
28 as provided in sections 8, 121, and 260 of this act.

29 Sec. 6. DRAWING AND PAYING WARRANTS.

30 The Director of Administrative Services shall draw warrants upon the
31 proper fund in the state treasury for an amount not to exceed the

1 appropriations set forth in this act upon presentation of proper
2 documentation. The State Treasurer shall pay the warrants out of the
3 appropriate funds.

4 Sec. 7. BUDGET STATUS REPORTS.

5 All state agencies, boards, and commissions shall promptly establish
6 their detailed Budget Status Reports at the budget subprogram level in
7 the Nebraska Accounting System and adjust them as necessary during each
8 fiscal year to reflect the most current appropriations shown on the
9 Allotment Status Report.

10 Sec. 8. It is the intent of the Legislature that state agencies
11 may, at their discretion, utilize employee furloughs as a short-term
12 means of addressing budgetary shortfalls. Furlough is defined as placing
13 an employee in a temporary, nonduty, nonpay status because of the lack of
14 funds. An intermittent furlough is a furlough action in which the
15 nonduty, nonpay status occurs discontinuously over a period of time
16 rather than consecutively. It is further intended that furloughs shall
17 not adversely affect the employee and employer health insurance premium
18 contributions and service anniversary date, nor shall leave earnings be
19 prorated as a result of the furlough.

20 Sec. 9. AGENCY NO. 3 – LEGISLATIVE COUNCIL

21 Program No. 85 - Legislative Services

	FY2017-18	FY2018-19
22 GENERAL FUND	19,937,341	20,200,784
23 CASH FUND	220,187	220,706
24 FEDERAL FUND est.	39,270	39,270
25 PROGRAM TOTAL	20,196,798	20,460,760
26 SALARY LIMIT	13,850,913	13,980,003

27 There is included in the appropriation to this program for FY2017-18
28 \$15,000 Cash Funds and for FY2018-19 \$15,000 Cash Funds from the Nebraska
29 Health Care Cash Fund for the purpose of ongoing health-related research
30 and public policy development by the Health and Human Services Committee
31

1 of the Legislature. Such funds may be used for, but shall not be limited
2 to, hiring temporary legal research assistance, consulting and research
3 contracts, reimbursement for necessary and appropriate expenses incurred
4 in connection with such research and policy development, and actual and
5 necessary travel reimbursement for task forces and committees established
6 to conduct health policy work.

7 The unexpended General Fund appropriation balances existing on June
8 30, 2017, for all budget programs in Agency No. 3, are hereby
9 reappropriated.

10 The Department of Administrative Services shall monitor the
11 appropriations and expenditures for this agency for FY2017-18 and
12 FY2018-19 according to the following program classifications:

13 No. 123 - Clerk of the Legislature
14 No. 126 - Legislative Research
15 No. 127 - Revisor of Statutes
16 No. 129 - Legislative Audit
17 No. 501 - Intergovernmental Cooperation
18 No. 504 - Office of Public Counsel
19 No. 638 - Fiscal and Program Analysis Office

20 The budget administrator of the budget division of the Department of
21 Administrative Services shall have the authority to transfer
22 appropriations and salary limits among the program classifications listed
23 in this section as directed by the Executive Board of the Legislative
24 Council.

25 Sec. 10. AGENCY NO. 5 – SUPREME COURT

26 Program No. 52 - Operations

27	FY2017-18	FY2018-19
28 GENERAL FUND	34,333,311	35,010,026
29 CASH FUND est.	2,735,913	2,751,103
30 FEDERAL FUND est.	486,007	488,488
31 PROGRAM TOTAL	37,555,231	38,249,617

1	SALARY LIMIT	24,942,303	25,243,791

2 The Department of Administrative Services shall monitor the

3 appropriations and expenditures for this program according to the

4 following program classifications:

5 No. 34 - Court Administration

6 No. 40 - State Law Library

7 No. 396 - County Court System

8 No. 399 - District Court Reporters

9 No. 405 - Court of Appeals

10 The unexpended General Fund appropriation balance, less aid,

11 existing on June 30, 2017, is hereby reappropriated.

12 The budget division of the Department of Administrative Services

13 shall administratively transfer General Fund appropriations or Salary

14 Limits or both among Programs 52, 67, 420, 435, and 437 within Agency 5,

15 upon written certification by the State Court Administrator that the

16 Supreme Court has determined that such transfer is necessary for the

17 efficient functioning of statewide court operations and the proper

18 administration of justice.

19 There is included in the appropriation to this program for FY2017-18

20 \$270,000 Cash Funds for dispute resolution state aid, which shall only be

21 used for such purpose. There is included in the appropriation to this

22 program for FY2018-19 \$270,000 Cash Funds for dispute resolution state

23 aid, which shall only be used for such purpose.

24 There is included in the appropriation to this program for FY2017-18

25 \$550,000 Cash Funds for parenting plan mediation for indigent and lower-

26 income persons involved in Parenting Act cases, as state aid, which shall

27 only be used for such purpose. There is included in the appropriation to

28 this program for FY2018-19 \$550,000 Cash Funds for parenting plan

29 mediation for indigent and lower-income persons involved in Parenting Act

30 cases, as state aid, which shall only be used for such purpose.

31 There is included in the appropriation to this program for FY2017-18

1 \$300,000 General Funds for court appointed special advocate state aid,
2 which shall only be used for such purpose. There is included in the
3 appropriation to this program for FY2018-19 \$300,000 General Funds for
4 court appointed special advocate state aid, which shall only be used for
5 such purpose.

6 Cash Fund expenditures for this program shall not be limited to the
7 amounts shown.

8 Sec. 11. AGENCY NO. 5 – SUPREME COURT

9 Program No. 67 - Probation Services

	FY2017-18	FY2018-19
10 GENERAL FUND	28,507,141	29,346,158
11 CASH FUND est.	1,139,370	1,321,843
12 FEDERAL FUND est.	216,516	218,929
13 PROGRAM TOTAL	29,863,027	30,886,930
14 SALARY LIMIT	21,264,000	21,578,485

16 The Department of Administrative Services shall monitor the
17 appropriations and expenditures for this program according to the
18 following program classifications:

19 No. 397 - Statewide Probation

20 No. 398 - Intensive Supervision Probation

21 Cash Fund expenditures for this program shall not be limited to the
22 amounts shown.

23 The unexpended General Fund appropriation balance existing on June
24 30, 2017, is hereby reappropriated.

25 Sec. 12. AGENCY NO. 5 – SUPREME COURT

26 Program No. 235 - State Probation Contractual Services

	FY2017-18	FY2018-19
27 CASH FUND est.	962,206	964,829
28 PROGRAM TOTAL	962,206	964,829
29 SALARY LIMIT est.	171,091	172,654

31 Cash Fund expenditures from this program shall be restricted to the

1 State Probation Contractual Services Cash Fund.

2 The salary limitations for this program shall not be limited to the
3 amounts shown.

4 Cash Fund expenditures for this program shall not be limited to the
5 amounts shown.

6 Sec. 13. AGENCY NO. 5 – SUPREME COURT

7 Program No. 420 - State Specialized Court Operations

8	FY2017-18	FY2018-19
9 GENERAL FUND	2,500,897	2,528,828
10 PROGRAM TOTAL	2,500,897	2,528,828
11 SALARY LIMIT	1,389,672	1,402,122

12 The unexpended General Fund appropriation balance existing on June
13 30, 2017, is hereby reappropriated.

14 The supervision and management of the State Specialized Courts shall
15 be under the direct jurisdiction of the Supreme Court and the State Court
16 Administrator.

17 Sec. 14. AGENCY NO. 5 – SUPREME COURT

18 Program No. 435 - Probation Community Corrections

19	FY2017-18	FY2018-19
20 GENERAL FUND	20,215,811	22,800,094
21 CASH FUND est.	6,625,708	6,625,708
22 PROGRAM TOTAL	26,841,519	29,425,802
23 SALARY LIMIT	7,239,173	7,343,425

24 The unexpended General Fund appropriation balance existing on June
25 30, 2017, is hereby reappropriated.

26 Cash Fund expenditures for this program shall not be limited to the
27 amounts shown.

28 Sec. 15. AGENCY NO. 5 – SUPREME COURT

29 Program No. 437 - Juvenile Justice

30	FY2017-18	FY2018-19
31 GENERAL FUND	68,561,669	68,770,742

1	CASH FUND est.	25,000	25,000
2	PROGRAM TOTAL	68,586,669	68,795,742
3	SALARY LIMIT	13,205,400	13,258,004

4 The unexpended General Fund appropriation balance existing on June
5 30, 2017, is hereby reappropriated.

6 Sec. 16. AGENCY NO. 5 – SUPREME COURT

7 Program No. 570 - Court Automation

8		FY2017-18	FY2018-19
9	CASH FUND est.	4,808,163	4,825,930
10	PROGRAM TOTAL	4,808,163	4,825,930
11	SALARY LIMIT	698,722	705,754

12 There is included in the appropriation to this program for FY2017-18
13 a retainer fee of up to \$841,616 Cash Funds and for FY2018-19 a retainer
14 fee of up to \$841,616 Cash Funds which shall be billed and paid in equal
15 monthly installments to the Intergovernmental Data Services Program
16 Revolving Fund for county automation expenses in lieu of standard central
17 processing unit charges, which shall only be used for such purpose. These
18 retainer fee amounts shall not include pass-through charges for leased
19 computers and printers, software maintenance costs, or county data
20 conversion or interface costs. The annual retainer fee for both FY2017-18
21 and FY2018-19 shall be paid prior to the end of each respective fiscal
22 year.

23 Cash Fund expenditures for this program shall not be limited to the
24 amounts shown.

25 Sec. 17. AGENCY NO. 7 – GOVERNOR

26 Program No. 18 - Governor's Policy Research Office

27		FY2017-18	FY2018-19
28	GENERAL FUND	678,144	685,947
29	PROGRAM TOTAL	678,144	685,947
30	SALARY LIMIT	551,355	555,111

31 The unexpended General Fund appropriation balance existing on June

1 30, 2017, is hereby reappropriated.

2 Sec. 18. AGENCY NO. 7 – GOVERNOR

3 Program No. 21 - Office of the Governor

4		FY2017-18	FY2018-19
5	GENERAL FUND	1,347,511	1,363,797
6	PROGRAM TOTAL	1,347,511	1,363,797
7	SALARY LIMIT	904,118	913,000

8 The unexpended General Fund appropriation balance existing on June
9 30, 2017, is hereby reappropriated.

10 Sec. 19. AGENCY NO. 8 – LIEUTENANT GOVERNOR

11 Program No. 124 - Office of the Lieutenant Governor

12		FY2017-18	FY2018-19
13	GENERAL FUND	36,710	36,898
14	PROGRAM TOTAL	36,710	36,898
15	SALARY LIMIT	24,578	24,674

16 The unexpended General Fund appropriation balance existing on June
17 30, 2017, is hereby reappropriated.

18 Sec. 20. AGENCY NO. 9 – SECRETARY OF STATE

19 Program No. 22 - Departmental Administration

20		FY2017-18	FY2018-19
21	GENERAL FUND	338,509	335,877
22	CASH FUND	107,135	114,723
23	PROGRAM TOTAL	445,644	450,600
24	SALARY LIMIT	277,905	280,213

25 Sec. 21. AGENCY NO. 9 – SECRETARY OF STATE

26 Program No. 45 - Election Administration

27		FY2017-18	FY2018-19
28	GENERAL FUND	1,883,299	1,710,246
29	CASH FUND	41,858	28,490
30	PROGRAM TOTAL	1,925,157	1,738,736

1	SALARY LIMIT	382,944	386,043
2	Sec. 22. AGENCY NO. 9 – SECRETARY OF STATE		
3	Program No. 51 - Enforcement of Standards - Corporations		
4		FY2017-18	FY2018-19
5	CASH FUND	2,251,533	829,278
6	PROGRAM TOTAL	2,251,533	829,278
7	SALARY LIMIT	374,717	377,974
8	Sec. 23. AGENCY NO. 9 – SECRETARY OF STATE		
9	Program No. 53 - Enforcement of Standards - Collection Agencies		
10		FY2017-18	FY2018-19
11	CASH FUND	101,852	102,711
12	PROGRAM TOTAL	101,852	102,711
13	SALARY LIMIT	57,901	58,349
14	Sec. 24. AGENCY NO. 9 – SECRETARY OF STATE		
15	Program No. 86 - Enforcement of Standards - Records Management		
16		FY2017-18	FY2018-19
17	GENERAL FUND	153,961	155,594
18	CASH FUND	3,440,911	3,760,550
19	REVOLVING FUND	926,180	921,137
20	PROGRAM TOTAL	4,521,052	4,837,281
21	SALARY LIMIT	537,953	538,750
22	Sec. 25. AGENCY NO. 9 – SECRETARY OF STATE		
23	Program No. 89 - Uniform Commercial Code Central Filing		
24		FY2017-18	FY2018-19
25	CASH FUND	2,036,026	1,187,613
26	PROGRAM TOTAL	2,036,026	1,187,613
27	SALARY LIMIT	519,254	523,282
28	Sec. 26. AGENCY NO. 10 – AUDITOR OF PUBLIC ACCOUNTS		
29	Program No. 506 - State Agency and County Post Audits		
30		FY2017-18	FY2018-19

1	GENERAL FUND	2,433,844	2,467,912
2	PROGRAM TOTAL	2,433,844	2,467,912
3	SALARY LIMIT	1,800,770	1,819,123
4	Sec. 27. AGENCY NO. 10 – AUDITOR OF PUBLIC ACCOUNTS		
5	Program No. 525 - Cooperative Audits		
6		FY2017-18	FY2018-19
7	CASH FUND	1,973,717	1,989,618
8	PROGRAM TOTAL	1,973,717	1,989,618
9	SALARY LIMIT	1,527,914	1,535,849
10	Sec. 28. AGENCY NO. 11 – ATTORNEY GENERAL		
11	Program No. 290 - State Settlement Funds		
12		FY2017-18	FY2018-19
13	CASH FUND	1,634,711	1,649,142
14	PROGRAM TOTAL	1,634,711	1,649,142
15	SALARY LIMIT	1,131,040	1,137,960
16	Sec. 29. AGENCY NO. 11 – ATTORNEY GENERAL		
17	Program No. 496 - Interstate Water Litigation		
18	The unexpended General Fund appropriation balance existing on June		
19	30, 2017, is hereby reappropriated.		
20	The salary limit for this program shall be limited to the amount of		
21	the reappropriation.		
22	Sec. 30. AGENCY NO. 11 – ATTORNEY GENERAL		
23	Program No. 507 - Interpretation and Application of Law		
24		FY2017-18	FY2018-19
25	GENERAL FUND	6,078,729	6,155,572
26	CASH FUND	1,097,262	1,105,107
27	FEDERAL FUND est.	1,690,013	1,705,400
28	REVOLVING FUND	1,365,305	1,382,238
29	PROGRAM TOTAL	10,231,309	10,348,317
30	SALARY LIMIT	6,661,519	6,721,028

1 The Department of Administrative Services shall monitor the
2 appropriations and expenditures for this program according to the
3 following program classifications:

4 No. 270 - Administration

5 No. 271 - Civil Bureau

6 No. 272 - Criminal Bureau

7 No. 273 - Legal Services Bureau

8 No. 274 - Public Protection Bureau

9 General Fund expenditures within program classification number 270
10 shall only be coded against budget subprogram 1.

11 General Fund expenditures within program classification number 271
12 shall only be coded against budget subprogram 1. Revolving Fund
13 expenditures within program classification number 271 shall only be coded
14 against budget subprogram 4.

15 With the exception of the medicaid fraud control unit and crimes
16 against children appropriations, all other General Fund expenditures
17 within program classification number 272 shall only be coded against
18 budget subprogram 1 and all other Federal Fund expenditures within
19 program classification number 272 shall only be coded against budget
20 subprogram 3.

21 All appropriations and expenditures for the medicaid fraud control
22 unit within program classification number 272 shall only be coded against
23 budget subprogram 5.

24 There is included in the appropriation to this program for FY2017-18
25 \$80,000 General Funds and for FY2018-19 \$80,000 General Funds, which
26 appropriations shall only be administratively transferred to program
27 classification number 272, and such appropriations shall only be expended
28 from budget subprogram 6 as a separate and distinct budget subprogram and
29 shall not be commingled with any other expenses, and such appropriations
30 shall only be used to provide assistance for legal expenses incurred in
31 prosecuting crimes against children by state and local prosecutors,

1 including, but not limited to, expert witness costs, as determined by the
2 Attorney General.

3 There is included in the appropriation to this program for FY2017-18
4 \$50,000 General Funds and for FY2018-19 \$50,000 General Funds, which
5 appropriations shall only be administratively transferred to program
6 classification number 272, and such appropriations shall only be expended
7 from budget subprogram 7 as a separate and distinct budget subprogram and
8 shall not be commingled with any other expenses, and such appropriations
9 shall only be used to pay for child autopsy expenses, for legal expenses
10 incurred in prosecuting crimes against children by state and local
11 prosecutors, and for legal expenses incurred in prosecuting human
12 trafficking crimes, including, but not limited to, expert witness costs,
13 as determined by the Attorney General.

14 General Fund expenditures within program classification number 273
15 shall only be coded against budget subprogram 1. Revolving Fund
16 expenditures within program classification number 273 shall only be coded
17 against budget subprogram 4.

18 With the exception of water law division appropriations, all other
19 General Fund expenditures for the public protection bureau within program
20 classification number 274 shall only be coded against budget subprogram
21 1. General Fund expenditures for the water law division within program
22 classification number 274 shall only be coded against budget subprogram
23 2. Cash Fund expenditures for motor vehicle fraud enforcement within
24 program classification number 274 shall only be coded against budget
25 subprogram 3.

26 There is included in the appropriation to this program for FY2017-18
27 \$395,807 Cash Funds and for FY2018-19 \$395,807 Cash Funds, which
28 appropriations shall only be administratively transferred to program
29 classification number 274, and such appropriations shall only be expended
30 directly from the Nebraska Health Care Cash Fund from budget subprogram 4
31 for purposes of enforcing the tobacco settlement agreement.

1 The agency budget request submitted by the Attorney General for the
2 2017-2019 biennium for umbrella budget program number 507 shall be
3 prepared and submitted at the detailed account level within the specified
4 budget subprogram structure as required in this section.

5 Sec. 31. AGENCY NO. 12 – STATE TREASURER

6 Program No. 24 - State Disbursement Unit

	FY2017-18	FY2018-19
8 GENERAL FUND	1,131,909	1,140,473
9 CASH FUND	47,500	47,500
10 FEDERAL FUND est.	1,697,414	1,710,225
11 PROGRAM TOTAL	2,876,823	2,898,198
12 SALARY LIMIT	1,257,533	1,268,790

13 Sec. 32. AGENCY NO. 12 – STATE TREASURER

14 Program No. 117 - Mutual Finance Assistance

	FY2017-18	FY2018-19
16 CASH FUND	4,000,000	4,000,000
17 PROGRAM TOTAL	4,000,000	4,000,000

18 There is included in the appropriation to this program for FY2017-18
19 \$4,000,000 Cash Funds for state aid, which shall only be used for such
20 purpose. There is included in the appropriation to this program for
21 FY2018-19 \$4,000,000 Cash Funds for state aid, which shall only be used
22 for such purpose.

23 Sec. 33. AGENCY NO. 12 – STATE TREASURER

24 Program No. 475 - ABLE Savings Program

	FY2017-18	FY2018-19
26 CASH FUND	208,217	209,671
27 PROGRAM TOTAL	208,217	209,671
28 SALARY LIMIT	96,142	97,297

29 Sec. 34. AGENCY NO. 12 – STATE TREASURER

30 Program No. 503 - Treasury Management

	FY2017-18	FY2018-19
1		
2 CASH FUND	748,463	757,858
3 PROGRAM TOTAL	748,463	757,858
4 SALARY LIMIT	460,733	464,538
5 Sec. 35. AGENCY NO. 12 – STATE TREASURER		
6 Program No. 505 - Educational Savings Unit		
7	FY2017-18	FY2018-19
8 CASH FUND	288,690	290,170
9 PROGRAM TOTAL	288,690	290,170
10 SALARY LIMIT	114,450	115,415
11 Sec. 36. AGENCY NO. 12 – STATE TREASURER		
12 Program No. 512 - Unclaimed Property		
13	FY2017-18	FY2018-19
14 CASH FUND	859,686	871,514
15 PROGRAM TOTAL	859,686	871,514
16 SALARY LIMIT	430,728	435,268
17 Sec. 37. AGENCY NO. 12 – STATE TREASURER		
18 Program No. 659 - Long-Term Care Savings Program		
19	FY2017-18	FY2018-19
20 GENERAL FUND	22,253	-0-
21 PROGRAM TOTAL	22,253	-0-
22 SALARY LIMIT	10,319	-0-
23 Sec. 38. AGENCY NO. 12 – STATE TREASURER		
24 Program No. 663 - Sports Arena Facility Financing Assistance		
25	FY2017-18	FY2018-19
26 CASH FUND est.	2,600,000	2,800,000
27 PROGRAM TOTAL	2,600,000	2,800,000
28 There is included in the appropriation to this program for FY2017-18		
29 \$2,600,000 Cash Funds for state aid, which shall only be used for such		
30 purpose. There is included in the appropriation to this program for		

1 FY2018-19 \$2,800,000 Cash Funds for state aid, which shall only be used
2 for such purpose.

3 Cash Fund expenditures for this program shall not be limited to the
4 amount shown.

5 Sec. 39. AGENCY NO. 12 – STATE TREASURER

6 Program No. 665 - Convention Center Facility Financing Assistance

7	FY2017-18	FY2018-19
8 CASH FUND est.	4,300,000	4,500,000
9 PROGRAM TOTAL	4,300,000	4,500,000

10 There is included in the appropriation to this program for FY2017-18
11 \$4,300,000 Cash Funds for state aid, which shall only be used for such
12 purpose. There is included in the appropriation to this program for
13 FY2018-19 \$4,500,000 Cash Funds for state aid, which shall only be used
14 for such purpose.

15 Cash Fund expenditures for this program shall not be limited to the
16 amount shown.

17 Sec. 40. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

18 The limitation on expenditures for permanent and temporary salaries
19 and per diems for the State Department of Education may be exceeded by
20 the amount required to fulfill the state's obligation for salaries in
21 contractual arrangements in which the state has entered into an employee-
22 employer relationship with the person subject to the contract as
23 determined by the social security administration bureau of the Department
24 of Administrative Services.

25 Sec. 41. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

26 Program No. 25 - Education, Administration, and Support

27	FY2017-18	FY2018-19
28 GENERAL FUND	15,644,104	15,773,259
29 CASH FUND	1,806,535	1,814,351
30 FEDERAL FUND est.	23,548,027	23,697,646
31 REVOLVING FUND	204,728	204,728

1	PROGRAM TOTAL	41,203,394	41,489,984
2	SALARY LIMIT	14,312,761	14,448,754

3 The Department of Administrative Services shall monitor the
4 appropriations and expenditures for this program according to the
5 following program classifications:

6 No. 25 - Commissioner's Office

7 No. 403 - Assessment/Report Card

8 No. 440 - Human Resources

9 No. 441 - Teaching and Learning

10 No. 442 - Diversity Populations: Equity and Instructional Issues

11 No. 443 - Network Education and Technology Services

12 No. 444 - Office of Early Childhood

13 No. 445 - Data, Research, Evaluation, and Information Technology

14 No. 446 - Adult Program Services

15 No. 447 - School Improvement/Accreditation

16 No. 448 - Diversity Populations: Special Education

17 No. 449 - Federal Programs

18 No. 450 - Select Department-wide Costs

19 No. 451 - Finance and Organization Services

20 There is included in the appropriation to this program for FY2017-18
21 \$75,000 General Funds for the review of poverty and limited English
22 proficiency plans, including at least \$25,000 General Funds for
23 performance auditing. There is included in the appropriation to this
24 program for FY2018-19 \$75,000 General Funds for the review of poverty and
25 limited English proficiency plans, including at least \$25,000 General
26 Funds for performance auditing.

27 There is included in the appropriation to this program for FY2017-18
28 \$10,000 General Funds and FY2018-19 \$10,000 General Funds for the
29 Educational Opportunity for Military Children Program.

30 Sec. 42. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

31 Program No. 158 - Education Aid

	FY2017-18	FY2018-19
1		
2 GENERAL FUND	1,241,784,051	1,259,992,053
3 CASH FUND	3,290,938	3,290,938
4 FEDERAL FUND est.	312,630,674	312,630,674
5 PROGRAM TOTAL	1,557,705,663	1,575,913,665

6 There is included in the appropriation to this program for FY2017-18
7 \$1,241,784,051 General Funds, \$3,290,938 Cash Funds, and \$312,630,674
8 Federal Funds estimate for state aid, which shall only be used for such
9 purpose. There is included in the appropriation to this program for
10 FY2018-19 \$1,259,992,053 General Funds, \$3,290,938 Cash Funds, and
11 \$312,630,674 Federal Funds estimate for state aid, which shall only be
12 used for such purpose.

13 There is included in the amount shown for FY2017-18 \$988,472,784
14 General Funds which are hereby appropriated to the Tax Equity and
15 Educational Opportunities Fund, which fund is hereby appropriated to
16 provide state aid to public school districts pursuant to the Tax Equity
17 and Educational Opportunities Support Act. There is included in the
18 amount shown for FY2018-19 \$1,003,299,875 General Funds which are hereby
19 appropriated to the Tax Equity and Educational Opportunities Fund, which
20 fund is hereby appropriated to provide state aid to public school
21 districts pursuant to the Tax Equity and Educational Opportunities
22 Support Act.

23 There is included in the amount shown for this program \$225,394,064
24 General Funds provided as state aid for FY2017-18 for special education
25 reimbursement. There is included in the amount shown for this program
26 \$228,774,975 General Funds provided as state aid for FY2018-19 for
27 special education reimbursement.

28 There is included in the amount shown for this program \$451,535
29 General Funds provided as state aid for FY2017-18 and \$451,535 General
30 Funds provided as state aid for FY2018-19 to carry out the provisions of
31 subsection (2) of section 79-734.

1 There is included in the amount shown for this program \$10,173,854
2 General Funds provided as state aid for FY2017-18 and \$10,173,854 General
3 Funds provided as state aid for FY2018-19 for core services for
4 educational service units.

5 There is included in the amount shown for this program \$3,174,700
6 General Funds provided as state aid for FY2017-18 and \$3,174,700 General
7 Funds provided as state aid for FY2018-19 for technology infrastructure
8 for educational service units.

9 There is included in the amount shown for this program \$281,654
10 General Funds provided as state aid for FY2017-18 and \$281,654 General
11 Funds provided as state aid for FY2018-19 for distance education aid to
12 educational service units.

13 There is included in the amount shown for this program \$561,042
14 General Funds provided as state aid for FY2017-18 and \$561,042 General
15 Funds provided as state aid for FY2018-19 for the school breakfast
16 program.

17 There is included in the amount shown for this program \$392,032
18 General Funds provided as state aid for FY2017-18 and \$392,032 General
19 Funds provided as state aid for FY2018-19 for the school lunch program.

20 There is included in the amount shown for this program \$130,000
21 General Funds provided as state aid for FY2017-18 and \$130,000 General
22 Funds provided as state aid for FY2018-19 for the Summer Food Service
23 Program.

24 There is included in the amount shown for this program \$208,224
25 General Funds provided as state aid for FY2017-18 and \$208,224 General
26 Funds provided as state aid for FY2018-19 for adult basic education
27 programs.

28 There is included in the amount shown for this program \$727,500
29 General Funds provided as state aid for FY2017-18 and \$727,500 General
30 Funds provided as state aid for FY2018-19 for aid to institutions
31 offering high school equivalency programs.

1 There is included in the amount shown for this program \$3,657,059
2 General Funds provided as state aid for FY2017-18 and \$3,657,059 General
3 Funds provided as state aid for FY2018-19 for early childhood education
4 projects.

5 There is included in the amount shown for this program \$4,850,000
6 General Funds provided as state aid for FY2017-18 and \$4,850,000 General
7 Funds provided as state aid for FY2018-19 for the Early Childhood
8 Education Grant Program for at-risk children from birth to age three. It
9 is the intent of the Legislature that a maximum of five percent of
10 General Funds appropriated each fiscal year for the Early Childhood
11 Education Grant Program for at-risk children from birth to age three may
12 be used for evaluation and technical assistance.

13 There is included in the amount shown for this program \$97,000
14 General Funds provided as state aid for FY2017-18 and \$97,000 General
15 Funds provided as state aid for FY2018-19 for scholarships for early
16 childhood education providers.

17 There is included in the amount shown for this program \$66,930
18 General Funds provided as state aid for FY2017-18 and \$66,930 General
19 Funds provided as state aid for FY2018-19 for incentive bonuses for
20 providers of child care and early childhood education programs.

21 There is included in the amount shown for this program \$388,000
22 General Funds provided as state aid for FY2017-18 and \$388,000 General
23 Funds provided as state aid for FY2018-19 for the Nurturing Healthy
24 Behaviors program.

25 There is included in the amount shown for this program \$485,000
26 General Funds provided as state aid for FY2017-18 and \$485,000 General
27 Funds provided as state aid for FY2018-19 for learning community aid.

28 There is included in the amount shown for this program \$2,272,673
29 General Funds provided as state aid for FY2017-18 and \$2,272,673 General
30 Funds provided as state aid for FY2018-19 for programs for learners with
31 high ability.

1 Sec. 43. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

2 Program No. 161 - Education Innovation

	FY2017-18	FY2018-19
4 CASH FUND	5,091,863	5,093,895
5 PROGRAM TOTAL	5,091,863	5,093,895
6 SALARY LIMIT	130,177	130,812

7 There is included in the appropriation to this program for FY2017-18
8 \$4,858,895 Cash Funds for state aid, which shall only be used for such
9 purpose. There is included in the appropriation to this program for
10 FY2018-19 \$4,858,895 Cash Funds for state aid, which shall only be used
11 for such purpose.

12 Sec. 44. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

13 Program No. 351 - Vocational Rehabilitation

	FY2017-18	FY2018-19
15 GENERAL FUND	5,018,660	5,072,051
16 CASH FUND	500,000	500,000
17 FEDERAL FUND est.	23,712,758	25,207,732
18 PROGRAM TOTAL	29,231,418	30,779,783
19 SALARY LIMIT	11,696,424	11,805,660

20 There is included in the appropriation to this program for FY2017-18
21 \$7,379,504 Federal Funds estimate for state aid, which shall only be used
22 for such purpose. There is included in the appropriation to this program
23 for FY2018-19 \$8,226,537 Federal Funds estimate for state aid, which
24 shall only be used for such purpose.

25 Sec. 45. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

26 Program No. 352 - Disability Determination

	FY2017-18	FY2018-19
28 FEDERAL FUND est.	12,448,501	12,536,823
29 PROGRAM TOTAL	12,448,501	12,536,823
30 SALARY LIMIT	4,179,156	4,214,044

1 There is included in the appropriation to this program for FY2017-18
2 \$3,697,373 Federal Funds estimate for state aid, which shall only be used
3 for such purpose. There is included in the appropriation to this program
4 for FY2018-19 \$3,697,373 Federal Funds estimate for state aid, which
5 shall only be used for such purpose.

6 Sec. 46. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

7 Program No. 401 - Services for the Deaf and Hard of Hearing

	FY2017-18	FY2018-19
9 GENERAL FUND	2,053,644	2,053,861
10 CASH FUND	2,965	2,965
11 PROGRAM TOTAL	2,056,609	2,056,826
12 SALARY LIMIT	14,467	14,603

13 Sec. 47. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

14 Program No. 402 - Nebraska Center for the Education of Children who
15 are Blind or Visually Impaired

	FY2017-18	FY2018-19
17 GENERAL FUND	2,028,646	2,028,750
18 PROGRAM TOTAL	2,028,646	2,028,750
19 SALARY LIMIT	14,278	14,337

20 Sec. 48. AGENCY NO. 13 – STATE DEPARTMENT OF EDUCATION

21 Program No. 614 - Professional Practices Commission

	FY2017-18	FY2018-19
23 CASH FUND	138,347	140,060
24 PROGRAM TOTAL	138,347	140,060
25 SALARY LIMIT	76,524	77,279

26 Sec. 49. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

27 Program No. 16 - Expenses, Constitutional Officers

	FY2017-18	FY2018-19
29 GENERAL FUND	83,884	83,884
30 PROGRAM TOTAL	83,884	83,884

1 Sec. 50. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

2 Program No. 19 - Modular Housing Units Program

3		FY2017-18	FY2018-19
4	CASH FUND	686,089	692,291
5	PROGRAM TOTAL	686,089	692,291
6	SALARY LIMIT	394,666	397,056

7 Sec. 51. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

8 Program No. 54 - Enforcement of Standards - Common Carriers

9		FY2017-18	FY2018-19
10	GENERAL FUND	1,785,875	1,810,547
11	CASH FUND	42,310	42,872
12	PROGRAM TOTAL	1,828,185	1,853,419
13	SALARY LIMIT	1,097,289	1,107,417

14 Sec. 52. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

15 Program No. 60 - Grain Warehouse Surveillance/Moisture Testing

16		FY2017-18	FY2018-19
17	CASH FUND	39,467	39,655
18	PROGRAM TOTAL	39,467	39,655
19	SALARY LIMIT	7,587	7,664

20 Sec. 53. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

21 Program No. 64 - Nebraska Telecommunications Relay System Fund

22		FY2017-18	FY2018-19
23	CASH FUND	779,665	781,447
24	PROGRAM TOTAL	779,665	781,447
25	SALARY LIMIT	65,579	66,226

26 There is included in the appropriation to this program for FY2017-18

27 \$180,000 Cash Funds for state aid, which shall only be used for such

28 purpose. There is included in the appropriation to this program for

29 FY2018-19 \$180,000 Cash Funds for state aid, which shall only be used for

30 such purpose.

1 Sec. 54. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

2 Program No. 71 - Nebraska Internet Enhancement Fund

3		FY2017-18	FY2018-19
4	CASH FUND	60,067	60,154
5	PROGRAM TOTAL	60,067	60,154
6	SALARY LIMIT	5,468	5,499

7 There is included in the appropriation to this program for FY2017-18
8 \$50,000 Cash Funds for state aid, which shall only be used for such
9 purpose. There is included in the appropriation to this program for
10 FY2018-19 \$50,000 Cash Funds for state aid, which shall only be used for
11 such purpose.

12 Sec. 55. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

13 Program No. 212 - Nebraska Competitive Telephone Marketplace Fund

14		FY2017-18	FY2018-19
15	CASH FUND	15,000	15,000
16	PROGRAM TOTAL	15,000	15,000

17 Sec. 56. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

18 Program No. 583 - Enhanced Wireless 911 Fund

19		FY2017-18	FY2018-19
20	CASH FUND	13,685,835	13,690,919
21	PROGRAM TOTAL	13,685,835	13,690,919
22	SALARY LIMIT	826,694	829,012

23 There is included in the appropriation to this program for FY2017-18
24 \$11,000,000 Cash Funds for state aid, which shall only be used for such
25 purpose. There is included in the appropriation to this program for
26 FY2018-19 \$11,000,000 Cash Funds for state aid, which shall only be used
27 for such purpose.

28 Sec. 57. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

29 Program No. 686 - Nebraska Telecommunications Universal Service Fund

30		FY2017-18	FY2018-19

1	CASH FUND	63,112,512	63,122,429
2	PROGRAM TOTAL	63,112,512	63,122,429
3	SALARY LIMIT	470,091	474,159

4 There is included in the appropriation to this program for FY2017-18
5 \$62,250,000 Cash Funds for state aid, which shall only be used for such
6 purpose. There is included in the appropriation to this program for
7 FY2018-19 \$62,250,000 Cash Funds for state aid, which shall only be used
8 for such purpose.

9 Sec. 58. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

10 Program No. 790 - Natural Gas Regulation

11		FY2017-18	FY2018-19
12	CASH FUND	1,207,486	1,212,376
13	PROGRAM TOTAL	1,207,486	1,212,376
14	SALARY LIMIT	278,353	281,195

15 There is included in the appropriation to this program for FY2017-18
16 \$185,000 Cash Funds for state aid, which shall only be used for such
17 purpose. Cash Fund expenditures for state aid for FY2017-18 shall not be
18 limited to the amount shown. There is included in the appropriation to
19 this program for FY2018-19 \$185,000 Cash Funds for state aid, which shall
20 only be used for such purpose. Cash Fund expenditures for state aid for
21 FY2018-19 shall not be limited to the amount shown.

22 Sec. 59. AGENCY NO. 14 – PUBLIC SERVICE COMMISSION

23 Program No. 792 - Major Oil Pipeline Siting

24		FY2017-18	FY2018-19
25	CASH FUND	6,704,186	6,704,186
26	PROGRAM TOTAL	6,704,186	6,704,186
27	SALARY LIMIT	142,043	142,043

28 Sec. 60. AGENCY NO. 15 – BOARD OF PARDONS AND BOARD OF PAROLE

29 Program No. 358 - Board of Parole

30		FY2017-18	FY2018-19

1	GENERAL FUND	6,490,873	6,800,871
2	CASH FUND	455,873	553,373
3	PROGRAM TOTAL	6,946,746	7,354,244
4	SALARY LIMIT	3,338,766	3,352,321

5 The unexpended General Fund appropriation balance existing on June
6 30, 2017, is hereby reappropriated.

7 Sec. 61. AGENCY NO. 16 – DEPARTMENT OF REVENUE

8 Program No. 102 - Revenue Administration

9		FY2017-18	FY2018-19
10	GENERAL FUND	25,209,921	25,231,080
11	CASH FUND	1,955,330	1,981,914
12	PROGRAM TOTAL	27,165,251	27,212,994
13	SALARY LIMIT		

14 There is included in the appropriation to this program for FY2017-18
15 \$316,482 Cash Funds for staff necessary to audit and enforce provisions
16 of the tobacco Master Settlement Agreement from the Nebraska Health Care
17 Cash Fund. There is included in the appropriation to this program for
18 FY2018-19 \$316,482 Cash Funds for staff necessary to audit and enforce
19 provisions of the tobacco Master Settlement Agreement from the Nebraska
20 Health Care Cash Fund.

21 Sec. 62. AGENCY NO. 16 – DEPARTMENT OF REVENUE

22 Program No. 108 - Homestead Exemption

23		FY2017-18	FY2018-19
24	GENERAL FUND	78,200,000	81,005,500
25	PROGRAM TOTAL	78,200,000	81,005,500

26 There is included in the appropriation to this program for FY2017-18
27 \$78,200,000 General Funds for state aid, which shall only be used for
28 such purpose. There is included in the appropriation to this program for
29 FY2018-19 \$81,005,500 General Funds for state aid, which shall only be
30 used for such purpose.

1 Sec. 63. AGENCY NO. 16 – DEPARTMENT OF REVENUE

2 Program No. 109 - Personal Property Tax Exemption

	FY2017-18	FY2018-19
4 GENERAL FUND	15,200,000	16,200,000
5 PROGRAM TOTAL	15,200,000	16,200,000

6 There is included in the appropriation to this program for FY2017-18
7 \$15,200,000 General Funds for state aid, which shall only be used for
8 such purpose. There is included in the appropriation to this program for
9 FY2018-19 \$16,200,000 General Funds for state aid, which shall only be
10 used for such purpose.

11 Sec. 64. AGENCY NO. 16 – DEPARTMENT OF REVENUE

12 Program No. 111 - Motor Fuels

	FY2017-18	FY2018-19
14 CASH FUND	1,595,588	1,617,661
15 PROGRAM TOTAL	1,595,588	1,617,661
16 SALARY LIMIT	1,100,411	1,109,875

17 Sec. 65. AGENCY NO. 16 – DEPARTMENT OF REVENUE

18 Program No. 112 - Property Assessment

	FY2017-18	FY2018-19
20 GENERAL FUND	1,754,051	1,979,771
21 CASH FUND	827,155	635,031
22 PROGRAM TOTAL	2,581,206	2,614,802
23 SALARY LIMIT	1,624,474	1,639,254

24 Sec. 66. AGENCY NO. 16 – DEPARTMENT OF REVENUE

25 Program No. 132 - Property Tax Credit Program

	FY2017-18	FY2018-19
27 CASH FUND	224,000,000	224,000,000
28 PROGRAM TOTAL	224,000,000	224,000,000

29 There is included in the appropriation to this program for FY2017-18
30 \$224,000,000 Cash Funds for state aid, which shall only be used for such

1 purpose. There is included in the appropriation to this program for
2 FY2018-19 \$224,000,000 Cash Funds for state aid, which shall only be used
3 for such purpose.

4 Sec. 67. AGENCY NO. 16 – DEPARTMENT OF REVENUE

5 Program No. 160 - Lottery Administration

	FY2017-18	FY2018-19
6 CASH FUND est.	20,731,976	20,755,840
7 PROGRAM TOTAL	20,731,976	20,755,840
8 SALARY LIMIT	1,402,188	1,414,639

9 Cash Fund expenditures shall not be limited to the amount shown. It
10 is the intent of the Legislature that all expenses of the lottery, both
11 external and internal, be recorded in the appropriate Cash Fund unless
12 specifically required by statute to be recorded elsewhere.

13 Sec. 68. AGENCY NO. 16 – DEPARTMENT OF REVENUE

14 Program No. 164 - Gamblers Assistance Program

	FY2017-18	FY2018-19
15 CASH FUND	1,882,326	1,784,139
16 PROGRAM TOTAL	1,882,326	1,784,139
17 SALARY LIMIT	109,035	109,915

18 There is included in the appropriation to this program for FY2017-18
19 \$1,200,000 Cash Funds for state aid, which shall only be used for such
20 purpose. There is included in the appropriation to this program for
21 FY2018-19 \$1,150,000 Cash Funds for state aid, which shall only be used
22 for such purpose.

23 There is included in the amount shown in this program \$250,000 Cash
24 Funds for FY2017-18 and \$250,000 Cash Funds for FY2018-19 from the
25 Nebraska Health Care Cash Fund to be used for compulsive gamblers
26 assistance programs.

27 Sec. 69. AGENCY NO. 16 – DEPARTMENT OF REVENUE

28 Program No. 165 - Charitable Gaming

	FY2017-18	FY2018-19

1	CASH FUND	1,825,003	1,848,215
2	PROGRAM TOTAL	1,825,003	1,848,215
3	SALARY LIMIT	1,099,155	1,108,498

4 Sec. 70. AGENCY NO. 17 – DEPARTMENT OF AERONAUTICS

5 Total expenditures by the Department of Aeronautics for permanent
6 and temporary salaries and per diems shall not exceed \$1,313,541 for
7 FY2017-18. Total expenditures by the Department of Aeronautics for
8 permanent and temporary salaries and per diems shall not exceed
9 \$1,308,071 for FY2018-19.

10 Sec. 71. AGENCY NO. 17 – DEPARTMENT OF AERONAUTICS

11 Program No. 26 - Administration and Services

12		FY2017-18	FY2018-19
13	CASH FUND est.	2,773,954	2,477,584
14	PROGRAM TOTAL	2,773,954	2,477,584

15 Cash Fund expenditures shall not be limited to the amount shown.

16 Sec. 72. AGENCY NO. 17 – DEPARTMENT OF AERONAUTICS

17 Program No. 301 - Public Airports

18		FY2017-18	FY2018-19
19	CASH FUND est.	30,670,300	25,132,300
20	PROGRAM TOTAL	30,670,300	25,132,300

21 Cash Fund expenditures shall not be limited to the amount shown.

22 There is included in the appropriation to this program for FY2017-18
23 \$30,670,300 Cash Funds estimate for state aid, which shall only be used
24 for such purpose. There is included in the appropriation to this program
25 for FY2018-19 \$25,132,300 Cash Funds estimate for state aid, which shall
26 only be used for such purpose.

27 Sec. 73. AGENCY NO. 17 – DEPARTMENT OF AERONAUTICS

28 Program No. 596 - State-Owned Aircraft

29		FY2017-18	FY2018-19
30	CASH FUND est.	431,150	414,152

1	PROGRAM TOTAL	431,150	414,152
2	Cash Fund expenditures shall not be limited to the amount shown.		
3	Sec. 74. AGENCY NO. 18 – DEPARTMENT OF AGRICULTURE		
4	Program No. 78 - Department of Agriculture		
5		FY2017-18	FY2018-19
6	GENERAL FUND	6,623,838	6,705,833
7	CASH FUND	7,737,477	7,807,535
8	FEDERAL FUND est.	4,246,076	4,276,001
9	REVOLVING FUND	642,670	649,797
10	PROGRAM TOTAL	19,250,061	19,439,166
11	SALARY LIMIT	8,348,515	8,429,797
12	The Department of Administrative Services shall monitor the		
13	appropriations and expenditures for this program according to the		
14	following program classifications:		
15	No. 27 - Shared Services		
16	No. 57 - Food Safety and Consumer Protection		
17	No. 63 - Animal and Plant Health Protection		
18	No. 564 - Ag Promotion and Development		
19	There is included in the appropriation to this program for FY2017-18		
20	\$487,500 General Funds and \$420,000 Federal Funds estimate for state aid,		
21	which shall only be used for such purpose. There is included in the		
22	appropriation to this program for FY2018-19 \$487,500 General Funds and		
23	\$420,000 Federal Funds estimate for state aid, which shall only be used		
24	for such purpose.		
25	Sec. 75. AGENCY NO. 19 – DEPARTMENT OF BANKING AND FINANCE		
26	Program No. 65 - Enforcement of Standards - Financial Institutions		
27		FY2017-18	FY2018-19
28	CASH FUND	5,813,852	5,732,863
29	PROGRAM TOTAL	5,813,852	5,732,863
30	SALARY LIMIT	3,666,750	3,700,199

1 Sec. 76. AGENCY NO. 19 – DEPARTMENT OF BANKING AND FINANCE

2 Program No. 66 - Enforcement of Standards - Securities

3		FY2017-18	FY2018-19
4	CASH FUND	1,663,754	1,641,565
5	PROGRAM TOTAL	1,663,754	1,641,565
6	SALARY LIMIT	997,979	1,006,459

7 Sec. 77. AGENCY NO. 21 – STATE FIRE MARSHAL

8 Program No. 193 - Public Protection

9		FY2017-18	FY2018-19
10	GENERAL FUND	3,237,658	3,284,125
11	CASH FUND	1,827,990	1,846,034
12	FEDERAL FUND est.	439,327	445,190
13	PROGRAM TOTAL	5,504,975	5,575,349
14	SALARY LIMIT	3,299,256	3,327,210

15 The Department of Administrative Services shall monitor the
16 appropriations and expenditures for this program according to the
17 following program classifications:

18 No. 225 - General Operations

19 No. 226 - Pipeline Safety

20 No. 227 - Underground Storage Tanks

21 No. 229 - Cigarette Ignition Propensity Testing

22 There is included in the appropriation to this program for FY2017-18
23 \$55,000 Federal Funds estimate for state aid, which shall only be used
24 for such purpose. There is included in the appropriation to this program
25 for FY2018-19 \$55,000 Federal Funds estimate for state aid, which shall
26 only be used for such purpose. If federal restrictions prevent using
27 these Federal Funds for state aid, the State Fire Marshal may reallocate
28 available funds in the Underground Storage Tank Fund to provide state aid
29 payments to the affected political subdivisions.

30 There is included in the appropriation to this program for FY2017-18
31 \$20,000 Cash Funds for fireworks testing, which shall only be used for

1 such purpose. There is included in the appropriation to this program for
2 FY2018-19 \$20,000 Cash Funds for fireworks testing, which shall only be
3 used for such purpose.

4 Sec. 78. AGENCY NO. 21 – STATE FIRE MARSHAL

5 Program No. 340 - Training Division

	FY2017-18	FY2018-19
6 GENERAL FUND	902,808	914,556
7 CASH FUND	22,004	22,004
8 PROGRAM TOTAL	924,812	936,560
9 SALARY LIMIT	501,517	506,695

11 Sec. 79. AGENCY NO. 21 – STATE FIRE MARSHAL

12 Program No. 845 - Nebraska Public Safety Communication System

	FY2017-18	FY2018-19
13 GENERAL FUND	136,669	113,198
14 CASH FUND	79,981	71,734
15 PROGRAM TOTAL	216,650	184,932

16 Sec. 80. AGENCY NO. 22 – DEPARTMENT OF INSURANCE

17 Program No. 68 - Medical Professional Liability

	FY2017-18	FY2018-19
18 CASH FUND	118,338	120,355
19 PROGRAM TOTAL	118,338	120,355
20 SALARY LIMIT	55,780	56,147

21 Sec. 81. AGENCY NO. 22 – DEPARTMENT OF INSURANCE

22 Program No. 69 - Enforcement of Standards - Insurance

	FY2017-18	FY2018-19
23 CASH FUND	11,951,380	12,078,679
24 FEDERAL FUND est.	2,107,889	2,154,566
25 PROGRAM TOTAL	14,059,269	14,233,245
26 SALARY LIMIT	7,813,517	7,875,091

27 There is included in the appropriation to this program for FY2017-18

1 \$647,880 Federal Funds estimate for state aid, which shall only be used
2 for this purpose. There is included in the appropriation to this program
3 for FY2018-19 \$664,722 Federal Funds estimate for state aid, which shall
4 only be used for this purpose.

5 Sec. 82. AGENCY NO. 22 – DEPARTMENT OF INSURANCE

6 Program No. 556 - Liquidation of Insurance Companies

	FY2017-18	FY2018-19
8 CASH FUND	5,000	5,000
9 PROGRAM TOTAL	5,000	5,000

10 Sec. 83. AGENCY NO. 23 – DEPARTMENT OF LABOR

11 Program No. 31 - Division of Employment

	FY2017-18	FY2018-19
13 CASH FUND	2,815,837	2,817,823
14 FEDERAL FUND est.	46,505,842	46,763,673
15 PROGRAM TOTAL	49,321,679	49,581,496
16 SALARY LIMIT	17,116,342	17,238,378

17 There is included in the appropriation to this program for FY2017-18
18 \$1,600,000 Cash Funds for state aid, which shall only be used for such
19 purpose. There is included in the appropriation to this program for
20 FY2018-19 \$1,600,000 Cash Funds for state aid, which shall only be used
21 for such purpose.

22 There is included in the appropriation to this program for FY2017-18
23 \$7,904,743 Federal Funds estimate for state aid, which shall only be used
24 for such purpose. There is included in the appropriation to this program
25 for FY2018-19 \$7,904,743 Federal Funds estimate for state aid, which
26 shall only be used for such purpose.

27 The unexpended balance of the \$3,116,126 in Federal Funds
28 appropriated in FY2009-10 under section 903(g) of the federal Social
29 Security Act, as amended, existing on June 30, 2017, is hereby
30 reappropriated.

31 The appropriation set forth in this section includes an additional

1 appropriation out of the funds made available to the state under section
2 903 (d) and 903 (f) of the federal Social Security Act, as amended, of
3 \$7,000,000 in FY2017-18 and \$7,000,000 in FY2018-19, or so much thereof
4 as may be necessary, to be used, for the administration of the Employment
5 Security Law and public employment offices, including the administration
6 of one-stop career centers to the extent authorized under the federal
7 Social Security Act and the Wagner-Peyser Act and the rules and
8 regulations adopted pursuant thereto. The expenditure or other
9 disposition of section 903 (d) and (f) money appropriated in this section
10 shall be accounted for in accordance with standards established by the
11 United States Secretary of Labor. Except as provided in this section, all
12 provisions of subsection (2) of section 48-621 except subdivision (2)(a)
13 (i) shall apply to this appropriation.

14 There is included in the appropriation to this program for FY2017-18
15 \$7,000,000 Federal Funds for the replacement of an unemployment insurance
16 tax and benefit system. There is included in the appropriation to this
17 program for FY2018-19 \$7,000,000 Federal Funds for the replacement of an
18 unemployment insurance tax and benefit system.

19 Sec. 84. AGENCY NO. 23 – DEPARTMENT OF LABOR

20 Program No. 194 - Division for Protection of People and Property

21	FY2017-18	FY2018-19
22 GENERAL FUND	675,597	681,370
23 CASH FUND	1,814,532	1,763,035
24 FEDERAL FUND est.	687,924	693,727
25 PROGRAM TOTAL	3,178,053	3,138,132
26 SALARY LIMIT	1,633,874	1,647,962

27 Sec. 85. AGENCY NO. 24 – DEPARTMENT OF MOTOR VEHICLES

28 Program No. 70 - Enforcement of Standards - Motor Vehicles/Motor
29 Vehicle Drivers

30	FY2017-18	FY2018-19
31 CASH FUND	36,482,959	32,646,458

1	FEDERAL FUND est.	203,457	205,669
2	PROGRAM TOTAL	36,686,416	32,852,127
3	SALARY LIMIT	9,553,506	9,866,551

4 There is included in the appropriation to this program for FY2017-18
5 \$46,000 Cash Funds for state aid, which shall only be used for such
6 purpose. There is included in the appropriation to this program for
7 FY2018-19 \$48,000 Cash Funds for state aid, which shall only be used for
8 such purpose.

9 Sec. 86. AGENCY NO. 24 – DEPARTMENT OF MOTOR VEHICLES

10 Program No. 90 - Motor Vehicle License Plates

	FY2017-18	FY2018-19	
11			
12	CASH FUND est.	3,091,555	2,319,967
13	PROGRAM TOTAL	3,091,555	2,319,967

14 Cash Fund expenditures shall not be limited to the amounts shown.

15 Sec. 87. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

16 Program No. 30 - Tobacco Prevention and Control

	FY2017-18	FY2018-19	
17			
18	CASH FUND	2,570,000	2,570,000
19	FEDERAL FUND est.	9,000	9,000
20	PROGRAM TOTAL	2,579,000	2,579,000

21 There is included in the appropriation to this program for FY2017-18
22 \$2,570,000 Cash Funds for tobacco use prevention and control from the
23 Nebraska Health Care Cash Fund. There is included in the appropriation to
24 this program for FY2018-19 \$2,570,000 Cash Funds for tobacco use
25 prevention and control from the Nebraska Health Care Cash Fund.

26 Sec. 88. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

27 Program No. 33 - Administration

	FY2017-18	FY2018-19	
28			
29	GENERAL FUND	139,691,506	142,940,705
30	CASH FUND	26,429,607	26,564,326

1	FEDERAL FUND est.	320,938,267	308,834,895
2	PROGRAM TOTAL	487,059,380	478,339,926
3	SALARY LIMIT	154,918,282	155,966,737

4 (1) The Department of Administrative Services shall monitor the
5 appropriations and expenditures for this program according to the
6 following program classifications:

7 No. 261 - General Operations
8 No. 262 - Public Health Administration
9 No. 263 - Medicaid and Long-Term Care Administration
10 No. 264 - Children and Family Services Administration
11 No. 265 - Protection and Safety
12 No. 266 - Economic and Family Support
13 No. 267 - Developmental Disabilities Service Coordination
14 No. 268 - Behavioral Health Administration
15 No. 269 - Developmental Disabilities Administration

16 (2) There is included in the appropriation to this program for
17 FY2017-18 \$13,688 Cash Funds for regulatory support for out-of-hospital
18 emergency care providers licensing from the Nebraska Health Care Cash
19 Fund. There is included in the appropriation to this program for
20 FY2018-19 \$13,688 Cash Funds for regulatory support for out-of-hospital
21 emergency care providers licensing from the Nebraska Health Care Cash
22 Fund.

23 (3) There is included in the appropriation to this program for
24 FY2017-18 \$26,000 Cash Funds from the Nebraska Health Care Cash Fund to
25 continue the Parkinson's Disease Registry. There is included in the
26 appropriation to this program for FY2018-19 \$26,000 Cash Funds from the
27 Nebraska Health Care Cash Fund to continue the Parkinson's Disease
28 Registry.

29 (4) There is included in the appropriation to this program \$404,643
30 Cash Funds for FY2017-18 and \$404,643 Cash Funds for FY2018-19 from the
31 Nebraska Health Care Cash Fund for respite services in each of the

1 service areas designated by the Department of Health and Human Services
2 and for administrative costs, including personnel costs, associated with
3 the Nebraska Lifespan Respite Services Program.

4 (5) There is included in the appropriation to this program for
5 FY2017-18 \$6,000 Cash Funds from the Nebraska Health Care Cash Fund for
6 costs of smoking cessation covered by medicaid. There is included in the
7 appropriation to this program for FY2018-19 \$6,000 Cash Funds from the
8 Nebraska Health Care Cash Fund for costs of smoking cessation covered by
9 medicaid.

10 (6) It is the intent of the Legislature that the Department of
11 Health and Human Services shall provide quarterly status reports
12 electronically on the replacement of the Medicaid Medical Information
13 System (MMIS).

14 (7) There is included in the appropriation to this program for
15 FY2017-18 \$1,000,000 General Funds for the electronic records initiative,
16 to be used only for that purpose. There is included in the appropriation
17 to this program for FY2018-19 \$1,000,000 General Funds for the electronic
18 records initiative, to be used only for this purpose.

19 (8) There is included in the appropriation to this program for
20 FY2017-18 \$220,000 Cash Funds to operate a satellite office of minority
21 health in the second and third congressional districts to coordinate and
22 administer state policy relating to minority health from the Nebraska
23 Health Care Cash Fund. There is included in the appropriation to this
24 program for FY2018-19 \$220,000 Cash Funds to operate a satellite office
25 of minority health in the second and third congressional districts to
26 coordinate and administer state policy relating to minority health from
27 the Nebraska Health Care Cash Fund.

28 (9) There is included in the appropriation to this program for
29 FY2017-18 \$100,000 Cash Funds for staff and operating expenses for public
30 health from the Nebraska Health Care Cash Fund. There is included in the
31 appropriation to this program for FY2018-19 \$100,000 Cash Funds for staff

1 and operating expenses for public health from the Nebraska Health Care
2 Cash Fund.

3 Sec. 89. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

4 Program No. 38 - Behavioral Health Aid

5	FY2017-18	FY2018-19
6 GENERAL FUND	72,243,240	72,243,240
7 CASH FUND	13,699,660	13,699,660
8 FEDERAL FUND est.	10,504,971	10,504,971
9 PROGRAM TOTAL	96,447,871	96,447,871

10 There is included in the appropriation to this program for FY2017-18
11 \$72,243,240 General Funds, \$13,699,660 Cash Funds, and \$10,504,971
12 Federal Funds estimate for state aid, which shall only be used for such
13 purpose. There is included in the appropriation to this program for
14 FY2018-19 \$72,243,240 General Funds, \$13,699,660 Cash Funds, and
15 \$10,504,971 Federal Funds estimate for state aid, which shall only be
16 used for such purpose.

17 There is included in the amount shown as Cash Fund aid in this
18 program \$6,500,000 Cash Funds for FY2017-18 and \$6,500,000 Cash Funds for
19 FY2018-19 from the Nebraska Health Care Cash Fund to be used for
20 community-based mental health and substance abuse services, including
21 intermediate-level residential mental health services. It is the intent
22 of the Legislature that these funds shall be distributed to each of the
23 six behavioral health regions based upon a formula determined by the
24 Department of Health and Human Services.

25 There is included in the amount shown as Cash Fund aid in this
26 program \$2,599,660 Cash Funds for FY2017-18 and \$2,599,660 Cash Funds for
27 FY2018-19 from the Nebraska Health Care Cash Fund to be used for rates
28 paid to providers of mental health and substance abuse services.

29 There is included in the amount shown as Cash Fund aid in this
30 program \$1,500,000 Cash Funds for FY2017-18 and \$1,500,000 Cash Funds for
31 FY2018-19 from the Nebraska Health Care Cash Fund to be used for the cost

1 of maintenance and treatment of persons in emergency protective custody
2 under the Nebraska Mental Health Commitment Act.

3 Sec. 90. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

4 Program No. 175 - Rural Health Provider Incentive Program

	FY2017-18	FY2018-19
5		
6 GENERAL FUND	708,286	708,286
7 CASH FUND	2,056,815	2,056,815
8 PROGRAM TOTAL	2,765,101	2,765,101

9 There is included in the appropriation to this program for FY2017-18
10 \$708,286 General Funds and \$2,056,815 Cash Funds for state aid, which
11 shall only be used for such purpose. There is included in the
12 appropriation to this program for FY2018-19 \$708,286 General Funds and
13 \$2,056,815 Cash Funds for state aid, which shall only be used for such
14 purpose.

15 Sec. 91. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

16 Program No. 176 - Nursing Incentives

	FY2017-18	FY2018-19
17		
18 CASH FUND	20,000	20,000
19 PROGRAM TOTAL	20,000	20,000

20 There is included in the appropriation to this program for FY2017-18
21 \$20,000 Cash Funds for state aid, which shall only be used for such
22 purpose. There is included in the appropriation to this program for
23 FY2018-19 \$20,000 Cash Funds for state aid, which shall only be used for
24 such purpose.

25 Sec. 92. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

26 Program No. 178 - Professional Licensure

	FY2017-18	FY2018-19
27		
28 GENERAL FUND	104,912	104,912
29 CASH FUND	7,093,757	7,147,184
30 PROGRAM TOTAL	7,198,669	7,252,096

1	SALARY LIMIT	3,050,063	3,072,644
2	Sec. 93. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES		
3	Program No. 250 - Juvenile Services Operations		
4		FY2017-18	FY2018-19
5	GENERAL FUND	22,268,497	22,548,619
6	CASH FUND	1,103,118	1,121,417
7	FEDERAL FUND est.	714,218	715,693
8	PROGRAM TOTAL	24,085,833	24,385,729
9	SALARY LIMIT	13,593,380	13,718,207

10 The Department of Administrative Services shall monitor the
11 appropriations and expenditures for this program according to the
12 following program classifications:

13 No. 315 - Office of Juvenile Services

14 No. 345 - Juvenile Community-Based Services

15 No. 371 - Youth Rehabilitation and Treatment Center-Geneva

16 No. 374 - Youth Rehabilitation and Treatment Center-Kearney

17 There is included in the appropriation to this program for FY2017-18
18 \$1,000,000 Cash Funds for mental health services to juvenile offenders
19 under section 43-407 from the Nebraska Health Care Cash Fund. There is
20 included in the appropriation to this program for FY2018-19 \$1,000,000
21 Cash Funds for mental health services to juvenile offenders under section
22 43-407 from the Nebraska Health Care Cash Fund.

23 Sec. 94. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

24 Program No. 347 - Public Assistance

25		FY2017-18	FY2018-19
26	GENERAL FUND	103,861,348	103,861,348
27	CASH FUND	3,560,000	3,560,000
28	FEDERAL FUND est.	108,525,004	108,525,004
29	PROGRAM TOTAL	215,946,352	215,946,352

30 There is included in the appropriation to this program for FY2017-18

1 \$103,861,348 General Funds, \$3,560,000 Cash Funds, and \$108,525,004
2 Federal Funds estimate for state aid, which shall only be used for such
3 purpose. There is included in the appropriation to this program for
4 FY2018-19 \$103,861,348 General Funds, \$3,560,000 Cash Funds, and
5 \$108,525,004 Federal Funds estimate for state aid, which shall only be
6 used for such purpose.

7 There is included in the amount shown as aid for this program for
8 FY2017-18 \$810,000 Cash Funds from the Nebraska Health Care Cash Fund to
9 aid in carrying out the Nebraska Lifespan Respite Services Program and to
10 provide payment to caregivers to purchase services under the respite
11 subsidy program. There is included in the amount shown as aid for this
12 program for FY2018-19 \$810,000 Cash Funds from the Nebraska Health Care
13 Cash Fund to aid in carrying out the Nebraska Lifespan Respite Services
14 Program and to provide payment to caregivers to purchase services under
15 the respite subsidy program.

16 Sec. 95. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

17 Program No. 348 - Medical Assistance

18	FY2017-18	FY2018-19
19 GENERAL FUND	842,251,055	857,674,201
20 CASH FUND	53,937,281	53,937,281
21 FEDERAL FUND est.	1,225,126,458	1,257,344,999
22 PROGRAM TOTAL	2,121,314,794	2,168,956,481

23 The Department of Administrative Services shall monitor the
24 appropriations and expenditures for this program according to the
25 following program classifications:

26 No. 344 - Children's Health Insurance

27 No. 348 - Medical Assistance

28 There is included in the appropriation to this program for FY2017-18
29 \$842,251,055 General Funds, \$53,937,281 Cash Funds, and \$1,225,126,458
30 Federal Funds estimate for state aid, which shall only be used for such
31 purpose. There is included in the appropriation to this program for

1 FY2018-19 \$857,674,201 General Funds, \$53,937,281 Cash Funds, and
2 \$1,257,344,999 Federal Funds estimate for state aid, which shall only be
3 used for such purpose.

4 There is included in the amount shown as aid for this program for
5 FY2017-18 \$6,835,700 Cash Funds from the Nebraska Health Care Cash Fund.
6 There is included in the amount shown as aid for this program for
7 FY2018-19 \$6,835,700 Cash Funds from the Nebraska Health Care Cash Fund.

8 There is included in the amount shown as aid for this program for
9 FY2017-18 up to \$250,000 Cash Funds and for FY2018-19 up to \$250,000 Cash
10 Funds from the Health and Human Services Cash Fund for the state match
11 for utilization of the unused administrative cap as allowed under the
12 Children's Health Insurance Program for payments to the Nebraska Regional
13 Poison Center funded through the University of Nebraska Medical Center.
14 The match is from Cash Funds transferred from the University of Nebraska
15 Medical Center.

16 There is included in the amount shown as aid for this program for
17 FY2017-18 \$4,765,896 Cash Funds for the continuation of the behavioral
18 health provider rate increase and behavioral health provider rate
19 increase for managed care, inpatient services, and residential treatment
20 services provided with funds from the Nebraska Health Care Cash Fund.
21 There is included in the amount shown as aid for this program for
22 FY2018-19 \$4,765,896 Cash Funds for the continuation of the behavioral
23 health provider rate increase and behavioral health provider rate
24 increase for managed care, inpatient services, and residential treatment
25 services provided with funds from the Nebraska Health Care Cash Fund.

26 There is included in the amount shown as aid for this program for
27 FY2017-18 \$450,000 Cash Funds from the Nebraska Health Care Cash Fund for
28 a state plan amendment covering tobacco-use cessation in compliance with
29 Title XIX of the federal Social Security Act. There is included in the
30 amount shown as aid for this program for FY2018-19 \$450,000 Cash Funds
31 from the Nebraska Health Care Cash Fund for a state plan amendment

1 covering tobacco-use cessation in compliance with Title XIX of the
2 federal Social Security Act. The smoking cessation funding for FY2017-18
3 and FY2018-19 is for the costs of tobacco-use cessation counseling and
4 tobacco-use cessation pharmaceuticals approved by the federal Food and
5 Drug Administration for such purpose.

6 It is the intent of the Legislature that phased-down state
7 contributions to the federal government as defined and required by the
8 federal Medicare Prescription Drug, Improvement, and Modernization Act of
9 2003 may be made from appropriations to this program.

10 Sec. 96. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

11 Program No. 350 - Child Abuse Prevention

	FY2017-18	FY2018-19
12 CASH FUND	400,000	400,000
13 PROGRAM TOTAL	400,000	400,000

14 There is included in the appropriation to this program for FY2017-18
15 \$398,000 Cash Funds for state aid, which shall only be used for such
16 purpose. There is included in the appropriation to this program for
17 FY2018-19 \$398,000 Cash Funds for state aid, which shall only be used for
18 such purpose.

19 Sec. 97. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

20 Program No. 354 - Child Welfare Aid

	FY2017-18	FY2018-19
21 GENERAL FUND	151,330,687	151,330,687
22 CASH FUND	2,734,444	2,734,444
23 FEDERAL FUND est.	30,952,073	30,952,073
24 PROGRAM TOTAL	185,017,204	185,017,204

25 There is included in the appropriation to this program for FY2017-18
26 \$151,330,687 General Funds, \$2,734,444 Cash Funds, and \$30,952,073
27 Federal Funds estimate for state aid, which shall only be used for such
28 purpose. There is included in the appropriation to this program for
29 FY2018-19 \$151,330,687 General Funds, \$2,734,444 Cash Funds, and
30

1 \$30,952,073 Federal Funds estimate for state aid, which shall only be
2 used for such purpose.

3 There is included in the amount shown as aid for this program for
4 FY2017-18 \$2,734,444 Cash Funds from the Nebraska Health Care Cash Fund
5 for the continuation of the behavioral health provider rate increase.
6 There is included in the amount shown as aid for this program for
7 FY2018-19 \$2,734,444 Cash Funds from the Nebraska Health Care Cash Fund
8 for the continuation of the behavioral health provider rate increase.

9 Sec. 98. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

10 Program No. 359 - Bridge to Independence

	FY2017-18	FY2018-19
11 GENERAL FUND	1,785,286	1,788,534
12 FEDERAL FUND est.	1,943,776	1,956,843
13 PROGRAM TOTAL	3,729,062	3,745,377
14 SALARY LIMIT	813,274	820,002

16 Sec. 99. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

17 Program No. 365 - Mental Health Operations

	FY2017-18	FY2018-19
18 GENERAL FUND	56,848,479	57,989,007
19 CASH FUND	4,487,748	4,302,018
20 FEDERAL FUND est.	5,815,560	5,818,148
21 PROGRAM TOTAL	67,151,787	68,109,173
22 SALARY LIMIT	38,867,526	39,383,417

24 The Department of Administrative Services shall monitor the
25 appropriations and expenditures for this program according to the
26 following program classifications:

27 No. 361 - Hastings Regional Center

28 No. 363 - Lincoln Regional Center

29 No. 379 - Evaluation and Screening - Community-Based Residential
30 Services

31 No. 870 - Norfolk Sex Offender Treatment

1 Sec. 100. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

2 Program No. 421 - Beatrice State Developmental Center

3		FY2017-18	FY2018-19
4	GENERAL FUND	20,395,561	20,585,560
5	CASH FUND	2,708,748	2,708,749
6	FEDERAL FUND est.	20,281,320	20,642,037
7	PROGRAM TOTAL	43,385,629	43,936,346
8	SALARY LIMIT	24,581,677	24,765,590

9 The chief executive officer of the Department of Health and Human
10 Services shall certify to the budget administrator of the budget division
11 of the Department of Administrative Services the FY2017-18 and FY2018-19
12 unexpended appropriation balances for the Beatrice State Developmental
13 Center, Program 421, which are available to transition and maintain
14 persons transferred from the Beatrice State Developmental Center to
15 community-based developmental disability or other services. The budget
16 administrator of the budget division of the Department of Administrative
17 Services shall administratively transfer during FY2017-18 and FY2018-19
18 available unexpended appropriation balances as certified by the chief
19 executive officer of the Department of Health and Human Services from the
20 Beatrice State Developmental Center, Program 421, to Developmental
21 Disability Aid, Program 424, and Medical Assistance, Program 348.

22 Sec. 101. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

23 Program No. 424 - Developmental Disability Aid

24		FY2017-18	FY2018-19
25	GENERAL FUND	147,188,805	148,318,867
26	CASH FUND	6,312,000	6,312,000
27	PROGRAM TOTAL	153,500,805	154,630,867

28 There is included in the appropriation to this program for FY2017-18
29 \$147,188,805 General Funds and \$6,312,000 Cash Funds for state aid, which
30 shall only be used for such purpose. There is included in the
31 appropriation to this program for FY2018-19 \$148,318,867 General Funds

1 and \$6,312,000 Cash Funds for state aid, which shall only be used for
2 such purpose.

3 There is included in the amount shown as Cash Fund aid in this
4 program for FY2017-18 \$5,000,000 Cash Funds and for FY2018-19 \$5,000,000
5 Cash Funds from the Nebraska Health Care Cash Fund to be used for
6 services for persons with developmental disabilities (1) who were on the
7 waiting list for such services prior to July 1, 2001, and began receiving
8 such services on and after such date and (2) who are on the waiting list
9 for such services on and after July 1, 2017, beginning with those who
10 have been on the waiting list for the greatest length of time past their
11 date of need.

12 Sec. 102. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

13 Program No. 502 - Public Health Aid

14	FY2017-18	FY2018-19
15 GENERAL FUND	5,593,236	5,593,236
16 CASH FUND	9,230,000	9,230,000
17 PROGRAM TOTAL	14,823,236	14,823,236

18 There is included in the appropriation to this program for FY2017-18
19 \$5,593,236 General Funds and \$9,230,000 Cash Funds for state aid, which
20 shall only be used for such purpose. There is included in the
21 appropriation to this program for FY2018-19 \$5,593,236 General Funds and
22 \$9,230,000 Cash Funds for state aid, which shall only be used for such
23 purpose.

24 There is included in the amount shown as aid for this program for
25 FY2017-18 \$2,100,000 General Funds and for FY2018-19 \$2,100,000 General
26 Funds for the seven community health centers funded through Federal
27 Program 330, Public Law 104-299, the federal Health Centers Consolidation
28 Act of 1996. Each of the following centers is to receive \$300,000:
29 Charles Drew Health Center, One World Community Health Center, East
30 Central District Health Department – Good Neighbor Community Health
31 Center, Community Action Partnership of Western Nebraska, Midtown

1 Community Health Center, People's Health Center, and Heartland Health
2 Center.

3 There is included in the amount shown as aid for this program for
4 FY2017-18 \$1,400,000 General Funds and for FY2018-19 \$1,400,000 General
5 Funds for the seven community health centers funded through Federal
6 Program 330, Public Law 104-299, the federal Health Centers Consolidation
7 Act of 1996 for dental services. Each of the following centers is to
8 receive \$200,000: Charles Drew Health Center, One World Community Health
9 Center, East Central District Health Department – Good Neighbor Community
10 Health Center, Community Action Partnership of Western Nebraska, Midtown
11 Community Health Center, People's Health Center, and Heartland Health
12 Center.

13 There is included in the amount shown as aid for this program for
14 FY2017-18 \$325,000 General Funds and \$750,000 Cash Funds from the
15 Nebraska Health Care Cash Fund and for FY2018-19 \$325,000 General Funds
16 and \$750,000 Cash Funds from the Nebraska Health Care Cash Fund for the
17 seven community health centers funded through Federal Program 330, Public
18 Law 104-299, the federal Health Centers Consolidation Act of 1996. Each
19 center is to receive an amount to be distributed proportionally based on
20 the previous fiscal year's number of uninsured clients as reported on the
21 Uniform Data System Report provided to the United States Department of
22 Health and Human Services Bureau of Primary Health Care. The distribution
23 shall be made to Charles Drew Health Center, One World Community Health
24 Center, East Central District Health Department – Good Neighbor Community
25 Health Center, Community Action Partnership of Western Nebraska Health
26 Center, Midtown Community Health Center, People's Health Center, and
27 Heartland Health Center.

28 There is included in the amount shown as aid for this program for
29 FY2017-18 \$1,708,422 General Funds and \$5,605,000 Cash Funds from the
30 Nebraska Health Care Cash Fund for public health departments. There is
31 included in the amount shown as aid for this program for FY2018-19

1 \$1,708,422 General Funds and \$5,605,000 Cash Funds from the Nebraska
2 Health Care Cash Fund for public health departments.

3 There is included in the amount shown as aid for this program for
4 FY2017-18 \$31,713 General Funds and \$1,526,000 Cash Funds from the
5 Nebraska Health Care Cash Fund for minority public health services in
6 counties having a minority population equal to or exceeding five percent
7 of the total population of the county in the first and third
8 congressional districts as determined by the most recent federal
9 decennial census. There is included in the amount shown as aid for this
10 program for FY2018-19 \$31,713 General Funds and \$1,526,000 Cash Funds
11 from the Nebraska Health Care Cash Fund for minority public health
12 services in counties having a minority population equal to or exceeding
13 five percent of the total population of the county in the first and third
14 congressional districts as determined by the most recent federal
15 decennial census. The Department of Health and Human Services shall
16 distribute the funds on a per capita basis for the purpose of
17 implementing a minority health initiative which may target, but shall not
18 be limited to, infant mortality, cardiovascular disease, obesity,
19 diabetes, and asthma.

20 There is included in the amount shown as aid for this program for
21 FY2017-18 \$28,101 General Funds and \$1,349,000 Cash Funds from the
22 Nebraska Health Care Cash Fund to be distributed equally among federally
23 qualified health centers in the second congressional district. Such funds
24 shall be used for the purpose of implementing a minority health
25 initiative which may target, but shall not be limited to, infant
26 mortality, cardiovascular disease, obesity, diabetes, and asthma. There
27 is included in the amount shown as aid for this program for FY2018-19
28 \$28,101 General Funds and \$1,349,000 Cash Funds from the Nebraska Health
29 Care Cash Fund to be distributed equally among federally qualified health
30 centers in the second congressional district. Such funds shall be used
31 for the purpose of implementing a minority health initiative which may

1 target, but shall not be limited to, infant mortality, cardiovascular
2 disease, obesity, diabetes, and asthma.

3 Sec. 103. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

4 Program No. 514 - Health Aid

5	FY2017-18	FY2018-19
6 GENERAL FUND	6,200,171	6,200,171
7 CASH FUND	11,495,817	11,495,817
8 FEDERAL FUND est.	54,042,225	54,042,225
9 PROGRAM TOTAL	71,738,213	71,738,213

10 There is included in the appropriation to this program for FY2017-18
11 \$6,200,171 General Funds, \$11,495,817 Cash Funds, and \$54,042,225 Federal
12 Funds estimate for state aid, which shall only be used for such purpose.

13 There is included in the appropriation to this program for FY2018-19
14 \$6,200,171 General Funds, \$11,495,817 Cash Funds, and \$54,042,225 Federal
15 Funds estimate for state aid, which shall only be used for such purpose.

16 There is included in the amount shown as aid for this program up to
17 \$653,759 General Funds for FY2017-18 and up to \$653,759 General Funds for
18 FY2018-19, which shall only be used for the following purposes:
19 Reimbursement for the provision of pap smears, colposcopy, cervical
20 biopsy, cryotherapy, loop electrosurgical excision procedure (LEEP), and
21 such other treatments and procedures as may be developed for the followup
22 of abnormal pap smears; the diagnosis and treatment of sexually
23 transmitted diseases, including, but not limited to, chlamydia,
24 gonorrhea, HPV (genital warts), and herpes; and associated laboratory and
25 equipment costs and staff training costs relating to the use of
26 colposcopy equipment. None of the General Funds provided under this
27 program shall be used to perform or facilitate the performance of
28 abortion or to counsel or refer for abortion.

29 To the extent permissible under applicable federal regulations, the
30 Department of Health and Human Services shall prioritize the disbursement
31 of all funds associated with the Federal Title X Program to the following

1 entities: federally qualified health centers as defined in 42 U.S.C.
2 1396d(1)(2)(A) and (B), community health centers, hospitals as defined in
3 section 71-419, tribal government entities, and state and local
4 government entities.

5 There is included in the amount shown as aid for this program for
6 FY2017-18 \$200,000 Cash Funds from the Nebraska Health Care Cash Fund for
7 the Poison Control Center at the University of Nebraska Medical Center,
8 which shall only be used by the medical center for the Poison Control
9 Center. There is included in the amount shown as aid for this program for
10 FY2018-19 \$200,000 Cash Funds from the Nebraska Health Care Cash Fund for
11 the Poison Control Center at the University of Nebraska Medical Center,
12 which shall only be used by the medical center for the Poison Control
13 Center.

14 There is included in the amount shown as aid for this program for
15 FY2017-18 up to \$1,100,000 General Funds for evidence-based early
16 intervention home visitation programs. There is included in the amount
17 shown as aid for this program for FY2018-19 up to \$1,100,000 General
18 Funds for evidence-based early intervention home visitation programs.

19 There is included in the amount shown as aid for this program for
20 FY2017-18 up to \$100,000 General Funds to contract with the University of
21 Nebraska Medical Center for the Nebraska Perinatal Quality Improvement
22 Collaborative. There is included in the amount shown as aid for this
23 program for FY2018-19 up to \$100,000 General Funds to contract with the
24 University of Nebraska Medical Center for the Nebraska Perinatal Quality
25 Improvement Collaborative.

26 There is included in the amount shown as aid for this program for
27 FY2017-18 up to \$300,000 General Funds to contract for services for
28 implementation of a statewide drug disposal project. There is included in
29 the amount shown as aid for this program for FY2018-19 up to \$300,000
30 General Funds to contract for services for implementation of a statewide
31 drug disposal project.

1 There is included in the amount shown as aid for this program for
2 FY2017-18 up to \$292,000 General Funds for tuition reimbursement for
3 emergency medical services responders' initial and ongoing training.
4 There is included in the amount shown as aid for this program for
5 FY2018-19 up to \$292,000 General Funds for tuition reimbursement for
6 emergency medical services responders' initial and ongoing training.

7 Sec. 104. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES
8 Program No. 519 - Nebraska Veterans' Homes

	FY2017-18	FY2018-19
10 GENERAL FUND	23,162,529	23,432,124
11 CASH FUND	14,985,901	15,103,000
12 FEDERAL FUND est.	23,612,782	23,841,836
13 PROGRAM TOTAL	61,761,212	62,376,960
14 SALARY LIMIT	32,386,387	32,635,726

15 The Department of Administrative Services shall monitor the
16 appropriations and expenditures for this program according to the
17 following program classifications:

18 No. 510 - Veterans' Home System Administration
19 No. 519 - Grand Island Veterans' Home
20 No. 520 - Norfolk Veterans' Home
21 No. 521 - Western Nebraska Veterans' Home
22 No. 522 - Eastern Nebraska Veterans' Home

23 Sec. 105. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES
24 Program No. 559 - Care Management

	FY2017-18	FY2018-19
26 GENERAL FUND	2,315,560	2,315,560
27 PROGRAM TOTAL	2,315,560	2,315,560

28 There is included in the appropriation to this program for FY2017-18
29 \$2,315,560 General Funds for state aid, which shall only be used for such
30 purpose. There is included in the appropriation to this program for
31 FY2018-19 \$2,315,560 General Funds for state aid, which shall only be

1 used for such purpose.

2 Sec. 106. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

3 Program No. 571 - Community-Based Aging Services

4		FY2017-18	FY2018-19
5	GENERAL FUND	8,134,141	8,134,141
6	FEDERAL FUND est.	9,469,241	9,469,241
7	PROGRAM TOTAL	17,603,382	17,603,382

8 There is included in the appropriation to this program for FY2017-18
9 \$8,134,141 General Funds and \$9,469,241 Federal Funds estimate for state
10 aid, which shall only be used for such purpose. There is included in the
11 appropriation to this program for FY2018-19 \$8,134,141 General Funds and
12 \$9,469,241 Federal Funds estimate for state aid, which shall only be used
13 for such purpose.

14 Sec. 107. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

15 Program No. 621 - Stem Cell Research

16		FY2017-18	FY2018-19
17	CASH FUND	450,000	450,000
18	PROGRAM TOTAL	450,000	450,000
19	SALARY LIMIT	15,000	15,000

20 There is included in the appropriation to this program for FY2017-18
21 \$435,000 Cash Funds for state aid from the Nebraska Health Care Cash
22 Fund, which shall only be used for such purpose. There is included in the
23 appropriation to this program for FY2018-19 \$435,000 Cash Funds for state
24 aid from the Nebraska Health Care Cash Fund, which shall only be used for
25 such purpose.

26 Sec. 108. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES

27 Program No. 622 - Cancer Research

28		FY2017-18	FY2018-19
29	CASH FUND	3,779,167	3,780,397
30	PROGRAM TOTAL	3,779,167	3,780,397

1	SALARY LIMIT	96,374	96,815

2 There is included in the appropriation to this program for FY2017-18
3 an estimated \$3,291,113 Cash Funds for state aid, which shall only be
4 used for such purpose. There is included in the appropriation to this
5 program for FY2018-19 an estimated \$3,291,113 Cash Funds for state aid,
6 which shall only be used for such purpose.

7 Sec. 109. AGENCY NO. 25 – DEPARTMENT OF HEALTH AND HUMAN SERVICES
8 Program No. 623 - Biomedical Research

9		FY2017-18	FY2018-19
10	CASH FUND	15,000,000	15,000,000
11	PROGRAM TOTAL	15,000,000	15,000,000

12 There is included in the appropriation to this program \$15,000,000
13 Cash Funds for FY2017-18 for state aid, which shall only be used for such
14 purpose. There is included in the appropriation to this program
15 \$15,000,000 Cash Funds for FY2018-19 for state aid, which shall only be
16 used for such purpose.

17 There is included in the amount shown as aid for this program for
18 FY2017-18 \$15,000,000 Cash Funds for biomedical research from the
19 Nebraska Health Care Cash Fund. There is included in the amount shown as
20 aid for this program for FY2018-19 \$15,000,000 Cash Funds for biomedical
21 research from the Nebraska Health Care Cash Fund. At least \$700,000 of
22 such appropriated funds shall be used annually for research to improve
23 racial and ethnic minority health. Twenty-four percent of the
24 appropriated funds shall be distributed annually to the University of
25 Nebraska, sixteen percent for contracts with other postsecondary
26 educational institutions having colleges of medicine in Nebraska and
27 their affiliated research hospitals in Nebraska, and sixty percent to the
28 University of Nebraska and for contracts with other postsecondary
29 educational institutions having colleges of medicine in Nebraska and
30 their affiliated research hospitals in Nebraska based on the percentage
31 of all funds expended by such institutions from the National Institutes

1 of Health of the United States Department of Health and Human Services in
2 the prior year as contained in a certified report of such expenditures to
3 the Department of Health and Human Services from such institutions,
4 excluding any such funds expended for research involving the use of human
5 fetal tissue obtained in connection with the performance of an induced
6 abortion or involving the use of human embryonic stem cells. Each
7 recipient of funds under this section shall report annually to the
8 Legislature and to the Governor regarding the use of such funds received.
9 The report required to be submitted to the Legislature by this section
10 shall be submitted electronically.

11 Sec. 110. AGENCY NO. 27 – DEPARTMENT OF ROADS

12 Total expenditures by the Department of Roads for permanent and
13 temporary salaries and per diems shall not exceed \$110,910,061 for
14 FY2017-18. Total expenditures by the Department of Roads for permanent
15 and temporary salaries and per diems shall not exceed \$111,913,191 for
16 FY2018-19.

17 There is hereby appropriated for FY2017-18 \$437,500,000 from the
18 Highway Cash Fund to the Roads Operations Cash Fund, which fund is hereby
19 appropriated. There is included in the amount appropriated from the
20 Highway Cash Fund to the Roads Operations Cash Fund for FY2017-18
21 \$6,312,705 for assistance to the local transit authorities program and
22 intercity bus system assistance.

23 There is hereby appropriated for FY2018-19 \$446,500,000 from the
24 Highway Cash Fund to the Roads Operations Cash Fund, which fund is hereby
25 appropriated. There is included in the amount appropriated from the
26 Highway Cash Fund to the Roads Operations Cash Fund for FY2018-19
27 \$6,312,705 for assistance to the local transit authorities program and
28 intercity bus system assistance.

29 It is the intent of the Legislature that the Department of Roads
30 shall, in July of each year, contact each county and municipality
31 receiving funds distributed through the Highway Allocation Fund and

1 request confirmation from such county or municipality that it plans to
2 continue to accept its share of Highway Allocation Fund distributions in
3 the current fiscal year. The request and confirmation may be in
4 electronic form. All confirmations from the counties and municipalities
5 shall be compiled and submitted electronically to the Clerk of the
6 Legislature.

7 Sec. 111. AGENCY NO. 27 – DEPARTMENT OF ROADS

8 Program No. 305 - Assistance to Local Transit Authorities

9	FY2017-18	FY2018-19
10 CASH FUND	6,312,705	6,312,705
11 PROGRAM TOTAL	6,312,705	6,312,705

12 There is included in the appropriation to this program for FY2017-18
13 \$6,312,705 Cash Funds for state aid, which shall only be used for such
14 purpose. There is included within state aid for FY2017-18 \$535,000 Cash
15 Funds for intercity bus system assistance and \$5,777,705 Cash Funds for
16 the public transportation assistance program.

17 There is included in the appropriation to this program for FY2018-19
18 \$6,312,705 Cash Funds for state aid, which shall only be used for such
19 purpose. There is included within state aid for FY2018-19 \$535,000 Cash
20 Funds for intercity bus system assistance and \$5,777,705 Cash Funds for
21 the public transportation assistance program.

22 Sec. 112. AGENCY NO. 27 – DEPARTMENT OF ROADS

23 Program No. 568 - Highway Administration

24	FY2017-18	FY2018-19
25 CASH FUND est.	18,046,318	18,263,773
26 PROGRAM TOTAL	18,046,318	18,263,773

27 Cash Fund expenditures shall not be limited to the amount shown.

28 Sec. 113. AGENCY NO. 27 – DEPARTMENT OF ROADS

29 Program No. 569 - Construction

30	FY2017-18	FY2018-19
31 CASH FUND est.	666,759,361	671,421,094

1	PROGRAM TOTAL	666,759,361	671,421,094
2	Cash Fund expenditures shall not be limited to the amount shown.		
3	It is the intent of the Legislature that the Department of Roads		
4	shall apply for and make maximum use of available federal funding,		
5	including discretionary funding, on all highway construction projects		
6	which are eligible for such assistance.		
7	Sec. 114. AGENCY NO. 27 – DEPARTMENT OF ROADS		
8	Program No. 572 - Services and Supports		
9		FY2017-18	FY2018-19
10	CASH FUND est.	29,565,299	29,699,047
11	PROGRAM TOTAL	29,565,299	29,699,047
12	Cash Fund expenditures shall not be limited to the amount shown.		
13	Sec. 115. AGENCY NO. 27 – DEPARTMENT OF ROADS		
14	Program No. 574 - Maintenance		
15		FY2017-18	FY2018-19
16	CASH FUND est.	152,853,598	155,074,546
17	PROGRAM TOTAL	152,853,598	155,074,546
18	Cash Fund expenditures shall not be limited to the amount shown.		
19	Sec. 116. AGENCY NO. 28 – DEPARTMENT OF VETERANS' AFFAIRS		
20	Program No. 36 - Departmental Administration		
21		FY2017-18	FY2018-19
22	GENERAL FUND	1,176,426	1,191,005
23	PROGRAM TOTAL	1,176,426	1,191,005
24	SALARY LIMIT	766,242	773,163
25	Sec. 117. AGENCY NO. 28 – DEPARTMENT OF VETERANS' AFFAIRS		
26	Program No. 37 - Veterans' Cemeteries		
27		FY2017-18	FY2018-19
28	GENERAL FUND	6,438	180,287
29	CASH FUND	295,557	125,557
30	PROGRAM TOTAL	301,995	305,844

1	SALARY LIMIT	151,729	153,195
2	Sec. 118. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES		
3	Program No. 303 - State Aid - Small Watersheds		
4		FY2017-18	FY2018-19
5	CASH FUND	76,100	76,100
6	PROGRAM TOTAL	76,100	76,100
7	There is included in the appropriation to this program for FY2017-18		
8	\$76,100 Cash Funds for state aid, which shall only be used for such		
9	purpose. There is included in the appropriation to this program for		
10	FY2018-19 \$76,100 Cash Funds for state aid, which shall only be used for		
11	such purpose.		
12	Sec. 119. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES		
13	Program No. 304 - Nebraska Soil and Water Conservation Fund		
14		FY2017-18	FY2018-19
15	GENERAL FUND	2,154,285	2,154,285
16	CASH FUND	47,000	47,000
17	PROGRAM TOTAL	2,201,285	2,201,285
18	The unexpended General Fund appropriation balance existing on June		
19	30, 2017, is hereby reappropriated.		
20	There is included in the appropriation to this program for FY2017-18		
21	\$2,154,285 General Funds, any reappropriated amounts, and \$47,000 Cash		
22	Funds for state aid, which shall only be used for such purpose. There is		
23	included in the appropriation to this program for FY2018-19 \$2,154,285		
24	General Funds, any reappropriated amounts, and \$47,000 Cash Funds for		
25	state aid, which shall only be used for such purpose.		
26	Sec. 120. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES		
27	Program No. 306 - Water Well Decommissioning		
28		FY2017-18	FY2018-19
29	CASH FUND	97,000	97,000
30	PROGRAM TOTAL	97,000	97,000

1 The unexpended Cash Fund appropriation balance existing on June 30,
2 2017, is hereby reappropriated.

3 There is included in the appropriation to this program for FY2017-18
4 \$97,000 Cash Funds, plus any reappropriated amounts, for state aid, which
5 shall only be used for such purpose. There is included in the
6 appropriation to this program for FY2018-19 \$97,000 Cash Funds, plus any
7 reappropriated amounts, for state aid, which shall only be used for such
8 purpose.

9 Sec. 121. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

10 Program No. 307 - Nebraska Resources Development Fund

	FY2017-18	FY2018-19
12 GENERAL FUND	3,140,325	3,140,325
13 CASH FUND	47,500	47,500
14 PROGRAM TOTAL	3,187,825	3,187,825

15 The unexpended General Fund appropriation balance existing on June
16 30, 2017, is hereby reappropriated.

17 There is included in the appropriation to this program for FY2017-18
18 \$3,140,325 General Funds, any reappropriated amounts, and \$47,500 Cash
19 Funds for state aid, which shall only be used for such purpose. There is
20 included in the appropriation to this program for FY2018-19 \$3,140,325
21 General Funds, any reappropriated amounts, and \$47,500 Cash Funds for
22 state aid, which shall only be used for such purpose.

23 The appropriation to this program for state aid shall first be
24 utilized for projects which have been allocated funds but for which only
25 a portion of the allocation has been actually obligated. The total amount
26 of funds allocated for projects less the amounts obligated for such
27 projects shall not exceed \$18,500,000. The definitions of the terms
28 allocated and obligated shall be based on the terminology utilized by the
29 Department of Natural Resources in the Nebraska Resources Development
30 Fund Status Report.

31 It is the intent of the Legislature that \$3,140,325 General Funds be

1 appropriated to this program through FY2018-19.

2 Sec. 122. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

3 Program No. 309 - Natural Resources Water Quality Fund

4		FY2017-18	FY2018-19
5	CASH FUND	1,150,826	1,150,826
6	PROGRAM TOTAL	1,150,826	1,150,826

7 The unexpended Cash Fund appropriation balance existing on June 30,
8 2017, not to exceed \$500,000, is hereby reappropriated.

9 There is included in the appropriation to this program for FY2017-18
10 \$1,150,826 Cash Funds plus any reappropriated amounts, for state aid,
11 which shall only be used for such purpose. There is included in the
12 appropriation to this program for FY2018-19 \$1,150,826 Cash Funds plus
13 any reappropriated amounts, for state aid, which shall only be used for
14 such purpose.

15 Sec. 123. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

16 Program No. 313 - Water Sustainability Fund

17		FY2017-18	FY2018-19
18	CASH FUND	10,409,077	10,409,077
19	PROGRAM TOTAL	10,409,077	10,409,077

20 The unexpended Cash Fund appropriation balance existing on June 30,
21 2017, is hereby reappropriated.

22 There is included in the appropriation to this program for FY2017-18
23 \$10,409,077 Cash Funds, plus any reappropriated amounts, for state aid,
24 which shall only be used for such purpose. There is included in the
25 appropriation to this program for FY2018-19 \$10,409,077 Cash Funds, plus
26 any reappropriated amounts, for state aid, which shall only be used for
27 such purpose.

28 Sec. 124. AGENCY NO. 29 – DEPARTMENT OF NATURAL RESOURCES

29 Program No. 334 - Soil and Water Conservation

30		FY2017-18	FY2018-19
31	GENERAL FUND	11,050,310	11,169,870

1	CASH FUND	7,382,502	7,385,064
2	FEDERAL FUND est.	774,756	783,279
3	PROGRAM TOTAL	19,207,568	19,338,213
4	SALARY LIMIT	6,569,590	6,627,705

5 There is hereby reappropriated an amount certified by the Department
6 of Natural Resources to the budget administrator of the budget division
7 of the Department of Administrative Services of the unexpended General
8 Fund and Cash Fund appropriation balances existing on June 30, 2017, that
9 are allocated in budget subprograms 19, 20, and 21 of Program 334.
10 Reappropriated funds shall be allocated to the same budget subprogram.

11 There is included in the appropriation to this program for FY2017-18
12 \$6,450,000 Cash Funds plus any reappropriated amounts and \$5,000 Federal
13 Funds estimate, for state aid, which shall only be used for such purpose.
14 There is included in the appropriation to this program for FY2018-19
15 \$6,450,000 Cash Funds plus any reappropriated amounts and \$5,000 Federal
16 Funds estimate, for state aid, which shall only be used for such purpose.

17 Sec. 125. AGENCY NO. 30 – STATE ELECTRICAL BOARD

18 Program No. 197 - Public Protection

19		FY2017-18	FY2018-19
20	CASH FUND	1,706,812	1,728,638
21	PROGRAM TOTAL	1,706,812	1,728,638
22	SALARY LIMIT	950,271	958,512

23 Sec. 126. AGENCY NO. 31 – MILITARY DEPARTMENT

24 Program No. 192 - Governor's Emergency Aid

25		FY2017-18	FY2018-19
26	CASH FUND	250,000	250,000
27	FEDERAL FUND est.	4,500,000	4,500,000
28	PROGRAM TOTAL	4,750,000	4,750,000

29 There is no salary limitation for this program.

30 The unexpended General Fund and Cash Fund appropriation balances

1 existing on June 30, 2017, are hereby reappropriated.

2 There is included in the appropriation to this program for FY2017-18
3 \$250,000 Cash Funds and \$4,500,000 Federal Funds estimate for state aid.

4 There is included in the appropriation to this program for FY2018-19
5 \$250,000 Cash Funds and \$4,500,000 Federal Funds estimate for state aid.

6 Expenditures from this program shall not be restricted to state aid
7 if other expenditures are necessary to fulfill the goals of the
8 Governor's Emergency Aid Program.

9 Sec. 127. AGENCY NO. 31 – MILITARY DEPARTMENT

10 Program No. 544 - National and State Guard

	FY2017-18	FY2018-19
12 GENERAL FUND	3,033,775	3,053,919
13 CASH FUND	399,808	399,808
14 FEDERAL FUND est.	16,648,877	16,747,921
15 PROGRAM TOTAL	20,082,460	20,201,648
16 SALARY LIMIT	5,933,061	5,989,471

17 Sec. 128. AGENCY NO. 31 – MILITARY DEPARTMENT

18 Program No. 545 - Emergency Management

	FY2017-18	FY2018-19
20 GENERAL FUND	1,388,441	1,391,861
21 CASH FUND est.	582,221	585,048
22 FEDERAL FUND est.	3,418,733	3,440,429
23 PROGRAM TOTAL	5,389,395	5,417,338
24 SALARY LIMIT	1,981,062	1,996,821

25 Cash Fund expenditures shall not be limited to the amounts shown.

26 There is included in the appropriation to this program for FY2017-18
27 \$1,570,604 Federal Funds estimate for state aid, which shall only be used
28 for such purpose. There is included in the appropriation to this program
29 for FY2018-19 \$1,570,604 Federal Funds estimate for state aid, which
30 shall only be used for such purpose.

31 The Nebraska Emergency Management Agency shall by March 1 of each

1 year provide a report electronically to the Appropriations Committee of
2 the Legislature on the past, present, and future use of homeland security
3 funding. No expenditure of state, federal, or other funding sources
4 administered by the Nebraska Emergency Management Agency for homeland
5 security purposes shall be made for the ensuing fiscal year beginning
6 July 1 until the agency has provided the report to the committee. The
7 report shall include, but not be limited to, the planned use of known and
8 anticipated future funding as well as information on the past use of
9 funding within the last five years, including specific amounts allocated
10 to any unit of state or local government. The report shall also assess
11 the risk that state funding will be needed in the future to supplant
12 nonstate sources of revenue in order to continue homeland security
13 activities at both the state and local level.

14 Sec. 129. AGENCY NO. 31 – MILITARY DEPARTMENT

15 Program No. 548 - Tuition Assistance

	FY2017-18	FY2018-19
16 GENERAL FUND	608,775	608,775
17 PROGRAM TOTAL	608,775	608,775
18 SALARY LIMIT	-0-	-0-

19 There is included in the appropriation to this program for FY2017-18
20 \$608,775 General Funds for state aid, which shall only be used for such
21 purpose. There is included in the appropriation to this program for
22 FY2018-19 \$608,775 General Funds for state aid, which shall only be used
23 for such purpose.

24 Sec. 130. AGENCY NO. 32 – BOARD OF EDUCATIONAL LANDS AND FUNDS

25 Program No. 529 - Land Surveys

	FY2017-18	FY2018-19
26 GENERAL FUND	300,026	343,833
27 CASH FUND	22,592	22,834
28 PROGRAM TOTAL	322,618	366,667
29 SALARY LIMIT	230,569	266,127

1 Any General Funds expended for costs associated with the
2 administration of school lands shall be reimbursed, on a quarterly basis,
3 to the General Fund by the Board of Educational Lands and Funds.

4 Sec. 131. AGENCY NO. 32 – BOARD OF EDUCATIONAL LANDS AND FUNDS

5 Program No. 554 - Disputed Survey Settlements

	FY2017-18	FY2018-19
6 CASH FUND	20,483	20,483
7 PROGRAM TOTAL	20,483	20,483

9 Sec. 132. AGENCY NO. 32 – BOARD OF EDUCATIONAL LANDS AND FUNDS

10 Program No. 582 - School Land Trust

	FY2017-18	FY2018-19
11 CASH FUND est.	18,723,141	20,872,864
12 PROGRAM TOTAL	18,723,141	20,872,864

14 Cash Fund expenditures shall not be limited to the amount shown. The
15 appropriation contained in this program is provided pursuant to section
16 72-232.02.

17 Sec. 133. AGENCY NO. 33 – GAME AND PARKS COMMISSION

18 Program No. 162 - Environmental Trust

	FY2017-18	FY2018-19
19 CASH FUND	21,570,537	21,575,470
20 PROGRAM TOTAL	21,570,537	21,575,470
21 SALARY LIMIT	270,859	273,293

23 There is included in the appropriation to this program for FY2017-18
24 \$21,000,000 Cash Funds for state aid, which shall only be used for such
25 purpose. There is included in the appropriation to this program for
26 FY2018-19 \$21,000,000 Cash Funds for state aid, which shall only be used
27 for such purpose.

28 Sec. 134. AGENCY NO. 33 – GAME AND PARKS COMMISSION

29 Program No. 330 - Habitat Development

	FY2017-18	FY2018-19

1	CASH FUND	7,101,544	7,134,742
2	FEDERAL FUND est.	3,901,863	3,903,095
3	PROGRAM TOTAL	11,003,407	11,037,837
4	SALARY LIMIT	1,355,494	1,371,329

5 There is included in the appropriation to this program for FY2017-18
6 \$1,575,000 Cash Funds for state aid, which shall only be used for such
7 purpose. There is included in the appropriation to this program for
8 FY2018-19 \$1,575,000 Cash Funds for state aid, which shall only be used
9 for such purpose.

10 Sec. 135. AGENCY NO. 33 – GAME AND PARKS COMMISSION

11 Program No. 336 - Wildlife Conservation

	FY2017-18	FY2018-19	
12			
13	GENERAL FUND	1,326,134	1,343,667
14	CASH FUND	25,088,106	25,266,403
15	FEDERAL FUND est.	3,691,200	3,708,066
16	PROGRAM TOTAL	30,105,440	30,318,136
17	SALARY LIMIT	14,300,716	14,429,030

18 There is included in the appropriation to this program for FY2017-18
19 \$585,000 Cash Funds for state aid, which shall only be used for such
20 purpose. There is included in the appropriation to this program for
21 FY2018-19 \$585,000 Cash Funds for state aid, which shall only be used for
22 such purpose.

23 Sec. 136. AGENCY NO. 33 – GAME AND PARKS COMMISSION

24 Program No. 337 - Administration

	FY2017-18	FY2018-19	
25			
26	GENERAL FUND	825,996	833,649
27	CASH FUND	4,431,694	4,483,044
28	PROGRAM TOTAL	5,257,690	5,316,693
29	SALARY LIMIT	2,720,632	2,744,402

30 Sec. 137. AGENCY NO. 33 – GAME AND PARKS COMMISSION

1 Program No. 338 - Niobrara Council

2		FY2017-18	FY2018-19
3	GENERAL FUND	40,751	40,751
4	CASH FUND	1,000	1,000
5	FEDERAL FUND est.	125,000	125,000
6	PROGRAM TOTAL	166,751	166,751

7 There is included in the appropriation to this program for FY2017-18
8 \$40,751 General Funds, \$1,000 Cash Funds, and \$125,000 Federal Funds
9 estimate for state aid, which shall only be used for such purpose. There
10 is included in the appropriation to this program for FY2018-19 \$40,751
11 General Funds, \$1,000 Cash Funds, and \$125,000 Federal Funds estimate for
12 state aid, which shall only be used for such purpose.

13 Sec. 138. AGENCY NO. 33 – GAME AND PARKS COMMISSION

14 Program No. 549 - Parks - Administration and Operation

15		FY2017-18	FY2018-19
16	GENERAL FUND	7,097,051	7,221,414
17	CASH FUND	20,198,003	20,760,514
18	FEDERAL FUND est.	50,365	50,365
19	PROGRAM TOTAL	27,345,419	28,032,293
20	SALARY LIMIT	12,578,825	13,073,064

21 Sec. 139. AGENCY NO. 33 – GAME AND PARKS COMMISSION

22 Program No. 550 - Planning and Trails Coordination

23		FY2017-18	FY2018-19
24	GENERAL FUND	457,701	462,896
25	CASH FUND	1,098,060	1,110,090
26	FEDERAL FUND est.	106,231	106,993
27	PROGRAM TOTAL	1,661,992	1,679,979
28	SALARY LIMIT	901,183	909,772

29 It is the intent of the Legislature that the amount expended for the
30 development and maintenance of boundary fences along the Cowboy Trail be

1 limited to \$64,000 Cash Funds during each fiscal year.

2 Sec. 140. AGENCY NO. 33 – GAME AND PARKS COMMISSION

3 Program No. 617 - Engineering and Area Maintenance

	FY2017-18	FY2018-19

4 GENERAL FUND	2,111,488	2,139,738

5 CASH FUND	970,336	973,870

6 PROGRAM TOTAL	3,081,824	3,113,608

7 SALARY LIMIT	1,683,514	1,698,190

8 Sec. 141. AGENCY NO. 33 – GAME AND PARKS COMMISSION

9 Program No. 628 - Credit Card Discount Sales

	FY2017-18	FY2018-19

10 CASH FUND est.	515,205	515,205

11 PROGRAM TOTAL	515,205	515,205

12 Cash Fund expenditures shall not be limited to the amount shown.

13 Sec. 142. AGENCY NO. 33 – GAME AND PARKS COMMISSION

14 Program No. 846 - Nebraska Public Safety Communication System

	FY2017-18	FY2018-19

15 GENERAL FUND	37,384	16,029

16 CASH FUND	303,957	303,957

17 PROGRAM TOTAL	341,341	319,986

18 Sec. 143. AGENCY NO. 34 – NEBRASKA LIBRARY COMMISSION

19 Program No. 252 - Library and Information Services

	FY2017-18	FY2018-19

20 GENERAL FUND	2,706,080	2,734,973

21 CASH FUND	94,049	94,049

22 FEDERAL FUND est.	913,234	926,186

23 PROGRAM TOTAL	3,713,363	3,755,208

24 SALARY LIMIT	2,153,831	2,171,426

25 Sec. 144. AGENCY NO. 34 – NEBRASKA LIBRARY COMMISSION

26 Program No. 302 - Library Development

	FY2017-18	FY2018-19
1		
2 GENERAL FUND	1,255,085	1,255,085
3 FEDERAL FUND est.	611,395	611,395
4 PROGRAM TOTAL	1,866,480	1,866,480

5 There is included in the appropriation to this program for FY2017-18
6 \$1,255,085 General Funds estimate and \$611,395 Federal Funds estimate for
7 state aid, which shall only be used for such purpose. There is included
8 in the appropriation to this program for FY2018-19 \$1,255,085 General
9 Funds estimate and \$611,395 Federal Funds estimate for state aid, which
10 shall only be used for such purpose.

11 Sec. 145. AGENCY NO. 35 – NEBRASKA LIQUOR CONTROL COMMISSION

12 Program No. 73 - Licensing and Regulation

	FY2017-18	FY2018-19
13		
14 GENERAL FUND	1,274,031	1,291,003
15 CASH FUND	70,719	70,719
16 PROGRAM TOTAL	1,344,750	1,361,722
17 SALARY LIMIT	763,579	771,178

18 Sec. 146. AGENCY NO. 36 – STATE RACING COMMISSION

19 Program No. 74 - Enforcement of Standards - Horseracing

	FY2017-18	FY2018-19
20		
21 CASH FUND est.	728,412	732,831
22 PROGRAM TOTAL	728,412	732,831
23 SALARY LIMIT	339,351	342,231

24 There is included in the appropriation to this program for FY2017-18
25 \$140,000 Cash Funds for state aid, which shall only be used for such
26 purpose. There is included in the appropriation to this program for
27 FY2018-19 \$140,000 Cash Funds for state aid, which shall only be used for
28 such purpose.

29 Sec. 147. AGENCY NO. 37 – NEBRASKA WORKERS' COMPENSATION COURT

30 Program No. 530 - Court Administration

	FY2017-18	FY2018-19
1		
2 CASH FUND	4,676,575	4,724,444
3 FEDERAL FUND est.	53,272	53,887
4 PROGRAM TOTAL	4,729,847	4,778,331
5 SALARY LIMIT	2,368,588	2,390,730
6 Sec. 148. AGENCY NO. 39 – NEBRASKA BRAND COMMITTEE		
7 Program No. 75 - Nebraska Brand Committee		
8	FY2017-18	FY2018-19
9 CASH FUND	4,622,810	4,685,587
10 PROGRAM TOTAL	4,622,810	4,685,587
11 SALARY LIMIT	2,943,134	2,965,397
12 Sec. 149. AGENCY NO. 40 – NEBRASKA MOTOR VEHICLE INDUSTRY LICENSING		
13 BOARD		
14 Program No. 76 - Enforcement of Standards - Automotive Industry		
15	FY2017-18	FY2018-19
16 CASH FUND	736,204	746,655
17 PROGRAM TOTAL	736,204	746,655
18 SALARY LIMIT	462,845	467,353
19 Sec. 150. AGENCY NO. 41 – STATE REAL ESTATE COMMISSION		
20 Program No. 77 - Enforcement of Standards - Real Estate		
21	FY2017-18	FY2018-19
22 CASH FUND	1,205,660	1,217,424
23 PROGRAM TOTAL	1,205,660	1,217,424
24 SALARY LIMIT	580,580	585,646
25 The unexpended Cash Fund appropriation balance, not to exceed		
26 \$230,000, existing on June 30, 2017, is hereby reappropriated.		
27 Expenditure of reappropriated funds shall be limited to completion of the		
28 database improvement project.		
29 Sec. 151. AGENCY NO. 45 – BOARD OF BARBER EXAMINERS		
30 Program No. 80 - Enforcement of Standards - Barbering		

	FY2017-18	FY2018-19
1		
2 CASH FUND	165,362	167,611
3 PROGRAM TOTAL	165,362	167,611
4 SALARY LIMIT	101,324	102,145

5 Sec. 152. AGENCY NO. 46 – DEPARTMENT OF CORRECTIONAL SERVICES

6 Program No. 200 - Operations

	FY2017-18	FY2018-19
7		
8 GENERAL FUND	208,556,396	216,509,626
9 CASH FUND	3,126,000	2,126,000
10 FEDERAL FUND est.	1,766,770	1,770,844
11 REVOLVING FUND est.	19,808,916	19,970,069
12 PROGRAM TOTAL	233,258,082	240,376,539
13 SALARY LIMIT	112,403,492	116,775,361

14 The unexpended General Fund appropriation balance existing on June
15 30, 2017, is hereby reappropriated.

16 Included in the salary limitations provided by this section is
17 \$4,033,364 for FY2017-18 and \$4,033,364 for FY2018-19 for Revolving Fund
18 salaries for program classifications 390 and 563, that shall not be
19 limited to the amounts shown.

20 The Department of Administrative Services shall monitor the
21 appropriations and expenditures for this program according to the
22 following program classifications:

23 No. 260 - Nebraska Correctional Youth Facility

24 No. 300 - Tecumseh Correctional Center

25 No. 368 - Lincoln Community Corrections Center

26 No. 369 - Omaha Community Corrections Center

27 No. 370 - Central Office

28 No. 372 - Nebraska State Penitentiary

29 No. 373 - Nebraska Center for Women - York

30 No. 375 - Diagnostic and Evaluation Center

31 No. 376 - Lincoln Correctional Center

1 No. 377 - Omaha Correctional Center
2 No. 386 - McCook Incarceration Work Camp
3 No. 390 - Federal Surplus Property
4 No. 495 - Department Central Warehouse
5 No. 563 - Correctional Industries
6 Revolving Fund expenditures shall not be limited to the amounts
7 shown.

8 It is intended that the Department of Correctional Services shall
9 maintain a Department Contingency Fund and a Department Equipment Fund.

10 Sec. 153. AGENCY NO. 46 – DEPARTMENT OF CORRECTIONAL SERVICES

11 Program No. 214 - Vocational and Life Skills

	FY2017-18	FY2018-19
12 GENERAL FUND	5,116,831	5,133,231
13 PROGRAM TOTAL	5,116,831	5,133,231
14 SALARY LIMIT	1,188,753	1,196,354

15 The unexpended General Fund appropriation balance, less aid,
16 existing on June 30, 2017, is hereby reappropriated.

17 There is included in the appropriation to this program for FY2017-18
18 \$3,500,000 General Funds for state aid, which shall only be used for such
19 purpose. There is included in the appropriation to this program for
20 FY2018-19 \$3,500,000 General Funds for state aid, which shall only be
21 used for such purpose.

22 Sec. 154. AGENCY NO. 46 – DEPARTMENT OF CORRECTIONAL SERVICES

23 Program No. 725 - Building Depreciation Charges

	FY2017-18	FY2018-19
24 GENERAL FUND	71,915	71,915
25 PROGRAM TOTAL	71,915	71,915

26 There is included in the appropriation to this program for FY2017-18
27 \$71,915 General Funds for state building rental depreciation charges,
28 which shall only be used for such purpose. There is included in the
29 appropriation to this program for FY2018-19 \$71,915 General Funds for
30

1 state building rental depreciation charges, which shall only be used for
2 such purpose.

3 Sec. 155. AGENCY NO. 47 — NEBRASKA EDUCATIONAL TELECOMMUNICATIONS
4 COMMISSION

5 Program No. 533 - Network Operations

	FY2017-18	FY2018-19
6 GENERAL FUND	9,516,967	9,571,248
8 CASH FUND	310,206	310,206
9 PROGRAM TOTAL	9,827,173	9,881,454
10 SALARY LIMIT	2,860,693	2,883,974

11 Sec. 156. AGENCY NO. 47 — NEBRASKA EDUCATIONAL TELECOMMUNICATIONS
12 COMMISSION

13 Program No. 566 - Public Radio

	FY2017-18	FY2018-19
14 GENERAL FUND	478,113	480,528
16 CASH FUND	27,549	27,549
17 PROGRAM TOTAL	505,662	508,077
18 SALARY LIMIT	178,020	179,455

19 The limitation on expenditures for permanent and temporary salaries
20 and per diems contained in this section does not include expenditures
21 from trust funds.

22 Sec. 157. AGENCY NO. 48 — COORDINATING COMMISSION FOR POSTSECONDARY
23 EDUCATION

24 Program No. 297 - Education Grant Program

	FY2017-18	FY2018-19
25 FEDERAL FUND est.	401,724	401,918
27 PROGRAM TOTAL	401,724	401,918
28 SALARY LIMIT	18,742	18,839

29 There is included in the appropriation to this program for FY2017-18
30 \$380,000 Federal Funds estimate for state aid, which shall only be used

1 for such purpose. There is included in the appropriation to this program
2 for FY2018-19 \$380,000 Federal Funds estimate for state aid, which shall
3 only be used for such purpose.

4 Sec. 158. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
5 EDUCATION

6 Program No. 640 - Postsecondary Education Coordination

	FY2017-18	FY2018-19
7 GENERAL FUND	1,417,047	1,398,050
8 CASH FUND	35,681	36,396
9 FEDERAL FUND est.	6,306	6,306
10 PROGRAM TOTAL	1,459,034	1,440,752
11 SALARY LIMIT	940,584	913,190

12 There is included in the appropriation to this program for FY2017-18
13 an estimated \$115,000 General Funds and for FY2018-19 an estimated
14 \$115,000 General Funds for Midwestern Higher Education Compact state
15 membership dues.

16 Sec. 159. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
17 EDUCATION

18 Program No. 690 - Nebraska Opportunity Grant Program

	FY2017-18	FY2018-19
19 GENERAL FUND	6,568,156	6,568,156
20 CASH FUND	10,380,146	10,380,146
21 PROGRAM TOTAL	16,948,302	16,948,302

22 There are no personal services included in the appropriations in
23 this section.

24 There is included in the appropriation to this program for FY2017-18
25 \$6,568,156 General Funds and \$10,380,146 Cash Funds for state aid, which
26 shall only be used for such purpose. There is included in the
27 appropriation to this program for FY2018-19 \$6,568,156 General Funds and
28 \$10,380,146 Cash Funds for state aid, which shall only be used for such
29 purpose.

1 Sec. 160. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
2 EDUCATION

3 Program No. 691 - Access College Early Scholarship Program

	FY2017-18	FY2018-19
4		
5 GENERAL FUND	985,000	985,000
6 PROGRAM TOTAL	985,000	985,000

7 There are no personal services included in the appropriations in
8 this section.

9 There is included in the appropriation to this program for FY2017-18
10 \$985,000 General Funds for state aid, which shall only be used for such
11 purpose. There is included in the appropriation to this program for
12 FY2018-19 \$985,000 General Funds for state aid, which shall only be used
13 for such purpose.

14 Sec. 161. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
15 EDUCATION

16 Program No. 692 - Community College GAP Program

	FY2017-18	FY2018-19
17		
18 CASH FUND	1,464,876	1,466,545
19 PROGRAM TOTAL	1,464,876	1,466,545
20 SALARY LIMIT	60,621	61,209

21 There is included in the appropriation to this program for FY2017-18
22 \$1,351,047 Cash Funds for state aid, which shall only be used for such
23 purpose. There is included in the appropriation to this program for
24 FY2018-19 \$1,351,047 Cash Funds for state aid, which shall only be used
25 for such purpose.

26 Sec. 162. AGENCY NO. 48 – COORDINATING COMMISSION FOR POSTSECONDARY
27 EDUCATION

28 Program No. 693 - Oral Health Training and Services

	FY2017-18	FY2018-19
29		
30 CASH FUND	17,512	17,654
31 PROGRAM TOTAL	17,512	17,654

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1 data in the precise formats required by the Coordinating Commission for
2 Postsecondary Education.

3 The Legislature reaffirms its commitment to long-range and short-
4 range computer planning by the Nebraska state colleges. It is the intent
5 of the Legislature that comprehensive computer plans of the Nebraska
6 state colleges be updated biennially and submitted to the Legislative
7 Fiscal Analyst, the Department of Administrative Services, and the
8 Coordinating Commission for Postsecondary Education on or before October
9 15 of each odd-numbered year. The plans required to be submitted to the
10 Legislative Fiscal Analyst by this section shall be submitted
11 electronically.

12 The Department of Administrative Services shall monitor the
13 appropriations and expenditures of the Board of Trustees of the Nebraska
14 State Colleges, Agency No. 50-0, and the Nebraska State Colleges, Agency
15 Nos. 50-1, 50-3, and 50-4, according to NCHEMS-Program Classification
16 Structure, Second Edition. Expenditure authority shall be limited to
17 program appropriations.

18 Sec. 164. AGENCY NO. 51 – UNIVERSITY OF NEBRASKA

19 Program No. 781 - University - Administration

20 (1) There is hereby appropriated to the Board of Regents of the
21 University of Nebraska for expenditure and distribution to the campuses
22 by the University of Nebraska Central Administration the following sums
23 of money.

24	FY2017-18	FY2018-19
25 GENERAL FUND	570,900,008	577,665,817
26 PROGRAM TOTAL	570,900,008	577,665,817

27 The unexpended General Fund appropriation balance existing on June
28 30, 2017, is hereby reappropriated.

29 (2) It is intended that the University of Nebraska Central
30 Administration, upon approval of the Board of Regents of the University
31 of Nebraska, divide and distribute the funds appropriated in this section

1 among all the campuses and the central administration, including the
2 Nebraska College of Technical Agriculture at Curtis. At the direction of
3 the board, these funds may be supplemented by Cash Funds, Federal Funds,
4 Revolving Funds, and Trust Funds.

5 (3) There is included in the appropriation to this program for
6 FY2017-18 an estimated \$3,398,163 General Funds and for FY2018-19 an
7 estimated \$3,398,163 General Funds for the Nebraska College of Technical
8 Agriculture at Curtis.

9 There is included in the appropriation to this program for FY2017-18
10 an estimated \$2,804,862 General Funds and for FY2018-19 an estimated
11 \$2,804,862 General Funds for the Nebraska Forest Service Program.

12 There is included in the appropriation to this program \$1,800,000
13 General Funds for FY2017-18 and \$1,800,000 General Funds for FY2018-19
14 for pediatric cancer of which \$1,500,000 per year is for pediatric cancer
15 research and \$300,000 per year is for pediatric cancer specialists.

16 There is included in the appropriation to this program \$2,000,000
17 General Funds for FY2017-18 and \$2,000,000 General Funds for FY2018-19
18 for the academic program costs associated with the Health Science
19 Education Center located at the University of Nebraska at Kearney.

20 There is included in the appropriation to this program \$424,000
21 General Funds for FY2017-18 and \$424,000 General Funds for FY2018-19 for
22 the operating and maintenance cost associated with the Health Science
23 Education Center located at the University of Nebraska at Kearney.

24 There is included in the appropriation to this program \$1,000,000
25 General Funds for FY2017-18 and \$1,000,000 General Funds for FY2018-19
26 for a Biomedical Institute located at the University of Nebraska Medical
27 Center.

28 There is included in the appropriation to this program \$100,000
29 General Funds for FY2017-18 and \$100,000 General Funds for FY2018-19 for
30 the Nebraska Business Development Center at the University of Nebraska at
31 Omaha.

1 There is included in the appropriation to this program \$2,000,000
2 General Funds for FY2017-18 and \$2,000,000 General Funds for FY2018-19
3 for the academic program costs and the operating and maintenance costs
4 associated with the Center for Advanced Interprofessional Learning.

5 There is included in the appropriation to this program \$320,300
6 General Funds for FY2017-18 and \$320,300 General Funds for FY2018-19 for
7 faculty salary enhancement at the Nebraska College of Technical
8 Agriculture at Curtis.

9 There is included in the appropriation to this program \$100,000
10 General Funds for FY2017-18 and \$100,000 General Funds for FY2018-19 for
11 a staff veterinarian at the Nebraska College of Technical Agriculture at
12 Curtis.

13 It is the intent of the Legislature that the Institute of
14 Agriculture and Natural Resources and the Cooperative Extension Program
15 are treated fairly in the University of Nebraska 2017-2017 biennial
16 budget-setting process.

17 (4)(a) There is included in the appropriation to this program for
18 the Board of Regents of the University of Nebraska for FY2017-18 an
19 estimated \$11,719,478 General Funds and for FY2018-19 an estimated
20 \$11,719,478 General Funds, to be administered by Central Administration,
21 for the purpose of targeted research activities at the University of
22 Nebraska. It is intended that none of these funds be used for new capital
23 construction or renovation, except that a small portion may be used for
24 short-term cash flow. Further, it is intended that an estimated \$315,291
25 of the estimated \$11,719,478 for FY2017-18 and an estimated \$315,291 of
26 the estimated \$11,719,478 for FY2018-19 be used in conjunction with the
27 Experimental Program to Stimulate Competitive Research (EPSCoR) which is
28 expected to have an increased emphasis on applied research and technology
29 transfer.

30 (b) It is intended that faculty teams, research centers, or
31 individual faculty from the various colleges and departments of all of

1 the campuses of the University of Nebraska should present research
2 proposals to the Research Fund Advisory Committee and Central
3 Administration for the various targeted research areas after the
4 FY2017-18 appropriation has been made but prior to August 15, 2017.
5 Inherent in this process is the concept that the best proposals be
6 selected regardless of the campus of origin and that selections be made
7 on a competitive basis.

8 (c) It is intended for the EPSCoR Program that faculty teams,
9 clusters, research centers, or individual faculty from the various
10 colleges and departments of all of the campuses of the University of
11 Nebraska and Creighton University should present to the EPSCoR Planning
12 Committee research proposals to be funded by the EPSCoR Program. Inherent
13 in this process is the concept that the best proposals be selected
14 regardless of the campus of origin and that selections be made on a
15 competitive basis. Emphasis shall be placed on technology transfer and
16 the research needs of business and industry. It is intended that the
17 EPSCoR Planning Committee shall continue to develop the Nebraska State
18 Science and Technology Transfer Plan as part of the EPSCoR Program. It is
19 further intended that the existing Research Fund Advisory Committee and
20 the existing EPSCoR Planning Committee coordinate and integrate the
21 planning and project evaluation criteria and procedures for both the
22 Nebraska Research Initiative Program and the EPSCoR Program. Matching
23 funds for any research grants to Creighton University shall be in the
24 form of a contract in which specific services are identified and a time
25 period is specified. Creighton University shall provide an appropriate
26 share of any match.

27 (d) The unexpended appropriations balance from the \$11,719,478
28 estimated General Funds appropriated for research existing on June 30,
29 2017, and the unexpended appropriations balance from the estimated
30 \$11,719,478 General Funds appropriated for research existing on June 30,
31 2018, are hereby reappropriated.

1 (5) It is intended that:

2 (a) The University of Nebraska shall report its expenditures on the
3 Allotment Status Report and Regular Budget Status Report according to its
4 internal operational and organizational structure, subject to approval by
5 the Accounting Administrator and the budget administrator of the budget
6 division of the Department of Administrative Services;

7 (b) The University of Nebraska shall report its expenditures on the
8 Program Classification Expenditure Report in the NCHEMS-Program
9 Classification Structure, Second Edition, subject to approval by the
10 Accounting Administrator and the budget administrator of the budget
11 division of the Department of Administrative Services;

12 (c) The University of Nebraska shall submit the budget request in
13 the NCHEMS-Program Classification Structure, Second Edition, for the
14 University of Nebraska-Lincoln with an informational budget request for
15 the Institute of Agriculture and Natural Resources, University of
16 Nebraska at Omaha, University of Nebraska Medical Center, University of
17 Nebraska at Kearney, Nebraska College of Technical Agriculture at Curtis,
18 and University of Nebraska Central Administration;

19 (d) Comprehensive computer plans at the University of Nebraska shall
20 be biennially updated and submitted to the Legislative Fiscal Analyst and
21 to the budget division of the Department of Administrative Services on or
22 before September 1 of odd-numbered years; and

23 (e) The Nebraska Educational Data System created by Laws 1978, LB
24 897, shall be utilized to support the appropriations and oversight
25 process for postsecondary education. It is further the intent of the
26 Legislature that all institutions shall provide the data in the precise
27 formats required by the Coordinating Commission for Postsecondary
28 Education and that any expenditure of General Funds on the development of
29 new information systems, including any student information system, meet
30 the requirements of the Nebraska Educational Data System as determined by
31 the Coordinating Commission for Postsecondary Education.

1 Sec. 165. AGENCY NO. 52 – NEBRASKA STATE FAIR BOARD

2 Program No. 694 - State Fair Support and Improvement

3		FY2017-18	FY2018-19
4	CASH FUND est.	4,250,000	4,250,000
5	PROGRAM TOTAL	4,250,000	4,250,000

6 Cash Fund expenditures shall not be limited to the amount shown.

7 There is included in the appropriation to this program for FY2017-18
8 \$4,250,000 Cash Funds estimate for state aid, which shall only be used
9 for such purpose. There is included in the appropriation to this program
10 for FY2018-19 \$4,250,000 Cash Funds estimate for state aid, which shall
11 only be used for such purpose.

12 Sec. 166. AGENCY NO. 53 – REAL PROPERTY APPRAISER BOARD

13 Program No. 79 - Appraiser Licensing

14		FY2017-18	FY2018-19
15	CASH FUND	378,700	382,525
16	PROGRAM TOTAL	378,700	382,525
17	SALARY LIMIT	161,818	163,472

18 The unexpended Cash Fund appropriation balance, not to exceed
19 \$69,709, existing on June 30, 2017, is hereby reappropriated. Expenditure
20 of reappropriated funds shall be limited to completion of the database
21 improvement project.

22 It is the intent of the Legislature that the agency complies with
23 the provisions of sections 76-2226 and 76-3219 on the allowed use of
24 money in the Real Property Appraiser Fund and the Appraisal Management
25 Company Fund.

26 Sec. 167. AGENCY NO. 54 – NEBRASKA STATE HISTORICAL SOCIETY

27 Program No. 553 - Sesquicentennial Commission

28		FY2017-18	FY2018-19
29	GENERAL FUND	94,367	-0-
30	CASH FUND	90,000	-0-
31	PROGRAM TOTAL	184,367	-0-

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1 out obligations of the agency under the Unmarked Human Burial Sites and
2 Skeletal Remains Protection Act, which shall only be used for such
3 purpose.

4 It is the intent of the Legislature that the Nebraska State
5 Historical Society shall continue to budget and account for each of the
6 branch museums at the subprogram level within this program.

7 Appropriations shall only be expended for the operation,
8 construction, maintenance, or repair of a gift of real property after
9 that property has been approved for acceptance by the Governor and the
10 Legislature as required under section 81-1108.33.

11 Sec. 169. AGENCY NO. 56 – NEBRASKA WHEAT DEVELOPMENT, UTILIZATION,
12 AND MARKETING BOARD

13 Program No. 381 - Nebraska Wheat Development, Utilization, and
14 Marketing Board

	FY2017-18	FY2018-19
15 CASH FUND	1,484,870	1,555,811
16 PROGRAM TOTAL	1,484,870	1,555,811
17 SALARY LIMIT	235,803	238,989

18 Sec. 170. AGENCY NO. 57 – NEBRASKA OIL AND GAS CONSERVATION
19 COMMISSION

20 Program No. 335 - Oil and Gas Conservation

	FY2017-18	FY2018-19
21 CASH FUND	821,282	829,648
22 FEDERAL FUND est.	79,991	80,333
23 PROGRAM TOTAL	901,273	909,981
24 SALARY LIMIT	584,112	589,107

25 Sec. 171. AGENCY NO. 58 – BOARD OF ENGINEERS AND ARCHITECTS

26 Program No. 82 - Enforcement of Standards - Engineers and Architects

	FY2017-18	FY2018-19
27 CASH FUND	807,578	811,210

1	PROGRAM TOTAL	807,578	811,210
2	SALARY LIMIT	341,534	344,614
3	Sec. 172. AGENCY NO. 59 – BOARD OF GEOLOGISTS		
4	Program No. 159 - Enforcement of Standards		
5		FY2017-18	FY2018-19
6	CASH FUND	29,720	30,220
7	PROGRAM TOTAL	29,720	30,220
8	Sec. 173. AGENCY NO. 60 – NEBRASKA ETHANOL BOARD		
9	Program No. 516 - Ethanol		
10		FY2017-18	FY2018-19
11	CASH FUND	679,273	684,749
12	PROGRAM TOTAL	679,273	684,749
13	SALARY LIMIT	309,613	312,421
14	Sec. 174. AGENCY NO. 61 – NEBRASKA DAIRY INDUSTRY DEVELOPMENT BOARD		
15	Program No. 114 - Nebraska Dairy Industry Development Board		
16		FY2017-18	FY2018-19
17	CASH FUND	1,399,809	1,399,810
18	PROGRAM TOTAL	1,399,809	1,399,810
19	Sec. 175. AGENCY NO. 62 – STATE BOARD OF EXAMINERS FOR LAND		
20	SURVEYORS		
21	Program No. 83 - Enforcement of Standards - Land Surveyors		
22		FY2017-18	FY2018-19
23	CASH FUND	20,127	20,128
24	PROGRAM TOTAL	20,127	20,128
25	Sec. 176. AGENCY NO. 63 – NEBRASKA STATE BOARD OF PUBLIC		
26	ACCOUNTANCY		
27	Program No. 84 - Enforcement of Standards		
28		FY2017-18	FY2018-19
29	CASH FUND	425,383	429,071
30	PROGRAM TOTAL	425,383	429,071

1	SALARY LIMIT	184,302	185,793
2	Sec. 177. AGENCY NO. 64 – NEBRASKA STATE PATROL		
3	Program No. 100 - Public Protection		
4		FY2017-18	FY2018-19
5	GENERAL FUND	57,454,234	58,165,666
6	CASH FUND	6,984,827	7,005,947
7	FEDERAL FUND est.	384,139	410,660
8	PROGRAM TOTAL	64,823,200	65,582,273
9	SALARY LIMIT	38,893,087	39,225,431

10 The Department of Administrative Services shall monitor the
11 appropriations and expenditures for this program according to the
12 following program classifications:

13 No. 189 - Command and Support

14 No. 190 - Criminal Investigations

15 No. 195 - Road Operations

16 There is included in the appropriation to this program for FY2017-18
17 \$150,000 General Funds and \$100,000 Federal Funds from the Byrne Criminal
18 History Improvement set-aside funds, subject to available federal
19 appropriation, which shall only be expended for criminal justice
20 information systems improvements. There is included in the appropriation
21 to this program for FY2018-19 \$150,000 General Funds and \$100,000 Federal
22 Funds from the Byrne Criminal History Improvement set-aside funds,
23 subject to available federal appropriation, which shall only be expended
24 for criminal justice information systems improvements. Federal Funds
25 transferred to the Nebraska State Patrol pursuant to this section shall
26 be expended consistent with all applicable federal laws, rules, and
27 regulations pertaining to Byrne Criminal History Improvement set-aside
28 funds.

29 There is included in the appropriation to this program for FY2017-18
30 \$485,979 Cash Funds and for FY2018-19 \$485,979 Cash Funds, which
31 appropriation amounts shall only be expended to provide law enforcement

1 coverage along state road construction zones. The Department of Roads
2 shall contract with the Nebraska State Patrol for such law enforcement
3 coverage and shall pay for such services from the Roads Operations Cash
4 Fund to the Nebraska State Patrol Cash Fund in four equal quarterly
5 amounts to be transferred by the State Treasurer on or before July 15,
6 October 15, January 15, and April 15, for both FY2017-18 and FY2018-19.

7 Sec. 178. AGENCY NO. 64 – NEBRASKA STATE PATROL

8 Program No. 205 - Carrier Enforcement

	FY2017-18	FY2018-19
9		
10 CASH FUND	8,165,761	8,261,749
11 FEDERAL FUND est.	2,445,995	2,485,454
12 PROGRAM TOTAL	10,611,756	10,747,203
13 SALARY LIMIT	6,565,149	6,621,225

14 Sec. 179. AGENCY NO. 64 – NEBRASKA STATE PATROL

15 Program No. 325 - Operational Improvements

	FY2017-18	FY2018-19
16		
17 CASH FUND	2,314,550	2,314,550
18 PROGRAM TOTAL	2,314,550	2,314,550

19 Expenditures from this program shall be restricted to the Public
20 Safety Cash Fund and the Nebraska State Patrol Drug Control and Education
21 Cash Fund. These two Cash Funds shall not be expended from any other
22 budget programs, except that the Public Safety Cash Fund may also be
23 expended from administratively created budget Program No. 575, for the
24 purpose of providing the required state match for federal Byrne grants
25 awarded to the Nebraska State Patrol and from Program No. 850 for the
26 Nebraska Public Safety Communication System. Expenditures from these two
27 Cash Funds shall be made from separate budget subprograms.

28 As funds become available, the Superintendent of Law Enforcement and
29 Public Safety shall submit proposed lists of projects in writing to the
30 budget division of the Department of Administrative Services, which shall
31 forward them to the Governor for approval or rejection, except that no

1 new projects shall be submitted by the superintendent or approved by the
2 Governor during FY2017-18 or FY2018-19 until the Nebraska State Patrol
3 has first reserved the full Cash Fund appropriations and Cash Fund
4 balances necessary to completely meet all active and outstanding
5 operational improvement project balances remaining unexpended as of June
6 30, 2017.

7 Sec. 180. AGENCY NO. 64 – NEBRASKA STATE PATROL

8 Program No. 630 - State Capitol Security

9	FY2017-18	FY2018-19
10 GENERAL FUND	253,704	253,704
11 REVOLVING FUND	1,250,978	1,267,285
12 PROGRAM TOTAL	1,504,682	1,520,989
13 SALARY LIMIT	768,020	772,803

14 Any security agreements entered into by the Nebraska State Patrol,
15 on behalf of the state capitol security division, shall require that all
16 such revenue be credited directly to the Capitol Security Revolving Fund.

17 For budgeting purposes only, the amount of projected revenue to be
18 received from security agreements entered into by the Nebraska State
19 Patrol, on behalf of the state capitol security division, to be credited
20 directly to the Capitol Security Revolving Fund is estimated to be
21 \$500,583 for FY2017-18 and \$500,583 for FY2018-19.

22 Sec. 181. AGENCY NO. 64 – NEBRASKA STATE PATROL

23 Program No. 850 - Nebraska Public Safety Communication System

24	FY2017-18	FY2018-19
25 GENERAL FUND	1,369,043	1,110,479
26 CASH FUND	3,820,000	3,704,662
27 PROGRAM TOTAL	5,189,043	4,815,141
28 SALARY LIMIT	91,122	91,874

29 Sec. 182. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

30 Program No. 49 - Departmental Administration

31	FY2017-18	FY2018-19

1	REVOLVING FUND	3,850,053	3,853,175
2	PROGRAM TOTAL	3,850,053	3,853,175
3	SALARY LIMIT	2,375,892	2,389,222
4	Sec. 183. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
5	Program No. 101 - Chief Information Officer		
6		FY2017-18	FY2018-19
7	GENERAL FUND	345,170	348,843
8	PROGRAM TOTAL	345,170	348,843
9	SALARY LIMIT	222,893	224,577
10	Sec. 184. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
11	Program No. 169 - Federal Liaison		
12		FY2017-18	FY2018-19
13	GENERAL FUND	2,000	2,000
14	PROGRAM TOTAL	2,000	2,000
15	Sec. 185. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
16	Program No. 170 - Intergovernmental Data Services		
17		FY2017-18	FY2018-19
18	REVOLVING FUND	2,481,303	2,485,934
19	PROGRAM TOTAL	2,481,303	2,485,934
20	SALARY LIMIT	281,811	284,246
21	Sec. 186. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
22	Program No. 171 - Materiel Division		
23		FY2017-18	FY2018-19
24	CASH FUND	98,711	98,711
25	REVOLVING FUND	21,849,657	21,519,853
26	PROGRAM TOTAL	21,948,368	21,618,564
27	SALARY LIMIT	3,133,728	3,162,947
28	Sec. 187. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
29	Program No. 172 - Information Management Services Division		
30		FY2017-18	FY2018-19

1	REVOLVING FUND	70,798,924	69,865,792
2	PROGRAM TOTAL	70,798,924	69,865,792
3	SALARY LIMIT	14,958,147	15,426,362
4	Sec. 188. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
5	Program No. 173 - Communications Division		
6		FY2017-18	FY2018-19
7	REVOLVING FUND	40,073,901	41,577,847
8	PROGRAM TOTAL	40,073,901	41,577,847
9	SALARY LIMIT	3,753,647	3,781,028
10	Sec. 189. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
11	Program No. 180 - Transportation Services Bureau		
12		FY2017-18	FY2018-19
13	REVOLVING FUND	8,758,701	8,767,987
14	PROGRAM TOTAL	8,758,701	8,767,987
15	SALARY LIMIT	519,313	523,034
16	Sec. 190. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
17	Program No. 245 - Nebraska Public Safety Communication System		
18		FY2017-18	FY2018-19
19	REVOLVING FUND	7,827,236	7,835,389
20	PROGRAM TOTAL	7,827,236	7,835,389
21	SALARY LIMIT	465,189	468,810
22	Sec. 191. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
23	Program No. 509 - Budget Division		
24		FY2017-18	FY2018-19
25	GENERAL FUND	1,247,525	1,262,115
26	PROGRAM TOTAL	1,247,525	1,262,115
27	SALARY LIMIT	821,036	828,806
28	The unexpended General Fund appropriation balance existing on June		
29	30, 2017, is hereby reappropriated.		
30	Sec. 192. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		

1 Program No. 535 - Risk Management Division

2		FY2017-18	FY2018-19
3	REVOLVING FUND	491,022	494,200
4	PROGRAM TOTAL	491,022	494,200
5	SALARY LIMIT	190,184	191,758

6 Sec. 193. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

7 Program No. 560 - State Building Division

8		FY2017-18	FY2018-19
9	GENERAL FUND	234,636	235,205
10	CASH FUND	933,457	933,457
11	REVOLVING FUND	35,741,045	35,814,532
12	PROGRAM TOTAL	36,909,138	36,983,194
13	SALARY LIMIT	3,521,267	3,549,650

14 Charges assessed by the Department of Administrative Services
15 pursuant to provisions of subdivision (4)(b) of section 81-1108.17 for
16 the Ferguson House shall not annually exceed an amount calculated as
17 follows:

18 (1) Multiply the insured replacement value of the Ferguson House
19 property by two one-hundredths;

20 (2) Divide the amount of tenant-occupied gross square feet of
21 Ferguson House space by the Ferguson House gross square feet of total
22 space; and

23 (3) Multiply the amount computed in subdivision (1) of this section
24 by the amount computed in subdivision (2) of this section.

25 Sec. 194. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

26 Program No. 567 - Accounting Division

27		FY2017-18	FY2018-19
28	GENERAL FUND	5,149,000	6,900,000
29	REVOLVING FUND	5,237,556	5,271,488
30	PROGRAM TOTAL	10,386,556	12,171,488

1	SALARY LIMIT	1,788,866	1,806,244
2	Sec. 195. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
3	Program No. 573 - Task Force for Building Renewal		
4		FY2017-18	FY2018-19
5	CASH FUND	502,389	506,739
6	PROGRAM TOTAL	502,389	506,739
7	SALARY LIMIT	345,984	348,214
8	Sec. 196. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES		
9	Program No. 591 - Tort Claims		
10		FY2017-18	FY2018-19
11	GENERAL FUND	210,000	210,000
12	CASH FUND	50,000	50,000
13	PROGRAM TOTAL	260,000	260,000

14 (1) The following amounts are hereby transferred to the Tort Claims
15 Fund from the respective agency fund balances:

16 (a) \$55,005 from the Department of Roads; and

17 (b) \$2,604 from the Game and Parks Commission.

18 Such sums shall be transferred to the risk management and state
19 claims division no later than August 1, 2017, or in four equal payments
20 on August 1, October 1, January 1, and April 1, at the discretion of the
21 Risk Manager.

22 (2) The following amounts are hereby transferred to the Tort Claims
23 Fund from the respective agency fund balances:

24 (a) \$55,005 from the Department of Roads; and

25 (b) \$2,604 from the Game and Parks Commission.

26 Such sums shall be transferred to the risk management and state
27 claims division no later than August 1, 2018, or in four equal payments
28 on August 1, October 1, January 1, and April 1, at the discretion of the
29 Risk Manager.

30 It is the intent of the Legislature that transfers specified in this
31 section for FY2018-19 be adjusted by the One Hundred Fifth Legislature,

1 Second Session, 2018, in accordance with information available after July
2 1, 2017.

3 Sec. 197. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

4 Program No. 592 - Indemnification Claims

5	FY2017-18	FY2018-19
6 GENERAL FUND	491,250	491,250
7 REVOLVING FUND	150,000	150,000
8 PROGRAM TOTAL	641,250	641,250

9 Sec. 198. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

10 Program No. 593 - Workers' Compensation Claims

11	FY2017-18	FY2018-19
12 REVOLVING FUND	17,952,297	17,952,297
13 PROGRAM TOTAL	17,952,297	17,952,297

14 It is the intent of the Legislature that state agencies, boards, and
15 commissions make the workers' compensation insurance premium payments to
16 the Workers' Compensation Claims Revolving Fund, which are hereby
17 appropriated for FY2017-18 in this program under the authority of
18 sections 81-8,239.02 and 81-8,239.03, to the risk management and state
19 claims division no later than August 1, 2017, or in four equal payments
20 on August 1, October 1, January 1, and April 1, at the discretion of the
21 Risk Manager.

22 It is the intent of the Legislature that state agencies, boards, and
23 commissions make the workers' compensation insurance premium payments to
24 the Workers' Compensation Claims Revolving Fund, which are hereby
25 appropriated for FY2018-19 in this program under the authority of
26 sections 81-8,239.02 and 81-8,239.03, to the risk management and state
27 claims division no later than August 1, 2018, or in four equal payments
28 on August 1, October 1, January 1, and April 1, at the discretion of the
29 Risk Manager.

30 There is included in the appropriation to this program for FY2017-18
31 an amount not to exceed \$25,000 Revolving Funds, which may be used to

1 contract for rehabilitation services to assist worker rehabilitation in
2 relation to workers' compensation cases. There is included in the
3 appropriation to this program for FY2018-19 an amount not to exceed
4 \$25,000 Revolving Funds, which may be used to contract for rehabilitation
5 services to assist worker rehabilitation in relation to workers'
6 compensation cases.

7 Sec. 199. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

8 Program No. 594 - State Insurance

	FY2017-18	FY2018-19
10 REVOLVING FUND	7,615,874	7,615,874
11 PROGRAM TOTAL	7,615,874	7,615,874

12 Sec. 200. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

13 Program No. 605 - Personnel Division

	FY2017-18	FY2018-19
15 GENERAL FUND	1,632,045	1,655,686
16 REVOLVING FUND	8,058,926	8,143,213
17 PROGRAM TOTAL	9,690,971	9,798,899
18 SALARY LIMIT	6,494,114	6,562,002

19 It is the intent of the Legislature that the personnel division of
20 the Department of Administrative Services continue to accurately track
21 vacant positions in state government and report electronically to the
22 Legislative Fiscal Analyst on a quarterly basis.

23 Sec. 201. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

24 Program No. 606 - Benefits Administration

	FY2017-18	FY2018-19
26 CASH FUND	1,291,814	1,107,962
27 PROGRAM TOTAL	1,291,814	1,107,962
28 SALARY LIMIT	304,635	307,113

29 Sec. 202. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

30 Program No. 608 - Employee Relations Division

	FY2017-18	FY2018-19
1		
2 GENERAL FUND	411,300	416,319
3 PROGRAM TOTAL	411,300	416,319
4 SALARY LIMIT	282,112	284,686

5 The unexpended General Fund appropriation balance existing on June
6 30, 2017, is hereby reappropriated.

7 Sec. 203. AGENCY NO. 65 – DEPARTMENT OF ADMINISTRATIVE SERVICES

8 Program No. 685 - Office of the Nebraska Capitol Commission

	FY2017-18	FY2018-19
9		
10 GENERAL FUND	4,279,152	4,306,320
11 CASH FUND	133,804	140,064
12 REVOLVING FUND	4,750	4,750
13 PROGRAM TOTAL	4,417,706	4,451,134
14 SALARY LIMIT	1,361,438	1,374,747

15 The unexpended General Fund appropriation balance existing on June
16 30, 2017, is hereby reappropriated. It is the intent of the Legislature
17 that any reappropriated balance be used for unexpected increases in
18 utility expenses.

19 Sec. 204. AGENCY NO. 66 – ABSTRACTERS BOARD OF EXAMINERS

20 Program No. 58 - Enforcement of Standards - Abstracters

	FY2017-18	FY2018-19
21		
22 CASH FUND	56,735	56,993
23 PROGRAM TOTAL	56,735	56,993
24 SALARY LIMIT	24,471	24,695

25 Sec. 205. AGENCY NO. 67 – EQUAL OPPORTUNITY COMMISSION

26 Program No. 59 - Enforcement of Standards

	FY2017-18	FY2018-19
27		
28 GENERAL FUND	1,232,512	1,254,241
29 FEDERAL FUND est.	816,437	822,942
30 PROGRAM TOTAL	2,048,949	2,077,183

1	SALARY LIMIT	1,252,424	1,263,850
2	Sec. 206. AGENCY NO. 68 – COMMISSION ON LATINO-AMERICANS		
3	Program No. 537 - Commission on Latino-Americans		
4		FY2017-18	FY2018-19
5	GENERAL FUND	204,607	208,479
6	CASH FUND	4,850	4,850
7	PROGRAM TOTAL	209,457	213,329
8	SALARY LIMIT	133,880	135,224
9	Sec. 207. AGENCY NO. 69 – NEBRASKA ARTS COUNCIL		
10	Program No. 326 - Promotion and Development of the Arts		
11		FY2017-18	FY2018-19
12	GENERAL FUND	607,473	614,128
13	CASH FUND	60,000	60,000
14	FEDERAL FUND est.	196,571	199,129
15	PROGRAM TOTAL	864,044	873,257
16	SALARY LIMIT	526,801	531,862
17	Sec. 208. AGENCY NO. 69 – NEBRASKA ARTS COUNCIL		
18	Program No. 327 - Aid to the Arts		
19		FY2017-18	FY2018-19
20	GENERAL FUND	898,319	898,319
21	FEDERAL FUND est.	545,800	545,800
22	PROGRAM TOTAL	1,444,119	1,444,119
23	There is included in the appropriation to this program for FY2017-18		
24	\$898,319 General Funds and \$545,800 Federal Funds estimate for state aid,		
25	which shall only be used for such purpose. There is included in the		
26	appropriation to this program for FY2018-19 \$898,319 General Funds and		
27	\$545,800 Federal Funds estimate for state aid, which shall only be used		
28	for such purpose.		
29	Sec. 209. AGENCY NO. 69 – NEBRASKA ARTS COUNCIL		
30	Program No. 329 - Arts and Humanities Preservation		

	FY2017-18	FY2018-19
1		
2 CASH FUND	1,425,266	1,425,543
3 PROGRAM TOTAL	1,425,266	1,425,543
4 SALARY LIMIT	21,941	21,982

5 There is included in the appropriation to this program for FY2017-18
6 \$1,395,000 Cash Funds for state aid, which shall only be used for such
7 purpose. There is included in the appropriation to this program for
8 FY2018-19 \$1,395,000 Cash Funds for state aid, which shall only be used
9 for such purpose.

10 The budget division of the Department of Administrative Services
11 shall only allot state aid funds appropriated to this program if the
12 Nebraska Arts Council provides evidence of dollar-for-dollar matching
13 funds derived from nonstate sources, as required in section 82-332.

14 Sec. 210. AGENCY NO. 70 – FOSTER CARE REVIEW OFFICE

15 Program No. 116 - Foster Care Review Office

	FY2017-18	FY2018-19
16		
17 GENERAL FUND	1,841,906	1,872,766
18 CASH FUND	5,700	5,700
19 FEDERAL FUND est.	407,203	407,203
20 PROGRAM TOTAL	2,254,809	2,285,669
21 SALARY LIMIT	1,425,591	1,438,826

22 Sec. 211. AGENCY NO. 70 – FOSTER CARE REVIEW OFFICE

23 Program No. 353 - Children's Commission

	FY2017-18	FY2018-19
24		
25 CASH FUND	132,436	134,957
26 PROGRAM TOTAL	132,436	134,957
27 SALARY LIMIT	99,894	100,894

28 Sec. 212. AGENCY NO. 71 – STATE ENERGY OFFICE

29 Program No. 106 - Energy Office Administration

	FY2017-18	FY2018-19
30		

1	CASH FUND	999,798	999,798
2	FEDERAL FUND est.	7,842,705	7,842,705
3	PROGRAM TOTAL	8,842,503	8,842,503
4	SALARY LIMIT	1,118,080	1,127,696

5 There is included in the appropriation to this program for FY2017-18
6 \$564,562 Cash Funds and \$6,349,656 Federal Funds estimate for state aid,
7 which shall only be used for such purpose. Cash Fund expenditures for
8 state aid for FY2017-18 shall not be limited to the amount shown. There
9 is included in the appropriation to this program for FY2018-19 \$564,562
10 Cash Funds and \$6,349,656 Federal Funds estimate for state aid, which
11 shall only be used for such purpose. Cash Fund expenditures for state aid
12 for FY2018-19 shall not be limited to the amount shown.

13 Sec. 213. AGENCY NO. 72 – DEPARTMENT OF ECONOMIC DEVELOPMENT

14 Program No. 601 - Community and Rural Development

	FY2017-18	FY2018-19
15 GENERAL FUND	801,826	804,977
16 CASH FUND	11,912,785	11,919,244
17 FEDERAL FUND est.	20,727,796	20,740,845
18 PROGRAM TOTAL	33,442,407	33,465,066
19 SALARY LIMIT	1,103,291	1,112,498

21 There is included in the appropriation to this program for FY2017-18
22 \$500,000 General Funds, \$11,250,000 Cash Funds, and \$18,937,950 Federal
23 Funds estimate for state aid, which shall only be used for such purpose.
24 There is included in the appropriation to this program for FY2018-19
25 \$500,000 General Funds, \$11,250,000 Cash Funds, and \$18,937,950 Federal
26 Funds estimate for state aid, which shall only be used for such purpose.

27 There is included in the amount shown for FY2017-18 \$500,000 General
28 Funds to provide aid funding to development districts formed under
29 sections 13-1901 to 13-1907. There is included in the amount shown for
30 FY2018-19 \$500,000 General Funds to provide aid funding to development
31 districts formed under sections 13-1901 to 13-1907.

1 Sec. 214. AGENCY NO. 72 — DEPARTMENT OF ECONOMIC DEVELOPMENT

2 Program No. 603 - Industrial Recruitment

3		FY2017-18	FY2018-19
4	GENERAL FUND	11,539,817	11,595,236
5	CASH FUND	10,396,872	10,397,777
6	FEDERAL FUND est.	496,460	496,532
7	PROGRAM TOTAL	22,433,149	22,489,545
8	SALARY LIMIT	2,780,690	2,807,081

9 There is included in the appropriation to this program for FY2017-18
10 \$6,760,000 General Funds, \$9,897,194 Cash Funds, and \$249,341 Federal
11 Funds estimate for state aid, which shall only be used for such purpose.

12 There is included in the appropriation to this program for FY2018-19
13 \$6,760,000 General Funds, \$9,897,194 Cash Funds, and \$249,341 Federal
14 Funds estimate for state aid, which shall only be used for such purpose.

15 There is included in the appropriation to this program for FY2017-18
16 \$250,000 General Funds for the Nebraska Developing Youth Talent
17 Initiative, which shall only be used for such purpose. There is included
18 in the appropriation to this program for FY2018-19 \$250,000 General Funds
19 for the Nebraska Developing Youth Talent Initiative, which shall only be
20 used for such purpose. The department shall establish a separate budget
21 subprogram to account for the expenditure of funds appropriated for the
22 Nebraska Developing Youth Talent Initiative. It is the intent of the
23 Legislature that the Department of Economic Development shall select up
24 to two industry partners or industry consortiums each fiscal year from
25 the manufacturing and information technology sectors to participate in
26 the initiative, which shall be in collaboration with public schools. The
27 initiative shall be designed to reach students beginning in the seventh
28 and eighth grades. At least one industry partner selected to participate
29 in the initiative shall be from a county that has a population of less
30 than one hundred thousand inhabitants. An annual evaluation report
31 detailing the outcomes of the initiative shall be provided to the

1 Legislature electronically and to the Governor, not later than September
2 15th each year.

3 Sec. 215. AGENCY NO. 72 – DEPARTMENT OF ECONOMIC DEVELOPMENT

4 Program No. 655 - Civic and Community Center Financing Fund

	FY2017-18	FY2018-19
5 CASH FUND	2,501,549	2,501,886
6 PROGRAM TOTAL	2,501,549	2,501,886
7 SALARY LIMIT	19,036	19,188

8 There is included in the appropriation to this program for FY2017-18
9 \$2,465,000 Cash Funds for state aid, which shall only be used for such
10 purpose. There is included in the appropriation to this program for
11 FY2018-19 \$2,465,000 Cash Funds for state aid, which shall only be used
12 for such purpose.

13 Sec. 216. AGENCY NO. 73 – STATE BOARD OF LANDSCAPE ARCHITECTS

14 Program No. 597 - State Board of Landscape Architects

	FY2017-18	FY2018-19
15 CASH FUND	24,997	25,597
16 PROGRAM TOTAL	24,997	25,597

17 Sec. 217. AGENCY NO. 74 – NEBRASKA POWER REVIEW BOARD

18 Program No. 72 - Enforcement of Standards

	FY2017-18	FY2018-19
19 CASH FUND	611,731	617,155
20 PROGRAM TOTAL	611,731	617,155
21 SALARY LIMIT	237,965	239,837

22 Sec. 218. AGENCY NO. 75 – NEBRASKA INVESTMENT COUNCIL

23 Program No. 610 - Investments Administration

	FY2017-18	FY2018-19
24 CASH FUND	2,950,805	2,970,531
25 PROGRAM TOTAL	2,950,805	2,970,531
26 SALARY LIMIT	1,137,628	1,188,563

1 Sec. 219. AGENCY NO. 76 – COMMISSION ON INDIAN AFFAIRS

2 Program No. 584 - Indian Affairs

3		FY2017-18	FY2018-19
4	GENERAL FUND	232,785	236,049
5	CASH FUND	20,228	20,228
6	PROGRAM TOTAL	253,013	256,277
7	SALARY LIMIT	153,927	155,253

8 Sec. 220. AGENCY NO. 77 – COMMISSION OF INDUSTRIAL RELATIONS

9 Program No. 490 - Commissioner Expenses

10		FY2017-18	FY2018-19
11	GENERAL FUND	65,644	65,644
12	PROGRAM TOTAL	65,644	65,644
13	SALARY LIMIT	61,000	61,000

14 Sec. 221. AGENCY NO. 77 – COMMISSION OF INDUSTRIAL RELATIONS

15 Program No. 531 - Administration

16		FY2017-18	FY2018-19
17	GENERAL FUND	254,041	273,450
18	PROGRAM TOTAL	254,041	273,450
19	SALARY LIMIT	146,538	161,569

20 Sec. 222. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT
21 AND CRIMINAL JUSTICE

22 Program No. 150 - Juvenile Services Act

23		FY2017-18	FY2018-19
24	GENERAL FUND	711,849	713,390
25	PROGRAM TOTAL	711,849	713,390
26	SALARY LIMIT	67,031	67,612

27 There is included in the appropriation to this program for FY2017-18
28 \$587,812 General Funds for state aid, which shall only be used for such
29 purpose. There is included in the appropriation to this program for
30 FY2018-19 \$587,812 General Funds for state aid, which shall only be used

1 for such purpose.

2 Sec. 223. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT
3 AND CRIMINAL JUSTICE

4 Program No. 155 - County Juvenile Services Aid

5	FY2017-18	FY2018-19
6 GENERAL FUND	7,231,170	7,235,536
7 PROGRAM TOTAL	7,231,170	7,235,536
8 SALARY LIMIT	226,837	228,951

9 There is included in the appropriation to this program for FY2017-18
10 \$6,120,000 General Funds for state aid, which shall only be used for such
11 purpose. There is included in the appropriation to this program for
12 FY2018-19 \$6,120,000 General Funds for state aid, which shall only be
13 used for such purpose.

14 Sec. 224. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT
15 AND CRIMINAL JUSTICE

16 Program No. 198 - Central Administration

17	FY2017-18	FY2018-19
18 GENERAL FUND	826,853	833,457
19 CASH FUND	41,073	41,733
20 FEDERAL FUND est.	5,425,792	5,432,377
21 PROGRAM TOTAL	6,293,718	6,307,567
22 SALARY LIMIT	457,821	463,987

23 There is included in the appropriation to this program for FY2017-18
24 \$513,457 General Funds and \$4,520,673 Federal Funds estimate for state
25 aid, which shall only be used for such purpose. There is included in the
26 appropriation to this program for FY2018-19 \$513,457 General Funds and
27 \$4,520,673 Federal Funds estimate for state aid, which shall only be used
28 for such purpose.

29 There is included in the appropriation to this program for FY2017-18
30 \$62,000 General Funds and \$194,233 Federal Funds estimate from the
31 federal Victims of Crime Act of 1984 to operate a victim notification

1 system, which shall only be used for such purpose. There is included in
2 the appropriation to this program for FY2018-19 \$62,000 General Funds and
3 \$194,233 Federal Funds estimate from the federal Victims of Crime Act of
4 1984 to operate a victim notification system, which shall only be used
5 for such purpose.

6 Sec. 225. AGENCY NO. 78 - NEBRASKA COMMISSION ON LAW ENFORCEMENT
7 AND CRIMINAL JUSTICE

8 Program No. 199 - Nebraska Law Enforcement Training Center

9	FY2017-18	FY2018-19
10 GENERAL FUND	2,081,107	2,090,277
11 CASH FUND	908,800	919,420
12 FEDERAL FUND est.	61,146	61,664
13 PROGRAM TOTAL	3,051,053	3,071,361
14 SALARY LIMIT	909,598	918,594

15 The unexpended General Fund appropriation balance existing on June
16 30, 2017, is hereby reappropriated.

17 There is included in the appropriation to this program for FY2017-18
18 \$916,523 General Funds for Training Center building rental charges to be
19 paid to the state building division of the Department of Administrative
20 Services, which shall only be used for such purpose. There is included in
21 the appropriation to this program for FY2018-19 \$916,523 General Funds
22 for Training Center building rental charges to be paid to the state
23 building division of the Department of Administrative Services, which
24 shall only be used for such purpose.

25 There is included in the appropriation to this program for FY2017-18
26 \$465,875 General Funds for the annual depreciation charge to be paid to
27 the state building division of the Department of Administrative Services,
28 which shall only be used for such purpose. There is included in the
29 appropriation to this program for FY2018-19 \$465,875 General Funds for
30 the annual depreciation charge to be paid to the state building division
31 of the Department of Administrative Services, which shall only be used

1 for such purpose.

2 All food service charges for students shall be separate and distinct
3 from tuition and fee charges assessed, and such food service charges
4 shall not be included or commingled for purposes of establishing annual
5 tuition and fee rates.

6 Any rules, regulations, or operating instructions adopted by the
7 Nebraska Commission on Law Enforcement and Criminal Justice shall be
8 consistent with the provisions of this section.

9 Sec. 226. AGENCY NO. 78 — NEBRASKA COMMISSION ON LAW ENFORCEMENT
10 AND CRIMINAL JUSTICE

11 Program No. 201 - Victim-Witness Assistance

	FY2017-18	FY2018-19
12 GENERAL FUND	165,230	165,230
13 FEDERAL FUND est.	3,203,047	3,207,690
14 PROGRAM TOTAL	3,368,277	3,372,920
15 SALARY LIMIT	232,479	234,193

16 There is included in the appropriation to this program for FY2017-18
17 \$52,559 General Funds and \$2,632,086 Federal Funds estimate for state
18 aid, which shall only be used for such purpose. There is included in the
19 appropriation to this program for FY2018-19 \$52,559 General Funds and
20 \$2,632,086 Federal Funds estimate for state aid, which shall only be used
21 for such purpose.

22 Sec. 227. AGENCY NO. 78 — NEBRASKA COMMISSION ON LAW ENFORCEMENT
23 AND CRIMINAL JUSTICE

24 Program No. 202 - Crime Victims' Reparations

	FY2017-18	FY2018-19
25 GENERAL FUND	27,837	27,837
26 CASH FUND	303,474	303,474
27 FEDERAL FUND est.	128,400	128,400
28 PROGRAM TOTAL	459,711	459,711
29 SALARY LIMIT	-0-	-0-

1 There is included in the appropriation to this program for FY2017-18
2 \$20,000 General Funds, \$303,474 Cash Funds, and \$121,980 Federal Funds
3 estimate for state aid, which shall only be used for such purpose. There
4 is included in the appropriation to this program for FY2018-19 \$20,000
5 General Funds, \$303,474 Cash Funds, and \$121,980 Federal Funds estimate
6 for state aid, which shall only be used for such purpose.

7 Sec. 228. AGENCY NO. 78 — NEBRASKA COMMISSION ON LAW ENFORCEMENT
8 AND CRIMINAL JUSTICE

9 Program No. 203 - Jail Standards Board

	FY2017-18	FY2018-19
11 GENERAL FUND	320,434	324,549
12 PROGRAM TOTAL	320,434	324,549
13 SALARY LIMIT	195,635	197,590

14 Sec. 229. AGENCY NO. 78 — NEBRASKA COMMISSION ON LAW ENFORCEMENT
15 AND CRIMINAL JUSTICE

16 Program No. 204 - Office of Violence Prevention

	FY2017-18	FY2018-19
18 GENERAL FUND	462,299	463,552
19 CASH FUND	10,500	10,500
20 PROGRAM TOTAL	472,799	474,052
21 SALARY LIMIT	56,368	56,917

22 There is included in the appropriation to this program for FY2017-18
23 \$350,000 General Funds for state aid, which shall only be used for such
24 purpose. There is included in the appropriation to this program for
25 FY2018-19 \$350,000 General Funds for state aid, which shall only be used
26 for such purpose.

27 Sec. 230. AGENCY NO. 78 — NEBRASKA COMMISSION ON LAW ENFORCEMENT
28 AND CRIMINAL JUSTICE

29 Program No. 210 - State Agency Byrne Grants

	FY2017-18	FY2018-19
31 FEDERAL FUND est.	1,329,951	1,329,951

1	PROGRAM TOTAL	1,329,951	1,329,951
2	SALARY LIMIT	-0-	-0-

3 The budget division of the Department of Administrative Services
4 shall create a separate budget program within each agency receiving funds
5 from the appropriation to this program to properly account for such
6 funds. The expenditure limitation for permanent and temporary salaries
7 and per diems may be increased within these administratively created
8 programs to allow for the expenditure of personal services.

9 At the direction of the budget administrator of the budget division
10 of the Department of Administrative Services, any funds appropriated to
11 this program shall be administratively transferred to the appropriate
12 state agencies that have been awarded federal Byrne grants by the
13 Nebraska Commission on Law Enforcement and Criminal Justice. The Nebraska
14 Commission on Law Enforcement and Criminal Justice shall certify to the
15 budget division of the Department of Administrative Services the federal
16 fund appropriations to be transferred pursuant to this section.

17 Sec. 231. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT
18 AND CRIMINAL JUSTICE

19 Program No. 215 - Criminal Justice Information System

20		FY2017-18	FY2018-19
21	GENERAL FUND	187,510	187,823
22	FEDERAL FUND est.	812,833	815,108
23	PROGRAM TOTAL	1,000,343	1,002,931
24	SALARY LIMIT	153,507	154,663

25 The unexpended General Fund appropriation balance existing on June
26 30, 2017, is hereby reappropriated.

27 Funds appropriated to this program shall be used to support criminal
28 justice information systems projects for state law enforcement agencies
29 and to assist with the sharing of criminal justice information by
30 federal, state, and local agencies.

31 Sec. 232. AGENCY NO. 78 – NEBRASKA COMMISSION ON LAW ENFORCEMENT

1 AND CRIMINAL JUSTICE

2 Program No. 220 - Community Corrections Division

3		FY2017-18	FY2018-19
4	GENERAL FUND	311,579	314,955
5	CASH FUND	413,351	413,578
6	PROGRAM TOTAL	724,930	728,533
7	SALARY LIMIT	211,813	213,727

8 Sec. 233. AGENCY NO. 81 - COMMISSION FOR THE BLIND AND VISUALLY
9 IMPAIRED

10 Program No. 357 - Blind and Visually Impaired

11		FY2017-18	FY2018-19
12	GENERAL FUND	1,118,768	1,127,119
13	CASH FUND	99,279	99,840
14	FEDERAL FUND est.	4,685,776	4,729,360
15	PROGRAM TOTAL	5,903,823	5,956,319
16	SALARY LIMIT	2,304,645	2,327,193

17 There is included in the appropriation to this program for FY2017-18
18 \$176,890 General Funds, \$10,000 Cash Funds, and \$989,593 Federal Funds
19 estimate for state aid, which shall only be used for such purpose. There
20 is included in the appropriation to this program for FY2018-19 \$176,890
21 General Funds, \$10,000 Cash Funds, and \$989,593 Federal Funds estimate
22 for state aid, which shall only be used for such purpose.

23 There is included in the appropriation to this program for FY2017-18
24 \$128,250 General Funds and for FY2018-19 \$128,250 General Funds for
25 services for the older blind, which shall only be used for such purpose.
26 It is the intent of the Legislature that services for the older blind be
27 coordinated and integrated to the extent possible with services provided
28 to the aged by other state agencies.

29 Sec. 234. AGENCY NO. 82 - COMMISSION FOR THE DEAF AND HARD OF
30 HEARING

31 Program No. 578 - Hearing Impaired

	FY2017-18	FY2018-19
1		
2 GENERAL FUND	998,241	1,010,338
3 CASH FUND	16,659	16,659
4 PROGRAM TOTAL	1,014,900	1,026,997
5 SALARY LIMIT	578,453	583,991

6 Sec. 235. AGENCY NO. 83 – AID TO COMMUNITY COLLEGES

7 Program No. 151 - Aid to Community Colleges

	FY2017-18	FY2018-19
8		
9 GENERAL FUND	97,803,459	97,803,459
10 PROGRAM TOTAL	97,803,459	97,803,459

11 There is included in the appropriation to this program for FY2017-18
12 \$97,803,459 General Funds for state aid, which shall only be used for
13 such purpose. There is included in the appropriation to this program for
14 FY2018-19 \$97,803,459 General Funds for state aid, which shall only be
15 used for such purpose.

16 Sec. 236. AGENCY NO. 84 – DEPARTMENT OF ENVIRONMENTAL QUALITY

17 Program No. 513 - Environmental Quality

	FY2017-18	FY2018-19
18		
19 GENERAL FUND	4,099,093	4,142,772
20 CASH FUND	32,502,704	32,605,968
21 FEDERAL FUND est.	16,710,334	16,810,395
22 PROGRAM TOTAL	53,312,131	53,559,135
23 SALARY LIMIT	12,809,139	12,925,447

24 The Department of Administrative Services shall monitor the
25 appropriations and expenditures for this program according to the
26 following program classifications:

27 No. 513 - Administration

28 No. 586 - Water Quality

29 No. 587 - Land Quality

30 No. 588 - Air Quality

1 There is included in the appropriation to this program for FY2017-18
2 \$316,200 General Funds, \$15,573,273 Cash Funds, and \$265,000 Federal
3 Funds estimate for state aid, which shall only be used for such purpose.
4 There is included in the appropriation to this program for FY2018-19
5 \$316,200 General Funds, \$15,573,273 Cash Funds, and \$265,000 Federal
6 Funds estimate for state aid, which shall only be used for such purpose.

Sec. 237. AGENCY NO. 84 – DEPARTMENT OF ENVIRONMENTAL QUALITY

Program No. 523 - Wastewater Loan Fund

9		FY2017-18	FY2018-19
10	CASH FUND	1,200,000	1,200,000
11	FEDERAL FUND est.	6,940,000	6,940,000
12	PROGRAM TOTAL	8,140,000	8,140,000

13 There is included in the appropriation to this program for FY2017-18
14 \$1,200,000 Cash Funds and \$6,490,000 Federal Funds estimate for state
15 aid, which shall only be used for such purpose. There is included in the
16 appropriation to this program for FY2018-19 \$1,200,000 Cash Funds and
17 \$6,490,000 Federal Funds estimate for state aid, which shall only be used
18 for such purpose.

19 Funds set aside for grants to small communities shall not be
20 commingled with funds deposited in the Wastewater Treatment Facilities
21 Construction Loan Fund.

Sec. 238. AGENCY NO. 84 – DEPARTMENT OF ENVIRONMENTAL QUALITY

Program No. 528 - Drinking Water Facilities Loan Fund

24		FY2017-18	FY2018-19
25	CASH FUND	1,732,000	1,732,000
26	FEDERAL FUND est.	8,500,000	8,500,000
27	PROGRAM TOTAL	10,232,000	10,232,000

28 There is included in the appropriation to this program for FY2017-18
29 \$1,732,000 Cash Funds and \$8,500,000 Federal Funds estimate for state
30 aid, which shall only be used for such purpose. There is included in the
31 appropriation to this program for FY2018-19 \$1,732,000 Cash Funds and

1 \$8,500,000 Federal Funds estimate for state aid, which shall only be used
2 for such purpose.

3 Sec. 239. AGENCY NO. 85 – PUBLIC EMPLOYEES RETIREMENT BOARD

4 Program No. 41 - Administration of Retirement Systems and Deferred
5 Compensation

	FY2017-18	FY2018-19
6 CASH FUND	5,366,318	5,424,035
7 PROGRAM TOTAL	5,366,318	5,424,035
8 SALARY LIMIT	2,357,027	2,379,611

10 Sec. 240. AGENCY NO. 85 – PUBLIC EMPLOYEES RETIREMENT BOARD

11 Program No. 42 - Board Member Expenses

	FY2017-18	FY2018-19
12 CASH FUND	27,612	27,612
13 PROGRAM TOTAL	27,612	27,612
14 SALARY LIMIT	6,000	6,000

16 It is the intent of the Legislature that all expenses of the members
17 of the Public Employees Retirement Board, including conference
18 registration expenses, be paid exclusively from this program.

19 Sec. 241. AGENCY NO. 85 – PUBLIC EMPLOYEES RETIREMENT BOARD

20 Program No. 515 - Public Employees Retirement

	FY2017-18	FY2018-19
21 GENERAL FUND	48,469,886	51,200,000
22 PROGRAM TOTAL	48,469,886	51,200,000

24 There is included in the appropriation to this program for FY2017-18
25 \$38,039,347 General Funds for state aid to provide additional funding to
26 the School Employees Retirement System of the State of Nebraska, which
27 shall only be used for such purpose. There is included in the
28 appropriation to this program for FY2018-19 \$38,300,000 General Funds for
29 state aid to provide additional funding to the School Employees
30 Retirement System of the State of Nebraska, which shall only be used for
31 such purpose.

1 There is included in the appropriation to this program for FY2017-18
2 \$7,888,981 General Funds for state aid to provide additional funding to
3 the Class V School Employees Retirement System, which shall only be used
4 for such purpose. There is included in the appropriation to this program
5 for FY2018-19 \$8,000,000 General Funds for state aid to provide
6 additional funding to the Class V School Employees Retirement System,
7 which shall only be used for such purpose.

8 There is included in the appropriation to this program for FY2017-18
9 \$2,541,558 General Funds for state aid to provide additional funding to
10 the Nebraska State Patrol Retirement System, which shall only be used for
11 such purpose. There is included in the appropriation to this program for
12 FY2018-19 \$4,900,000 General Funds for state aid to provide additional
13 funding to the Nebraska State Patrol Retirement System, which shall only
14 be used for such purpose.

15 Pursuant to section 84-1319.01, each state agency participating in
16 the State Employees Retirement System of the State of Nebraska shall
17 contribute an amount to the State Equal Retirement Benefit Fund to
18 provide all similarly situated male and female members with equal
19 benefits. It is the intent of the Legislature that the Public Employees
20 Retirement Board notify each state agency of the amount to be paid to the
21 fund for FY2017-18 and FY2018-19.

22 Sec. 242. AGENCY NO. 86 – DRY BEAN COMMISSION

23 Program No. 137 - Dry Bean Commission

24		FY2017-18	FY2018-19
25	CASH FUND	454,939	455,754
26	PROGRAM TOTAL	454,939	455,754
27	SALARY LIMIT	51,056	51,679

28 Sec. 243. AGENCY NO. 87 – NEBRASKA ACCOUNTABILITY AND DISCLOSURE
29 COMMISSION

30 Program No. 94 - Nebraska Political Accountability

31		FY2017-18	FY2018-19

1	GENERAL FUND	484,907	492,488
2	CASH FUND	240,494	242,405
3	PROGRAM TOTAL	725,401	734,893
4	SALARY LIMIT	468,688	472,919
5	Sec. 244. AGENCY NO. 88 - CORN DEVELOPMENT, UTILIZATION, AND		
6	MARKETING BOARD		
7	Program No. 384 - Corn Development, Utilization, and Marketing Board		
8		FY2017-18	FY2018-19
9	CASH FUND	7,962,173	7,969,295
10	PROGRAM TOTAL	7,962,173	7,969,295
11	SALARY LIMIT	433,281	436,897
12	Sec. 245. AGENCY NO. 91 - NEBRASKA TOURISM COMMISSION		
13	Program No. 618 - Tourism Promotion		
14		FY2017-18	FY2018-19
15	CASH FUND	5,862,491	5,873,884
16	PROGRAM TOTAL	5,862,491	5,873,884
17	SALARY LIMIT	896,795	902,704
18	There is included in the appropriation to this program for FY2017-18		
19	\$852,600 Cash Funds for state aid, which shall only be used for such		
20	purpose. There is included in the appropriation to this program for		
21	FY2018-19 \$852,600 Cash Funds for state aid, which shall only be used for		
22	such purpose.		
23	Sec. 246. AGENCY NO. 92 - GRAIN SORGHUM DEVELOPMENT, UTILIZATION,		
24	AND MARKETING BOARD		
25	Program No. 406 - Grain Sorghum Development		
26		FY2017-18	FY2018-19
27	CASH FUND	288,447	289,036
28	PROGRAM TOTAL	288,447	289,036
29	SALARY LIMIT	51,318	51,832
30	Sec. 247. AGENCY NO. 93 - TAX EQUALIZATION AND REVIEW COMMISSION		

1 Program No. 115 - Operations

2		FY2017-18	FY2018-19
3	GENERAL FUND	845,135	858,152
4	CASH FUND	45,294	45,294
5	PROGRAM TOTAL	890,429	903,446
6	SALARY LIMIT	602,503	608,319

7 Sec. 248. AGENCY NO. 94 – COMMISSION ON PUBLIC ADVOCACY

8 Program No. 425 - Operations

9		FY2017-18	FY2018-19
10	CASH FUND	1,233,481	1,245,789
11	PROGRAM TOTAL	1,233,481	1,245,789
12	SALARY LIMIT	759,882	767,359

13 Sec. 249. AGENCY NO. 94 – COMMISSION ON PUBLIC ADVOCACY

14 Program No. 426 - Legal Services Aid

15		FY2017-18	FY2018-19
16	CASH FUND	3,402,355	3,402,355
17	PROGRAM TOTAL	3,402,355	3,402,355

18 There is included in the appropriation to this program for FY2017-18
19 \$3,402,355 Cash Funds for state aid, which shall only be used for such
20 purpose. There is included in the appropriation to this program for
21 FY2018-19 \$3,402,355 Cash Funds for state aid, which shall only be used
22 for such purpose.

23 Sec. 250. AGENCY NO. 94 – COMMISSION ON PUBLIC ADVOCACY

24 Program No. 429 - Civil Legal Services

25		FY2017-18	FY2018-19
26	CASH FUND	290,000	290,000
27	PROGRAM TOTAL	290,000	290,000

28 There is included in the appropriation to this program for FY2017-18
29 \$290,000 Cash Funds for state aid, which shall only be used for such
30 purpose. There is included in the appropriation to this program for

1 FY2018-19 \$290,000 Cash Funds for state aid, which shall only be used for
2 such purpose.

3 Sec. 251. AGENCY NO. 94 – COMMISSION ON PUBLIC ADVOCACY

4 Program No. 455 - DNA Testing

5		FY2017-18	FY2018-19
6	CASH FUND	75,000	75,000
7	PROGRAM TOTAL	75,000	75,000
8	SALARY LIMIT	-0-	-0-

9 Sec. 252. CASH FUNDS.

10 The receipts for FY2017-18 and FY2018-19 inuring to the several Cash
11 Funds, together with any amounts held in account by the State Treasurer
12 on June 30, 2017, are hereby credited to each of the funds respectively.

13 Expenditure of Cash Funds appropriated in this act shall be limited
14 to the amount shown by program except when specific exceptions are made.
15 The amounts appropriated in this act include the following funds:

16 (1) Legislative Council: Nebraska Legislative Shared Information
17 System Cash Fund, Donations/Contributions Cash Fund, Nebraska Health Care
18 Cash Fund, Nebraska Statutes Cash Fund, Clerk of the Legislature Cash
19 Fund, Biotechnology Development Cash Fund;

20 (2) Supreme Court: Supreme Court Reports Cash Fund, Court Appointed
21 Special Advocate Fund, Nebraska Statutes Distribution Cash Fund, Supreme
22 Court Attorney Services Cash Fund, Probation Program Cash Fund, Probation
23 Cash Fund, State Probation Contractual Services Cash Fund, Dispute
24 Resolution Cash Fund, Counsel for Discipline Cash Fund, Supreme Court
25 Education Fund, Supreme Court Automation Cash Fund, Parenting Act Fund,
26 Public Guardianship Cash Fund;

27 (3) Governor: Governor's Policy Research Cash Fund;

28 (4) Secretary of State: Nebraska Collection Agency Fund, Records
29 Management Cash Fund, Secretary of State Administration Cash Fund,
30 Uniform Commercial Code Cash Fund, Corporation Cash Fund, Election
31 Administration Fund;

1 (5) Auditor of Public Accounts: Cooperative Audit Cash Fund;

2 (6) Attorney General: Motor Vehicle Fraud Cash Fund, Department of
3 Justice Natural Resources Enforcement Fund, State Settlement Cash Fund,
4 Nebraska Health Care Cash Fund, State Medicaid Fraud Control Unit Cash
5 Fund;

6 (7) State Treasurer: State Treasurer Administrative Fund, Unclaimed
7 Property Cash Fund, Mutual Finance Assistance Fund, College Savings Plan
8 Administrative Fund, College Savings Plan Expense Fund, Convention Center
9 Support Fund, State Disbursement Unit Cash Fund, Treasury Management Cash
10 Fund, Sports Arena Facility Support Fund, Political Subdivision Recapture
11 Cash Fund;

12 (8) State Department of Education: State Department of Education
13 Cash Fund, Certification Fund, Professional Practices Commission Fund,
14 Tax Equity and Educational Opportunities Fund, Education Innovation Fund,
15 School Technology Fund, Tuition Recovery Cash Fund, Private Postsecondary
16 Career Schools Cash Fund, Excellence in Teaching Cash Fund, School
17 District Reorganization Fund, Early Childhood Education Endowment Cash
18 Fund, Nebraska Education Improvement Fund, High School Equivalency Grant
19 Fund, Expanded Learning Opportunity Grant Fund;

20 (9) Public Service Commission: Nebraska Grain Warehouse Surveillance
21 Cash Fund, Nebraska Telecommunications Relay System Fund, Public Service
22 Commission Housing and Recreational Vehicle Cash Fund, Nebraska
23 Telecommunications Universal Service Fund, Nebraska Internet Enhancement
24 Fund, Nebraska Competitive Telephone Marketplace Fund, Enhanced Wireless
25 911 Fund, Moisture Testing Examination Fund, Grain Warehouse Auditing
26 Fund, Municipal Rate Negotiations Revolving Loan Fund, Public Service
27 Commission Pipeline Regulation Fund, 911 Service System Fund,
28 Transportation Network Company Regulation Cash Fund;

29 (10) Board of Parole: Parole Program Cash Fund;

30 (11) Department of Revenue: Department of Revenue Enforcement Fund,
31 State Lottery Operation Cash Fund, Marijuana and Controlled Substances

1 Tax Administration Cash Fund, Waste Reduction and Recycling Incentive
2 Fees Collection Fund, Petroleum Release Remedial Action Collection Fund,
3 Litter Fee Collection Fund, Severance Tax Administration Fund, Department
4 of Revenue Miscellaneous Receipts Fund, Charitable Gaming Operations
5 Fund, Tobacco Products Administration Cash Fund, Nebraska Incentives
6 Fund, Motor Fuel Tax Enforcement and Collection Cash Fund, Nebraska
7 Health Care Cash Fund, State Athletic Commissioner's Cash Fund,
8 Department of Revenue Property Assessment Division Cash Fund, Property
9 Tax Credit Cash Fund, Nebraska Advantage Transformational Tourism and
10 Redevelopment Act Cash Fund, Airline and Carline Cash Fund, Compulsive
11 Gamblers Assistance Fund;

12 (12) Department of Aeronautics: Department of Aeronautics Cash Fund;

13 (13) Department of Agriculture: Fertilizers and Soil Conditioners
14 Administrative Fund, Commercial Feed Administration Cash Fund, Pure Milk
15 Cash Fund, Soil and Plant Analysis Laboratory Cash Fund, Livestock
16 Auction Market Fund, Nebraska Potato Development Fund, Graded Egg Fund,
17 Weights and Measures Administrative Fund, Nebraska Poultry and Egg
18 Development, Utilization, and Marketing Fund, Agricultural Products
19 Marketing Information Cash Fund, Manufacturing Milk Cash Fund, Pure Food
20 Cash Fund, Nebraska Agricultural Products Marketing Cash Fund, State
21 Apiary Cash Fund, Pseudorabies Control Cash Fund, Weed Book Cash Fund,
22 Pesticide Administrative Cash Fund, Nebraska Seed Administrative Cash
23 Fund, Plant Protection and Plant Pest Cash Fund, Tractor Permit Cash
24 Fund, Nebraska Origin and Premium Quality Grain Cash Fund, Animal Damage
25 Control Cash Fund, Noxious Weed Cash Fund, Buffer Strip Incentive Fund,
26 Winery and Grape Producers Promotional Fund, Commercial Dog and Cat
27 Operator Inspection Program Cash Fund, Domesticated Cervine Animal Cash
28 Fund, Anthrax Control Act Cash Fund, Noxious Weed and Invasive Plant
29 Species Assistance Fund, Agricultural Laboratory Testing Services Cash
30 Fund, Agricultural Suppliers Lease Protection Cash Fund, Nebraska Beer
31 Industry Promotional Fund;

1 (14) Department of Banking and Finance: Financial Institution
2 Assessment Cash Fund, Securities Act Cash Fund, Department of Banking and
3 Finance Settlement Cash Fund;

4 (15) State Fire Marshal: Nebraska Natural Gas Pipeline Safety Cash
5 Fund, State Fire Marshal Cash Fund, Underground Storage Tank Fund,
6 Training Division Cash Fund, Reduced Cigarette Ignition Propensity Fund;

7 (16) Department of Insurance: Department of Insurance Cash Fund;

8 (17) Department of Labor: Employment Security Special Contingent
9 Fund, Boiler Inspection Cash Fund, Mechanical Safety Inspection Fund,
10 Nebraska Training and Support Cash Fund, Contractor and Professional
11 Employer Organization Registration Cash Fund, Sector Partnership Program
12 Fund;

13 (18) Department of Motor Vehicles: Motor Carrier Division Cash Fund,
14 Department of Motor Vehicles Cash Fund, Department of Motor Vehicles
15 Ignition Interlock Fund, License Plate Cash Fund;

16 (19) Department of Health and Human Services: Health and Human
17 Services Cash Fund, Veterans' Home Building Fund, Institution Cash Fund,
18 Small Business Enterprises Cash Fund, School District Reimbursement Fund,
19 Nebraska Child Abuse Prevention Fund, Nebraska Health Care Cash Fund,
20 Children's Health Insurance Cash Fund, Childhood Care Cash Fund,
21 University of Nebraska Medical Center Medical Education Revolving Fund,
22 Behavioral Health Services Fund, Health and Human Services Reimbursement
23 Fund, Professional and Occupational Credentialing Cash Fund, Rural Health
24 Professional Incentive Fund, Organ and Tissue Donor Awareness and
25 Education Fund, Tobacco Prevention and Control Cash Fund, Stem Cell
26 Research Cash Fund, Prescription Drug Monitoring Program Fund;

27 (20) Department of Roads: Highway Cash Fund, Grade Crossing
28 Protection Fund, State Recreation Road Fund, Roads Operations Cash Fund,
29 State Highway Capital Improvement Fund, Transportation Infrastructure
30 Bank Fund;

31 (21) Department of Veterans' Affairs: Veteran Cemetery Construction

1 Fund, Nebraska Veteran Cemetery System Operation Fund;

2 (22) Department of Natural Resources: Water Resources Cash Fund,
3 Small Watersheds Flood Control Fund, Nebraska Resources Development Fund,
4 Nebraska Soil and Water Conservation Fund, Natural Resources Water
5 Quality Fund, Water Well Decommissioning Fund, Carbon Sequestration
6 Assessment Cash Fund, Water Resources Trust Fund, Department of Natural
7 Resources Cash Fund, Water Sustainability Fund, Critical Infrastructure
8 Facilities Cash Fund;

9 (23) State Electrical Board: Electrical Division Fund;

10 (24) Military Department: Military Department Cash Fund, Governor's
11 Emergency Cash Fund, Nebraska Emergency Management Agency Cash Fund,
12 Nebraska Emergency Planning and Community Right to Know Cash Fund, Joint
13 Operations Center Cash Fund;

14 (25) Board of Educational Lands and Funds: Surveyors' Cash Fund,
15 Board of Educational Lands and Funds Cash Fund, Survey Record Repository
16 Fund;

17 (26) Game and Parks Commission: State Game Fund, State Park Cash
18 Revolving Fund, Nebraska Habitat Fund, Nebraska Aquatic Habitat Fund,
19 Nebraska Snowmobile Trail Cash Fund, Nebraska Outdoor Recreation
20 Development Cash Fund, Wildlife Conservation Fund, Nebraska Environmental
21 Trust Fund, Cowboy Trail Fund, Game Law Investigation Cash Fund, Niobrara
22 Council Fund, Nebraska Environmental Endowment Fund, Ferguson House Fund,
23 Nebraska Youth Conservation Program Fund, Hunters Helping the Hungry Cash
24 Fund, Game and Parks Commission Capital Maintenance Fund, Game and Parks
25 State Park Improvement and Maintenance Fund, Game and Parks Commission
26 Educational Fund;

27 (27) Nebraska Library Commission: Nebraska Library Commission Cash
28 Fund;

29 (28) Nebraska Liquor Control Commission: Nebraska Liquor Control
30 Commission Rule and Regulation Cash Fund;

31 (29) State Racing Commission: Racing Commission's Cash Fund, Track

1 Distribution Fund;

2 (30) Nebraska Workers' Compensation Court: Compensation Court Cash
3 Fund;

4 (31) Nebraska Brand Committee: Nebraska Brand Inspection and Theft
5 Prevention Fund;

6 (32) Nebraska Motor Vehicle Industry Licensing Board: Nebraska Motor
7 Vehicle Industry Licensing Fund;

8 (33) State Real Estate Commission: State Real Estate Commission's
9 Fund;

10 (34) Board of Barber Examiners: Board of Barber Examiners Fund;

11 (35) Department of Correctional Services: Department of Correctional
12 Services Facility Cash Fund, Reentry Cash Fund, Vocational and Life
13 Skills Programming Fund;

14 (36) Nebraska Educational Telecommunications Commission: State
15 Educational Telecommunications Fund, NEB*SAT Cash Fund;

16 (37) Coordinating Commission for Postsecondary Education:
17 Coordinating Commission for Postsecondary Education Cash Fund, Nebraska
18 Opportunity Grant Fund;

19 (38) Nebraska State Colleges: Chadron Cash Fund, Peru Cash Fund,
20 Wayne Cash Fund, Chadron State College Designated Cash Fund, Peru State
21 College Designated Cash Fund, Wayne State College Designated Cash Fund,
22 Board of Trustees Cash Fund, State Colleges Sport Facilities Cash Fund;

23 (39) University of Nebraska: Financial Literacy Cash Fund,
24 University Cash Fund, Temporary University Fund, University of Nebraska
25 at Omaha Cash Fund, University of Nebraska Medical Center Cash Fund,
26 University of Nebraska at Kearney Cash Fund, University of Nebraska
27 Central Administration Designated Cash Fund, University of Nebraska-
28 Lincoln Designated Cash Fund, University of Nebraska at Omaha Designated
29 Cash Fund, University of Nebraska Medical Center Designated Cash Fund,
30 University of Nebraska at Kearney Designated Cash Fund, State Anatomical
31 Board Cash Fund;

1 (40) Nebraska State Fair Board: Nebraska State Fair Support and
2 Improvement Cash Fund;

3 (41) Real Property Appraiser Board: Real Property Appraiser Fund,
4 Appraisal Management Company Fund;

5 (42) Nebraska State Historical Society: Historical Society Fund,
6 Historical Landmark Cash Fund, Nebraska Job Creation and Mainstreet
7 Revitalization Fund, Nebraska 150 Sesquicentennial Plate Proceeds Fund;

8 (43) Nebraska Wheat Development, Utilization, and Marketing Board:
9 Nebraska Wheat Development, Utilization, and Marketing Fund;

10 (44) Nebraska Oil and Gas Conservation Commission: Oil and Gas
11 Conservation Fund;

12 (45) Board of Engineers and Architects: Engineers and Architects
13 Regulation Fund;

14 (46) Board of Geologists: Geologists Regulation Fund;

15 (47) Nebraska Ethanol Board: Agricultural Alcohol Fuel Tax Fund,
16 Ethanol Production Incentive Cash Fund;

17 (48) Nebraska Dairy Industry Development Board: Nebraska Dairy
18 Industry Development Fund;

19 (49) State Board of Examiners for Land Surveyors: Land Surveyor
20 Examiner's Fund;

21 (50) Nebraska State Board of Public Accountancy: Certified Public
22 Accountants Fund;

23 (51) Nebraska State Patrol: Nebraska State Patrol Cash Fund,
24 Investigation Petty Cash Fund, Carrier Enforcement Cash Fund, Nebraska
25 State Patrol Drug Control and Education Cash Fund, Public Safety Cash
26 Fund, Nebraska State Patrol Vehicle Replacement Cash Fund, Nebraska
27 Public Safety Communication System Cash Fund, Combined Law Enforcement
28 Information Network Cash Fund, State DNA Sample and Database Fund,
29 Treasure Agency Forfeitures Cash Fund;

30 (52) Department of Administrative Services: Building Renewal
31 Allocation Fund, State Building Renewal Assessment Fund, University

1 Building Renewal Assessment Fund, State College Building Renewal
2 Assessment Fund, Capitol Restoration Cash Fund, Vacant Building and
3 Excess Land Cash Fund, Resource Recovery Fund, Tort Claims Fund,
4 Information Technology Infrastructure Fund, Health and Life Benefit
5 Administration Cash Fund, World Day on the Mall Cash Fund;

6 (53) Abstracters Board of Examiners: Abstracters Board of Examiners
7 Cash Fund;

8 (54) Commission on Latino-Americans: Hispanic Awareness Cash Fund,
9 Commission on Latino-Americans Cash Fund;

10 (55) Nebraska Arts Council: Nebraska Arts Council Cash Fund,
11 Nebraska Arts and Humanities Cash Fund;

12 (56) Foster Care Review Office: Foster Care Review Office Cash Fund;

13 (57) Nebraska Energy Office: State Energy Office Cash Fund, Clean-
14 burning Motor Fuel Development Fund;

15 (58) Department of Economic Development: Nebraska Agricultural
16 Products Research Fund, Job Training Cash Fund, Administrative Cash Fund,
17 Affordable Housing Trust Fund, Comprehensive Housing Strategy Cash Fund,
18 Economic Development Cash Fund, Civic and Community Center Financing
19 Fund;

20 (59) State Board of Landscape Architects: State Board of Landscape
21 Architects Cash Fund;

22 (60) Nebraska Power Review Board: Nebraska Power Review Fund;

23 (61) Nebraska Investment Council: State Investment Officer's Cash
24 Fund;

25 (62) Nebraska Commission on Law Enforcement and Criminal Justice:
26 Nebraska Law Enforcement Training Center Cash Fund, Law Enforcement
27 Improvement Fund, Victim's Compensation Fund, Community Corrections
28 Uniform Data Analysis Cash Fund, Violence Prevention Cash Fund;

29 (63) Commission for the Blind and Visually Impaired: Commission for
30 the Blind and Visually Impaired Cash Fund;

31 (64) Commission for the Deaf and Hard of Hearing: Commission for the

1 Deaf and Hard of Hearing Fund;

2 (65) Department of Environmental Quality: Integrated Solid Waste
3 Management Cash Fund, Nebraska Litter Reduction and Recycling Fund,
4 Department of Environmental Quality Cash Fund, Chemigation Costs Fund,
5 Low-Level Radioactive Waste Cash Fund, Petroleum Products and Hazardous
6 Substances Storage and Handling Fund, Petroleum Release Remedial Action
7 Cash Fund, Wastewater Treatment Operator Certification Cash Fund, Local
8 Site Selection Cash Fund, Local Monitoring Committee Cash Fund, Waste
9 Reduction and Recycling Incentive Fund, Wastewater Treatment Facilities
10 Construction Loan Fund, Remedial Action Plan Monitoring Fund, Livestock
11 Waste Management Cash Fund, Drinking Water Administration Fund, Clean Air
12 Title V Cash Fund, Air Quality Permit Cash Fund, Superfund Cost Share
13 Cash Fund, Private Onsite Wastewater Treatment System Certification and
14 Registration Cash Fund, Solid Waste Landfill Closure Assistance Fund,
15 Private Onsite Wastewater Treatment System Permit and Approval Cash Fund;

16 (66) Public Employees Retirement Board: School Expense Fund, Judges
17 Expense Fund, State Patrol Expense Fund, Deferred Compensation Expense
18 Fund, State Employees Retirement System Expense Fund, County Employees
19 Retirement System Expense Fund, State Cash Balance Expense Fund, County
20 Cash Balance Expense Fund;

21 (67) Dry Bean Commission: Dry Bean Development, Utilization,
22 Promotion, and Education Fund;

23 (68) Nebraska Accountability and Disclosure Commission: Nebraska
24 Accountability and Disclosure Commission Cash Fund;

25 (69) Corn Development, Utilization, and Marketing Board: Nebraska
26 Corn Development, Utilization, and Marketing Fund;

27 (70) Community College Aid: Nebraska Community College Aid Cash
28 Fund;

29 (71) Grain Sorghum Development, Utilization, and Marketing Board:
30 Grain Sorghum Development, Utilization, and Marketing Fund;

31 (72) Tax Equalization and Review Commission: Tax Equalization and

1 Review Commission Cash Fund;

2 (73) Commission on Public Advocacy: Legal Education for Public
3 Service and Rural Practice Loan Repayment Assistance Fund, Commission on
4 Public Advocacy Operations Cash Fund, Legal Aid and Services Fund, Civil
5 Legal Services Fund;

6 (74) Commission on Indian Affairs: Commission on Indian Affairs Cash
7 Fund, Designated Collection Fund; and

8 (75) Nebraska Tourism Commission: State Visitors Promotion Cash
9 Fund, Tourism Conference Cash Fund.

10 Sec. 253. FEDERAL FUNDS.

11 The receipts for FY2017-18 and FY2018-19 inuring to the several
12 Federal Funds, together with any amounts held in account by the State
13 Treasurer on June 30, 2017, are hereby credited to each of the funds
14 respectively. Expenditure of Federal Funds appropriated in this act shall
15 not be limited to the amount shown.

16 Any Federal Funds, not otherwise appropriated, any additional
17 Federal Funds made available to the credit of the State Treasurer, and
18 any amounts on hand in any such Federal Funds on June 30, 2017, are
19 hereby appropriated to the expending agency designated by the federal
20 government or, if none is designated, to such expending agency as may be
21 designated by the Governor.

22 Sec. 254. REVOLVING FUNDS.

23 The receipts for FY2017-18 and FY2018-19 inuring to the several
24 Revolving Funds, together with any amounts held in account by the State
25 Treasurer on June 30, 2017, are hereby credited to each of the funds
26 respectively. Expenditure of Revolving Funds appropriated in this act
27 shall be limited to the amount shown by program except when specific
28 exceptions are made. The amounts appropriated in this act include the
29 following funds:

30 (1) Governor: Governor's Policy Research Office Revolving Fund;

31 (2) Secretary of State: Records Management Micrographics Services

1 Revolving Fund;

2 (3) Attorney General: Department of Justice Revolving Fund;

3 (4) State Department of Education: State Department of Education
4 Revolving Fund;

5 (5) Department of Agriculture: Management Services Expense Revolving
6 Fund;

7 (6) Department of Correctional Services: Correctional Industries
8 Revolving Fund, Federal Surplus Property Fund, Department of Correctional
9 Services Warehouse Revolving Fund;

10 (7) Nebraska State Colleges: The money accruing to the Auxiliary
11 Enterprise Revolving Funds for student activity fees, dormitory rentals,
12 dormitory operations and maintenance, cafeteria operations, and student
13 union operations at Chadron, Peru, and Wayne State Colleges, and the
14 State College Capital Improvement Fund;

15 (8) University of Nebraska: University of Nebraska-Lincoln Revolving
16 Fund, University of Nebraska at Omaha Revolving Fund, University of
17 Nebraska Medical Center Revolving Fund, University of Nebraska Medical
18 Center Medical Education Revolving Fund, University of Nebraska at
19 Kearney Revolving Fund, University Tractor Test Revolving Fund;

20 (9) Nebraska State Patrol: Capitol Security Revolving Fund; and

21 (10) Department of Administrative Services: Department of
22 Administrative Services Revolving Fund, Materiel Division Revolving Fund,
23 Communications Revolving Fund, Transportation Services Bureau Revolving
24 Fund, Capitol Buildings Parking Revolving Fund, State Building Revolving
25 Fund, Central Stores Revolving Fund, State Surplus Property Revolving
26 Fund, Information Management Revolving Fund, Temporary Employee Pool
27 Revolving Fund, State Insurance Fund, State Self-Insured Indemnification
28 Fund, Accounting Division Revolving Fund, Intergovernmental Data Services
29 Program Revolving Fund, Workers' Compensation Claims Revolving Fund,
30 Personnel Division Revolving Fund, Training Revolving Fund, Nebraska
31 Public Safety Communication System Revolving Fund, Shared Services

1 Revolving Fund.

2 Sec. 255. TRUST FUNDS.

3 The receipts for FY2017-18 and FY2018-19 inuring to the several
4 trust funds, together with any amounts held in account by the State
5 Treasurer on June 30, 2017, are hereby credited to each of the funds
6 respectively, which funds are hereby appropriated for FY2017-18 and
7 FY2018-19:

8 (1) Attorney General: State Settlement Trust Fund;

9 (2) State Treasurer: Highway Trust Fund, Highway Tax Trust Fund,
10 Bessey Memorial Fund, Common School Fund, Highway Revenue Bonds
11 Redemption Trust Fund, Revenue-Sharing Trust Fund, Michael B. Amos
12 Educational Trust Fund, James M. Amos Educational Trust Fund, Excess
13 Liability Fund, Insurance Investments Inc. Trust Fund, Financial
14 Responsibility Act Trust Fund, Importing Dealers Trust Fund, Special Fuel
15 Dealers Trust Fund, Nebraska Cultural Preservation Endowment Fund,
16 College Savings Plan Program Fund, Escheat Trust Fund, life insurance
17 corporation demutualization trust fund, Excess Liability Fund,
18 Agricultural College Endowment Fund;

19 (3) State Department of Education: State Department of Education
20 Trust Fund, temporary school fund;

21 (4) Public Service Commission: Public Service Commission Elevator
22 Trust Fund;

23 (5) Department of Revenue: State Lottery Operation Trust Fund, State
24 Lottery Prize Trust Fund, Municipal Equalization Fund;

25 (6) Department of Aeronautics: Department of Aeronautics Trust Fund;

26 (7) Department of Insurance: Premium and Retaliatory Tax Suspense
27 Fund;

28 (8) Department of Labor: State Unemployment Insurance Trust Fund;

29 (9) Department of Motor Vehicles: Motor Vehicle Responsibility Act
30 Fund;

31 (10) Department of Health and Human Services: Dormant Trust Funds,

1 Institution Canteen Amusement Trust Funds, Alcoholism Contribution Trust
2 Fund, Visual Impairment Trust Fund, Finance and Support Trust Fund, State
3 Wards Accounts Trust Fund, Medically Handicapped Children Trust Fund,
4 Store and Canteen Accounts Trust Fund, Welfare and Club Accounts Trust
5 Fund, Juvenile Trust Fund, Nebraska Tobacco Settlement Trust Fund,
6 Nebraska Medicaid Intergovernmental Trust Fund;

7 (11) Department of Roads: Highway Restoration and Improvement Bond
8 Fund;

9 (12) Department of Veterans' Affairs: Veterans' Aid Income Fund,
10 Nebraska Veteran Cemetery System Endowment Fund;

11 (13) Board of Educational Lands and Funds: Nebraska Veterans' Aid
12 Fund, Permanent University Fund, permanent school fund, Normal School
13 Endowment Investment Fund, Agricultural Endowment Fund, Agricultural and
14 University Land Lease Fund;

15 (14) Nebraska Library Commission: Nebraska Library Commission Trust
16 Fund;

17 (15) Nebraska Workers' Compensation Court: Workers' Compensation
18 Trust Fund;

19 (16) Department of Correctional Services: Store and Canteen Accounts
20 Trust Fund, Welfare and Club Accounts Trust Fund, Inmate Trust Fund;

21 (17) Nebraska Educational Telecommunications Commission: Public
22 Radio Nebraska Foundation Trust Fund, Nebraska Educational
23 Telecommunications Trust Fund;

24 (18) Coordinating Commission for Postsecondary Education:
25 Coordinating Commission for Postsecondary Education Trust Fund, SUN-MART
26 Scholarship Trust Fund;

27 (19) Board of Trustees of the Nebraska State Colleges: State College
28 Endowment Fund, Education Enhancement Trust Fund, LB 1100 Construction
29 Trust Fund, Davis Scholarship Trust Fund;

30 (20) Nebraska State Colleges: Student Activity Trust Funds at
31 Chadron, Peru, and Wayne State Colleges, Wayne State Bequests Trust Fund,

1 Wayne State College Electronic Funds Transfer Loan Trust Fund, Peru State
2 Construction Trust Fund;

3 (21) University of Nebraska: University Trust Fund, University of
4 Nebraska at Omaha Trust Fund, University of Nebraska Medical Center Trust
5 Fund, University of Nebraska at Kearney Trust Fund, University of
6 Nebraska-Lincoln Federal Student Loan Trust Fund, University of Nebraska
7 Medical Center Student Loan Trust Fund, University of Nebraska at Omaha
8 Electronic Funds Transfer Trust Fund, University of Nebraska at Omaha
9 Federal Student Loan Trust Fund, Deferred Maintenance Project Trust Fund,
10 Nebraska College of Technical Agriculture at Curtis Scholarship Trust
11 Fund, UNMC RHOP Loan Trust Fund, UNL Minority Students Scholarship Trust
12 Fund, UNMC Capital and Program Reserve Trust Fund;

13 (22) Nebraska State Historical Society: Hall of Fame Trust Fund,
14 Library Archives Trust Fund, Nebraska State Historical Society
15 Collections Trust Fund, Cheyenne Outbreak Barracks Trust Fund, Bridge
16 Book Sale Trust Fund;

17 (23) Nebraska Oil and Gas Conservation Commission: Oil and Gas
18 Conservation Trust Fund;

19 (24) Department of Administrative Services: Master Lease Program
20 Trust Fund, NIS Operating Trust Fund, Flexible Spending Fund, State
21 Employees Insurance Fund;

22 (25) Nebraska Arts Council: Nebraska Arts Council Trust Fund,
23 Nebraska Cultural Preservation Endowment Fund;

24 (26) Nebraska Energy Office: Nebraska Energy Settlement Fund;

25 (27) Department of Environmental Quality: Hazardous Waste Sites
26 Trust Fund, Leaking Underground Storage Tanks Trust Fund, Wastewater
27 Treatment Facilities Construction Loan Fund, Drinking Water Facilities
28 Loan Fund, Drinking Water State Revolving Fund, Recycled Principal Fund;
29 and

30 (28) Public Employees Retirement Board: Annuity Reserve Fund,
31 Nebraska Retirement Fund for Judges, Contingent Fund, School Employees

1 Savings Fund, State Patrol Retirement Fund, School Employers Deposit
2 Fund, Service Annuity Fund, Retired Teachers Supplementary Benefits Fund,
3 State Equal Retirement Benefit Fund, County Equal Retirement Benefit
4 Fund, County Employees Retirement Fund, Judges Contingent Trust Fund,
5 State Patrol Contingent Trust Fund, School Operating Trust Fund, School
6 Retirement Fund, State Cash Balance Retirement Fund, County Cash Balance
7 Retirement Fund, Class V Retirement System Payment Processing Fund.

8 Sec. 256. REFUND AND DISTRIBUTIVE FUNDS.

9 The receipts for FY2017-18 and FY2018-19 inuring to the several
10 refund and distributive funds, together with any amounts held in account
11 by the State Treasurer on June 30, 2017, are hereby credited to each of
12 the funds respectively, which funds are hereby appropriated for FY2017-18
13 and FY2018-19:

14 (1) State Treasurer: Car Line Refund Fund, Insurance Tax Fund,
15 Highway Allocation Fund, Aircraft Fuel Tax Fund, Severance Tax Fund,
16 Suspense Fund, State Treasurer's Land Sales Distributive Fund;

17 (2) State Department of Education: Public Grazing Fund, Forest
18 Reserve Fund, Flood Control Fund, Insurance Tax Fund;

19 (3) Department of Labor: Income Tax Setoff Fund;

20 (4) Department of Motor Vehicles: International Registration Plan
21 Distributive Fund;

22 (5) Department of Health and Human Services: Child Support
23 Operations Distribution Fund, Supplemental Security Income Distribution
24 Fund, Food Distribution Fund;

25 (6) Department of Roads: State Aid Bridge Fund;

26 (7) Nebraska Library Commission: NEBASE Fund;

27 (8) Coordinating Commission for Postsecondary Education: State
28 Student Incentive Grant Match Fund;

29 (9) Department of Administrative Services: Imprest Payroll
30 Distributive Fund, State Purchasing Card Distributive Fund; and

31 (10) Public Employees Retirement Board: Deferred Compensation Fund.

1 Sec. 257. FUND LAPSES AND TRANSFERS.

2 The State Treasurer shall make the transfers specified in this
3 section between funds, in the amounts indicated. Unless otherwise noted,
4 transfers for FY2017-18 shall occur on July 1, 2017, or as soon
5 thereafter as administratively possible, and transfers for FY2018-19
6 shall occur on July 1, 2018, or as soon thereafter as administratively
7 possible. All agencies with administrative responsibilities for these
8 funds shall assist the State Treasurer as needed in implementing the
9 transfers.

10 (1) Transfers for FY2017-18 shall include:

11 (a) From the General Fund to the Nebraska State Patrol Cash Fund:
12 \$115,000 less the unexpended balance existing on June 30, 2017, in (i)
13 the Nebraska State Patrol Cash Fund, (ii) the Investigation Petty Cash
14 Fund, (iii) any special checking account or accounts used by the Nebraska
15 State Patrol, and (iv) the possession of agency personnel involved in
16 investigations, when the unexpended balances resulted from General Fund
17 transfers to the Nebraska State Patrol Cash Fund or from General Fund
18 appropriations. Any transfers made shall be subject to a final
19 reconciliation of available investigation cash fund balances as of June
20 30, 2017, by the Nebraska State Patrol.

21 It is the intent of the Legislature that the Nebraska State Patrol
22 have available a total of \$115,000 from the General Fund for FY2017-18 to
23 be used in making drug purchases, for enforcing Nebraska laws relating to
24 felonies, for enforcing the Nebraska liquor laws, and for payment of
25 investigative expenses;

26 (b) From the Tobacco Products Administration Cash Fund to the
27 General Fund: \$10,000,000 on or before June 15, 2018, on such date as
28 directed by the budget administrator of the budget division of the
29 Department of Administrative Services;

30 (c) From the Charitable Gaming Operations Fund to the General Fund:
31 \$800,000 on or before June 15, 2018, on such date as directed by the

1 budget administrator of the budget division of the Department of
2 Administrative Services;

3 (d) From the Securities Act Cash Fund to the General Fund:
4 \$7,500,000 on or before September 30, 2017, \$7,500,000 on or before
5 December 31, 2017, \$7,500,000 on or before March 31, 2018, and \$7,500,000
6 on or before June 30, 2018, on such dates as directed by the budget
7 administrator of the budget division of the Department of Administrative
8 Services;

9 (e) From the Health and Human Services Cash Fund to the University
10 of Nebraska Eppley Institute for Research in Cancer and Allied Diseases
11 Cash Fund: \$500,000, pursuant to section 81-638;

12 (f) From the Department of Insurance Cash Fund to the General Fund:
13 \$4,125,000 on or before September 30, 2017, and \$4,125,000 on or before
14 March 31, 2018, on such dates as directed by the budget administrator of
15 the budget division of the Department of Administrative Services;

16 (g) From the State Building Renewal Assessment Fund to the General
17 Fund: \$258,000 on or before June 30, 2018, on such date as directed by
18 the budget administrator of the budget division of the Department of
19 Administrative Services;

20 (h) From the Building Renewal Allocation Fund to the General Fund:
21 \$273,000 on or before June 30, 2018, on such date as directed by the
22 budget administrator of the budget division of the Department of
23 Administrative Services;

24 (i) From the Roads Operations Cash Fund to the Carrier Enforcement
25 Cash Fund: \$8,165,761, less the unexpended balance existing on June 30,
26 2017, in the Carrier Enforcement Cash Fund. Transfers shall be made in
27 four equal quarterly amounts on or before July 15, October 15, January
28 15, and April 15;

29 (j) From the Petroleum Release Remedial Action Cash Fund to the
30 Underground Storage Tank Fund: \$50,000 on or before July 5, 2017;

31 (k) From the Petroleum Release Remedial Action Cash Fund to the

1 Superfund Cost Share Cash Fund: Up to a maximum of \$1,500,000. Transfers
2 shall be made as required by the Department of Environmental Quality and
3 used pursuant to subdivision (2)(i) of section 66-1519.

4 (l) From the State Building Revolving Fund to the Capitol Security
5 Revolving Fund: \$750,395. Transfers shall be made in four equal quarterly
6 amounts on or before July 15, October 15, January 15, and April 15.

7 Transfers shall be made to pay non-General-Fund costs associated
8 with the operation of the state capitol security division of the Nebraska
9 State Patrol;

10 (m) From the Highway Trust Fund to the Motor Fuel Tax Enforcement
11 and Collection Cash Fund: \$1,200,000, less the unobligated balance in the
12 Motor Fuel Tax Enforcement and Collection Cash Fund on June 30, 2017.
13 Transfers shall be made in twelve equal monthly amounts;

14 (n) From the Highway Trust Fund to the Motor Carrier Division Cash
15 Fund: Up to a maximum of \$1,200,000. Transfers shall be made as required
16 by the Department of Motor Vehicles to operate the Division of Motor
17 Carrier Services;

18 (o) From the Civic and Community Center Financing Fund to the
19 Department of Revenue Enforcement Fund: \$43,900 on July 1, 2017, or as
20 soon thereafter as administratively possible, as provided for in sections
21 13-2704 and 77-5601;

22 (p) From the Highway Trust Fund to the License Plate Cash Fund:
23 \$3,000,000. Transfers shall be made as required by the Department of
24 Motor Vehicles to meet the expenditures of plate and sticker production;

25 (q) From the Flexible Spending Trust Fund to the Health and Life
26 Benefit Administration Cash Fund: \$140,000, except that if the total
27 available unobligated balance of forfeitures in the Flexible Spending
28 Trust Fund as of June 30, 2017, is less than \$140,000, then the State
29 Treasurer shall transfer the difference, not to exceed \$140,000, from the
30 State Employees Insurance Fund. Transfers shall be made to pay the costs
31 associated with the administration of the Flexible Spending Account

1 program;

2 (r) From the State Employees Insurance Fund to the Health and Life
3 Benefit Administration Cash Fund: \$1,151,814, less the June 30, 2017,
4 unobligated Health and Life Benefit Administration Cash Fund balance;

5 (s) From the Severance Tax Fund to the Municipal Rate Negotiations
6 Revolving Loan Fund: \$10,000, pursuant to section 57-705;

7 (t) From the Severance Tax Fund to the State Energy Office Cash
8 Fund: \$300,000, pursuant to section 57-705. Transfers shall be made in
9 twelve equal monthly amounts;

10 (u) From the Department of Motor Vehicles Ignition Interlock Fund to
11 the General Fund: \$150,000 on or before June 15, 2018, on such date as
12 directed by the budget administrator of the budget division of the
13 Department of Administrative Services;

14 (v) From the Petroleum Release Remedial Action Cash Fund to the
15 General Fund: \$500,000 on or before June 30, 2018, on such date as
16 directed by the budget administrator of the budget division of the
17 Department of Administrative Services;

18 (w) From the Nebraska Litter Reduction and Recycling Fund to the
19 General Fund: \$200,000 on or before June 30, 2018, on such date as
20 directed by the budget administrator of the budget division of the
21 Department of Administrative Services;

22 (x) From the Waste Reduction and Recycling Incentive Fund to the
23 General Fund: \$400,000 on or before June 15, 2018, on such date as
24 directed by the budget administrator of the budget division of the
25 Department of Administrative Services;

26 (y) From the Records Management Cash Fund to the General Fund:
27 \$530,000 on or before June 15, 2018, on such date as directed by the
28 budget administrator of the budget division of the Department of
29 Administrative Services;

30 (z) From the Nebraska Training and Support Cash Fund to the Sector
31 Partnership Program Fund: \$500,000 on or before July 15, 2017, on such

1 date as directed by the budget administrator of the budget division of
2 the Department of Administrative Services;

3 (aa) From the Nebraska Motor Vehicle Industry Licensing Fund to the
4 General Fund: \$200,000 on or before June 30, 2018, on such date as
5 directed by the budget administrator of the budget division of the
6 Department of Administrative Services; and

7 (bb) From the Nebraska Capital Construction Fund to the Capitol
8 Restoration Cash Fund: \$98,417 on or before June 30, 2018, on such date
9 as directed by the budget administrator of the budget division of the
10 Department of Administrative Services.

11 (2) Transfers for FY2018-19 shall include:

12 (a) From the General Fund to the Nebraska State Patrol Cash Fund:
13 \$115,000 less the unexpended balance existing on June 30, 2018, in (i)
14 the Nebraska State Patrol Cash Fund, (ii) the Investigation Petty Cash
15 Fund, (iii) any special checking account or accounts used by the Nebraska
16 State Patrol, and (iv) the possession of agency personnel involved in
17 investigations, when the unexpended balances resulted from General Fund
18 transfers to the Nebraska State Patrol Cash Fund or from General Fund
19 appropriations. Any transfers made shall be subject to a final
20 reconciliation of available investigation cash fund balances as of June
21 30, 2018, by the Nebraska State Patrol.

22 It is the intent of the Legislature that the Nebraska State Patrol
23 have available a total of \$115,000 from the General Fund for FY2018-19 to
24 be used in making drug purchases, for enforcing Nebraska laws relating to
25 felonies, for enforcing the Nebraska liquor laws, and for payment of
26 investigative expenses;

27 (b) From the Tobacco Products Administration Cash Fund to the
28 General Fund: \$10,000,000 on or before June 15, 2019, on such date as
29 directed by the budget administrator of the budget division of the
30 Department of Administrative Services;

31 (c) From the Charitable Gaming Operations Fund to the General Fund:

1 \$800,000 on or before June 15, 2019, on such date as directed by the
2 budget administrator of the budget division of the Department of
3 Administrative Services;

4 (d) From the Securities Act Cash Fund to the General Fund:
5 \$7,500,000 on or before September 30, 2018, \$7,500,000 on or before
6 December 31, 2018, \$7,500,000 on or before March 31, 2019, and \$7,500,000
7 on or before June 30, 2019, on such dates as directed by the budget
8 administrator of the budget division of the Department of Administrative
9 Services;

10 (e) From the Health and Human Services Cash Fund to the University
11 of Nebraska Eppley Institute for Research in Cancer and Allied Diseases
12 Cash Fund: \$500,000, pursuant to section 81-638;

13 (f) From the Department of Insurance Cash Fund to the General Fund:
14 \$4,125,000 on or before September 30, 2018, and \$4,125,000 on or before
15 March 31, 2019, on such dates as directed by the budget administrator of
16 the budget division of the Department of Administrative Services;

17 (g) From the State Building Renewal Assessment Fund to the General
18 Fund: \$258,000 on or before June 30, 2019, on such date as directed by
19 the budget administrator of the budget division of the Department of
20 Administrative Services;

21 (h) From the Building Renewal Allocation Fund to the General Fund:
22 \$273,000 on or before June 30, 2019, on such date as directed by the
23 budget administrator of the budget division of the Department of
24 Administrative Services;

25 (i) From the Roads Operations Cash Fund to the Carrier Enforcement
26 Cash Fund: \$8,261,749. Transfers shall be made in four equal quarterly
27 amounts on or before July 15, October 15, January 15, and April 15;

28 (j) From the Petroleum Release Remedial Action Cash Fund to the
29 Underground Storage Tank Fund: \$50,000 on or before July 5, 2018;

30 (k) From the Petroleum Release Remedial Action Cash Fund to the
31 Superfund Cost Share Cash Fund: Up to a maximum of \$1,500,000. Transfers

1 shall be made as required by the Department of Environmental Quality and
2 used pursuant to subdivision (2)(i) of section 66-1519;

3 (l) From the State Building Revolving Fund to the Capitol Security
4 Revolving Fund: \$766,702. Transfers shall be made in four equal quarterly
5 amounts on or before July 15, October 15, January 15, and April 15.
6 Transfers shall be made to pay non-General-Fund costs associated with the
7 operation of the state capitol security division of the Nebraska State
8 Patrol;

9 (m) From the Highway Trust Fund to the Motor Fuel Tax Enforcement
10 and Collection Cash Fund: \$1,200,000, less the unobligated balance in the
11 Motor Fuel Tax Enforcement and Collection Cash Fund on June 30, 2017.
12 Transfers shall be made in twelve equal monthly amounts;

13 (n) From the Highway Trust Fund to the Motor Carrier Division Cash
14 Fund: Up to a maximum of \$1,200,000. Transfers shall be made as required
15 by the Department of Motor Vehicles to operate the Division of Motor
16 Carrier Services;

17 (o) From the Civic and Community Center Financing Fund to the
18 Department of Revenue Enforcement Fund: \$43,900 on July 1, 2018, or as
19 soon thereafter as administratively possible, as provided for in sections
20 13-2704 and 77-5601;

21 (p) From the Highway Trust Fund to the License Plate Cash Fund: Up
22 to a maximum of \$2,400,000. Transfers shall be made as required by the
23 Department of Motor Vehicles to meet the expenditures of plate and
24 sticker production;

25 (q) From the Flexible Spending Trust Fund to the Health and Life
26 Benefit Administration Cash Fund: \$140,000, except that if the total
27 available unobligated balance of forfeitures in the Flexible Spending
28 Trust Fund as of June 30, 2018, is less than \$140,000, then the State
29 Treasurer shall transfer the difference, not to exceed \$140,000, from the
30 State Employees Insurance Fund. Transfers shall be made to pay the costs
31 associated with the administration of the Flexible Spending Account

1 program;

2 (r) From the State Employees Insurance Fund to the Health and Life
3 Benefit Administration Cash Fund: \$967,962;

4 (s) From the Severance Tax Fund to the Municipal Rate Negotiations
5 Revolving Loan Fund: \$10,000, pursuant to section 57-705;

6 (t) From the Severance Tax Fund to the State Energy Office Cash
7 Fund: \$300,000, pursuant to section 57-705. Transfers shall be made in
8 twelve equal monthly amounts;

9 (u) From the Department of Motor Vehicles Ignition Interlock Fund to
10 the General Fund: \$150,000 on or before June 15, 2019, on such date as
11 directed by the budget administrator of the budget division of the
12 Department of Administrative Services;

13 (v) From the Records Management Cash Fund to the General Fund:
14 \$356,000 on or before June 15, 2019, on such date as directed by the
15 budget administrator of the budget division of the Department of
16 Administrative Services;

17 (w) From the Nebraska Training and Support Cash Fund to the Sector
18 Partnership Program Fund: \$500,000 on or before July 15, 2018, on such
19 date as directed by the budget administrator of the budget division of
20 the Department of Administrative Services;

21 (x) From the Nebraska Capital Construction Fund to the Capitol
22 Restoration Cash Fund: \$104,677 on or before June 30, 2019, on such date
23 as directed by the budget administrator of the budget division of the
24 Department of Administrative Services;

25 (y) From the Petroleum Release Remedial Action Cash Fund to the
26 General Fund: \$500,000 on or before June 30, 2019, on such date as
27 directed by the budget administrator of the budget division of the
28 Department of Administrative Services;

29 (z) From the Nebraska Litter Reduction and Recycling Fund to the
30 General Fund: \$200,000 on or before June 30, 2019, on such date as
31 directed by the budget administrator of the budget division of the

1 Department of Administrative Services; and

2 (aa) From the Waste Reduction and Recycling Incentive Fund to the
3 General Fund: \$400,000 on or before June 15, 2019, on such date as
4 directed by the budget administrator of the budget division of the
5 Department of Administrative Services.

6 Sec. 258. REAPPROPRIATION OF STATE AGENCY BYRNE GRANTS.

7 The unexpended General Fund, Cash Fund, and Federal Fund
8 appropriation balances existing on both June 30, 2017, and June 30, 2018,
9 are hereby reappropriated for the following agencies and programs:

10 (1) Agency 11 – Program No. 575;

11 (2) Agency 46 - Program No. 575;

12 (3) Agency 64 – Program No. 575; and

13 (4) Agency 78 – Program No. 575.

14 Sec. 259. GIFTS, BEQUESTS, AND DEVISES.

15 Any gift, bequest, or devise made available to the State of Nebraska
16 for any purpose or purposes, together with the income thereof, shall be
17 allocated to the expending agency designated by such donor or, if none is
18 designated by such donor, by the Governor.

19 Acceptance of a gift, bequest, or devise shall be subject to
20 approval by the expending agency and the following restrictions:

21 (1) No matching of state funds shall be required as a condition of
22 acceptance;

23 (2) Any gift or bequest of personal property in excess of \$10,000
24 shall be approved by the Governor before acceptance;

25 (3) Any gift or devise of real property in excess of \$10,000 shall
26 be approved by the Governor and the Legislature before acceptance
27 pursuant to sections 81-176 and 81-1108.33; and

28 (4) Sections 81-176 and 81-1108.33 shall govern the acquisition of
29 real property and structures with the proceeds of a gift, bequest, or
30 devise.

31 For purposes of this section, gifts, bequests, and devises shall

1 include, but not be limited to, donations, gifts, bequests, devises, and
2 grants from individuals, organizations, corporations, and similar
3 entities and from nonfederal governmental agencies.

4 At the discretion of the budget administrator of the budget division
5 of the Department of Administrative Services and the Accounting
6 Administrator of the Department of Administrative Services, expenditures
7 of funds from any gift, bequest, or devise may be expended through any
8 existing or administratively created cash fund account, revolving fund
9 account, or trust fund account, in which case the actual amount of the
10 gift, bequest, or devise is hereby appropriated to the expending agency,
11 for the purpose or purposes designated by the donor, in addition to the
12 amounts appropriated in this act. If no such cash fund account, revolving
13 fund account, or trust fund account exists, the Accounting Administrator
14 may create such fund account as is necessary to properly and separately
15 account for the gift, bequest, or devise, in which case the actual amount
16 of the gift, bequest, or devise is hereby appropriated to the expending
17 agency, for the purpose or purposes designated by the donor, in addition
18 to the amounts appropriated in this act.

19 This section shall not apply to the University of Nebraska.

20 Sec. 260. LIMITATION ON SALARIES, WAGES, AND PER DIEMS.

21 (1) For purposes of this act, (a) SALARY LIMIT shall mean total
22 expenditures for permanent and temporary salaries and per diems and (b)
23 total expenditures for permanent and temporary salaries and per diems
24 shall mean all remuneration paid to employees treated as taxable
25 compensation by the Internal Revenue Service or subject to social
26 security coverage, specifically including payments accounted for as
27 vacation, holidays, sick leave, military leave, funeral leave, maternity
28 leave, administrative leave, compensatory time, deferred compensation, or
29 any other similar form, and amounts withheld pursuant to law, but
30 excluding state contributions for social security, retirement, and
31 employee insurance plans.

1 (2) Total expenditures for permanent and temporary salaries and per
2 diems shall be limited to the amount shown except when federal funds in
3 excess of the amount shown are available and approved by the Governor.
4 Expenditures for permanent and temporary salaries and per diems from such
5 grants shall be in addition to the limitation on permanent and temporary
6 salaries and per diems otherwise shown in this act. No agency shall
7 request any state funds for continuation or replacement of any such
8 personnel or activities in future budget requests. To the extent
9 feasible, requests for increases in the limitation on permanent and
10 temporary salaries and per diems shall be addressed to the Appropriations
11 Committee of the Legislature when the Legislature is in session.

12 (3) Expenditures for permanent and temporary salaries resulting from
13 awards made to employees under sections 81-1346 to 81-1354 shall be in
14 addition to the limitations on permanent and temporary salaries and per
15 diems otherwise shown in this act.

16 (4) The limitation on expenditures for permanent and temporary
17 salaries and per diems for FY2018-19 as enumerated in this act shall be
18 the basis for continuation funding for each fiscal year of the succeeding
19 biennium.

20 (5) The limitation on expenditures for permanent and temporary
21 salaries and per diems for FY2017-18 shall be increased by certified
22 encumbrance amounts from FY2016-17 for permanent and temporary salaries
23 and per diems. The limitation on expenditures for permanent and temporary
24 salaries and per diems for FY2018-19 shall be increased by certified
25 encumbrance amounts from FY2017-18 for permanent and temporary salaries
26 and per diems. Encumbered amounts shall be calculated in accordance with
27 section 81-138.01.

28 (6) The limitation on expenditures for permanent and temporary
29 salaries and per diems shall only apply to remuneration paid to state
30 employees or per diem payments made to members of state boards or
31 commissions.

1 Sec. 261. The One Hundred Fifth Legislature acknowledges that
2 Article III, section 22, of the Constitution of Nebraska provides that
3 each Legislature shall make appropriations for the expenses of the
4 government. Consistent with this provision, any appropriations enacted by
5 prior Legislatures for fiscal years beginning after June 30, 2017, are
6 null and void unless specifically reaffirmed by this Legislature.

7 Sec. 262. This act becomes operative on July 1, 2017.

8 Sec. 263. Since an emergency exists, this act takes effect when
9 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 338

Introduced by Brasch, 16; at the request of the Governor.

Read first time January 12, 2017

Committee: Revenue

1 A BILL FOR AN ACT relating to revenue and taxation; to amend sections
2 46-294.03, 77-103.01, 77-1507.01, 77-5023, and 79-1016, Reissue
3 Revised Statutes of Nebraska, and sections 76-710.04, 77-201,
4 77-1327, 77-1359, 77-1363, 77-1371, 77-1502, 77-4212, 77-5007,
5 77-5022, and 79-1036, Revised Statutes Cumulative Supplement, 2016;
6 to adopt the Agricultural Valuation Fairness Act; to change and
7 eliminate provisions relating to the valuation of agricultural land
8 and horticultural land and protests of such valuation; to change the
9 Tax Equalization and Review Commission Act; to harmonize provisions;
10 to provide an operative date; to repeal the original sections; and
11 to outright repeal sections 77-1343, 77-1344, 77-1345, 77-1345.01,
12 77-1346, and 77-1347.01, Reissue Revised Statutes of Nebraska, and
13 section 77-1347, Revised Statutes Cumulative Supplement, 2016.
14 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known and may be
2 cited as the Agricultural Valuation Fairness Act.

3 Sec. 2. Pursuant to Article VIII, section 1, subdivisions (4) and
4 (5) of the Constitution of Nebraska, the Legislature finds and declares
5 that:

6 (1) The agricultural industry is a vital part of the economy of this
7 state;

8 (2) The nature of the agricultural industry and commodity prices
9 affect the value of agricultural land and horticultural land;

10 (3) All agricultural land and horticultural land in Nebraska has an
11 actual value as defined in section 77-112 reflecting purposes or uses
12 other than agricultural or horticultural purposes or uses;

13 (4) Market influences to use agricultural land and horticultural
14 land for purposes other than agricultural or horticultural purposes are
15 present throughout the state and cause the prices paid for agricultural
16 land and horticultural land to exceed the value such land has for
17 agricultural or horticultural purposes;

18 (5) The best and most uniform way to exclude any value that
19 agricultural land and horticultural land has for purposes other than
20 agricultural or horticultural purposes is to rely on the income-producing
21 characteristics of the land; and

22 (6) Agricultural land and horticultural land should be assessed at
23 its agricultural use value using an income approach that complies with
24 professionally accepted mass appraisal techniques.

25 Sec. 3. For purposes of the Agricultural Valuation Fairness Act:

26 (1) Agricultural land and horticultural land means a parcel of land,
27 excluding land associated with a building or enclosed structure located
28 on the parcel, which is primarily used for agricultural or horticultural
29 purposes, including wasteland lying in or adjacent to and in common
30 ownership or management with other agricultural land and horticultural
31 land;

1 (2) Agricultural or horticultural purposes means used for the
2 commercial production of any plant or animal product in a raw or
3 unprocessed state that is derived from the science and art of
4 agriculture, aquaculture, or horticulture. Agricultural or horticultural
5 purposes includes the following uses of land:

6 (a) Land retained or protected for future agricultural or
7 horticultural purposes under a conservation easement approved as required
8 by section 76-2,112 except when the parcel or a portion thereof is being
9 used for purposes other than agricultural or horticultural purposes; and

10 (b) Land enrolled in a federal or state program in which payments
11 are received for removing such land from agricultural or horticultural
12 production;

13 (3) Agricultural use value means the value of land for agricultural
14 or horticultural purposes or uses without regard to the value of such
15 land for other purposes or uses as determined pursuant to the
16 Agricultural Valuation Fairness Act;

17 (4) Farm home site means land contiguous to a farm site which
18 includes an inhabitable residence and improvements used for residential
19 purposes and which is located outside of urban areas or outside a platted
20 and zoned subdivision; and

21 (5) Farm site means the portion of land contiguous to land actively
22 devoted to agriculture which includes improvements that are agricultural
23 or horticultural in nature, including any uninhabitable or unimproved
24 farm home site.

25 Sec. 4. Section 77-1359, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 ~~77-1359 The Legislature finds and declares that~~

28 (1) Agricultural ~~agricultural~~ land and horticultural land shall be a
29 separate and distinct class of real property for purposes of assessment.

30 (2) The assessed value of agricultural land and horticultural land
31 shall not be uniform and proportionate with all other real property, but

1 the assessed value shall be uniform and proportionate within the class of
2 agricultural land and horticultural land.

3 (3) Agricultural land and horticultural land shall be valued at its
4 agricultural use value as determined pursuant to the Agricultural
5 Valuation Fairness Act regardless of any value which such land might have
6 for purposes other than agricultural or horticultural purposes.

7 (4) In order for land to receive agricultural use value, all of the
8 following criteria must be met:

9 (a) The land must be located outside the corporate boundaries of any
10 sanitary and improvement district, city, or village except as provided in
11 subsection (5) of this section; and

12 (b) The land must be used for agricultural or horticultural
13 purposes.

14 (5) Agricultural use value may be applied to agricultural land and
15 horticultural land included within the corporate boundaries of a city or
16 village if the land is subject to a conservation or preservation easement
17 as provided in the Conservation and Preservation Easements Act and the
18 governing body of the city or village approves the agreement creating the
19 easement.

20 (6) The eligibility of land for agricultural use value shall be
21 determined each year as of January 1. If land so qualified becomes
22 disqualified on or before December 31 of that year, it shall continue to
23 receive agricultural use value until January 1 of the year following.

24 ~~For purposes of this section and section 77-1363:~~

25 ~~(1) Agricultural land and horticultural land means a parcel of land,~~
26 ~~excluding land associated with a building or enclosed structure located~~
27 ~~on the parcel, which is primarily used for agricultural or horticultural~~
28 ~~purposes, including wasteland lying in or adjacent to and in common~~
29 ~~ownership or management with other agricultural land and horticultural~~
30 ~~land;~~

31 ~~(2) Agricultural or horticultural purposes means used for the~~

1 ~~commercial production of any plant or animal product in a raw or~~
2 ~~unprocessed state that is derived from the science and art of~~
3 ~~agriculture, aquaculture, or horticulture. Agricultural or horticultural~~
4 ~~purposes includes the following uses of land:~~

5 ~~(a) Land retained or protected for future agricultural or~~
6 ~~horticultural purposes under a conservation easement as provided in the~~
7 ~~Conservation and Preservation Easements Act except when the parcel or a~~
8 ~~portion thereof is being used for purposes other than agricultural or~~
9 ~~horticultural purposes; and~~

10 ~~(b) Land enrolled in a federal or state program in which payments~~
11 ~~are received for removing such land from agricultural or horticultural~~
12 ~~production;~~

13 ~~(3) Farm home site means land contiguous to a farm site which~~
14 ~~includes an inhabitable residence and improvements used for residential~~
15 ~~purposes and which is located outside of urban areas or outside a platted~~
16 ~~and zoned subdivision; and~~

17 ~~(4) Farm site means the portion of land contiguous to land actively~~
18 ~~devoted to agriculture which includes improvements that are agricultural~~
19 ~~or horticultural in nature, including any uninhabitable or unimproved~~
20 ~~farm home site.~~

21 Sec. 5. Section 77-1363, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 77-1363 (1) The county assessor shall use an income-approach
24 calculation to determine the agricultural use value for each assessment
25 year. The income-approach calculation shall be consistent with the
26 Agricultural Valuation Fairness Act and any rules and regulations adopted
27 and promulgated by the Tax Commissioner pursuant to the act and shall
28 comply with professionally accepted mass appraisal techniques.

29 (2) For purposes of assessing agricultural land and horticultural
30 land using the income-approach calculation, agricultural Agricultural
31 land and horticultural land shall be divided into classes and subclasses

1 of real property under section 77-103.01, including, but not limited to,
2 irrigated cropland, dryland cropland, grassland, wasteland, nurseries,
3 feedlots, and orchards, so that the categories reflect uses appropriate
4 for the valuation of such land according to law. Classes shall be
5 inventoried by subclasses of real property based on soil classification
6 standards developed by the Natural Resources Conservation Service of the
7 United States Department of Agriculture as converted into land capability
8 groups by the Property Tax Administrator.

9 (3) County assessors shall use the range of incomes for land
10 capability groups and the capitalization rates determined by the Property
11 Tax Administrator in determining the agricultural use value of
12 agricultural land and horticultural land utilize soil surveys from the
13 Natural Resources Conservation Service of the United States Department of
14 Agriculture as directed by the Property Tax Administrator.

15 (4) Nothing in this section shall be construed to limit the classes
16 and subclasses of real property that may be used by county assessors or
17 the Tax Equalization and Review Commission to achieve more uniform and
18 proportionate valuations.

19 Sec. 6. The Property Tax Administrator may solicit information on
20 the sale of any agricultural land and horticultural land beyond the
21 information reported pursuant to section 77-1327. The Property Tax
22 Administrator shall, after reviewing all such information, establish a
23 range of net incomes for all land capability groups in the state, by
24 county and by land use, based on the previous ten years' information. The
25 income ranges shall be based on the average yield information for the ten
26 prior years published by the United States Department of Agriculture for
27 those commodities appropriate for each land capability group. The
28 Property Tax Administrator shall also consider prices for each commodity
29 on which the average yield is based. The Property Tax Administrator shall
30 issue a report of his or her findings and recommendations to each county
31 assessor in Nebraska no later than January 1 of each year.

1 Sec. 7. The Property Tax Administrator shall establish the
2 capitalization rates to be applied to each class or subclass of
3 agricultural land and horticultural land within each county. The Property
4 Tax Administrator shall ensure that the capitalization rates established
5 under this section result in an aggregate agricultural use value for the
6 class of agricultural land and horticultural land that is between sixty
7 and seventy-five percent of the actual value that the agricultural land
8 and horticultural land has for agricultural or horticultural purposes.
9 However, the aggregate agricultural use value so established shall not
10 increase more than three and one-half percent from the prior year.

11 Sec. 8. (1) The county assessor shall determine the appropriate
12 income for each land capability group in the county that falls within the
13 applicable income range established by the Property Tax Administrator
14 under section 6 of this act. The income so determined for each parcel
15 shall be divided by the applicable capitalization rate set by the
16 Property Tax Administrator under section 7 of this act. The resulting
17 value for each parcel shall be reported on the abstract of real property
18 pursuant to section 77-1514.

19 (2) If a county assessor, based on the facts and circumstances,
20 believes that the income range for a land capability group as determined
21 by the Property Tax Administrator under section 6 of this act results in
22 values that are not uniform and proportionate within the class of
23 agricultural land and horticultural land, the county assessor may
24 petition the Tax Commissioner, on or before February 1, for an
25 alternative income range to be applied to that land capability group. The
26 county assessor shall show that the use of the Property Tax
27 Administrator's income range as determined under section 6 of this act
28 results in agricultural use values that are not uniform and
29 proportionate. The Tax Commissioner shall issue a written order to the
30 county assessor no later than March 1.

31 (3) If the Property Tax Administrator, based on the facts and

1 circumstances, believes that any agricultural use value as determined by
2 the county assessor does not comply with the requirements of the
3 Agricultural Valuation Fairness Act, the Property Tax Administrator may
4 petition the Tax Commissioner, on or before April 1, for an order to
5 adjust the agricultural use value to achieve compliance with the act. The
6 Tax Commissioner shall issue a written order to the Property Tax
7 Administrator no later than May 1.

8 (4) Upon receipt of a petition by either the county assessor or the
9 Property Tax Administrator under this section, the Tax Commissioner shall
10 set a date for hearing and shall give notice thereof to the county
11 assessor or Property Tax Administrator, as applicable. The hearing shall
12 be held at least five days following the mailing of such notice. At the
13 hearing, the county assessor, the Property Tax Administrator, or their
14 legal representatives may appear and show cause why the class or subclass
15 of agricultural land and horticultural land in the county should or
16 should not be adjusted. At the hearing, the Tax Commissioner may receive
17 testimony from any interested person. The Tax Commissioner's order may be
18 appealed within thirty days after the date of the order to the Tax
19 Equalization and Review Commission in accordance with section 77-5013.

20 (5) If, after the implementation of the orders described in
21 subsections (2) and (3) of this section, the Tax Commissioner finds that
22 the aggregate agricultural use value of the entire class of agricultural
23 land and horticultural land either (a) is not between sixty and seventy-
24 five percent of the aggregate actual value that the agricultural land and
25 horticultural land has for agricultural or horticultural purposes or (b)
26 exceeds the prior year's aggregate agricultural use value of the entire
27 class of agricultural land and horticultural land by more than three and
28 one-half percent, the Tax Commissioner shall issue an order to each
29 county in the state to uniformly adjust the capitalization rate to comply
30 with the requirements of section 7 of this act.

31 Sec. 9. The Tax Commissioner may adopt and promulgate rules and

1 regulations as necessary to carry out the Agricultural Valuation Fairness
2 Act.

3 Sec. 10. Section 19-2428, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 19-2428 (1) Whenever the governing body of a city of the first or
6 second class or village creates an improvement district as specified in
7 section 19-2427 which includes land adjacent to such city or village and
8 such adjacent land is within an agricultural use zone and is used
9 exclusively for agricultural use, the owners of record title of such
10 adjacent land may apply for a deferral from special assessments pursuant
11 to sections 19-2428 to 19-2431.

12 (2) For purposes of sections 19-2428 to 19-2431:

13 (a) Agricultural use means the use of land as described in section 3
14 of this act 77-1359, so that incidental use of the land for
15 nonagricultural or nonhorticultural purposes shall not disqualify the
16 land; and

17 (b) Agricultural use zone means designation of any land
18 predominantly for agricultural or horticultural use by any political
19 subdivision pursuant to sections 19-924 to 19-933, Chapter 14, article 4,
20 Chapter 15, article 9, Chapter 16, article 9, Chapter 17, article 10, or
21 Chapter 23, article 1. The primary objective of the agricultural use
22 zoning shall be to preserve and protect agricultural activities and the
23 potential for the agricultural, horticultural, or open use of land. Uses
24 to be allowed on such lands include primarily agricultural-related or
25 horticultural-related uses, and nonagricultural or nonhorticultural
26 industrial, commercial, or residential uses allowed on such lands shall
27 be restricted so that they do not conflict with or detract from this
28 objective.

29 Sec. 11. Section 46-294.03, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 46-294.03 For purposes of assessment pursuant to the Agricultural

1 ~~Valuation Fairness Act sections 77-1343 to 77-1363~~, neither the temporary
2 transfer or change of an appropriation nor any resulting land-use changes
3 on the land to which the appropriation was appurtenant prior to the
4 transfer or change shall cause the land to be reclassified to a lower
5 value use or the valuation of the land to be reduced, but the land may be
6 reclassified to a higher value use and its valuation may be increased if
7 a higher value use is made of the land while the temporary transfer or
8 change is in effect. Land from which an appropriation has been
9 permanently transferred shall be classified and valued for tax purposes
10 in accordance with the use of the land after the transfer.

11 Sec. 12. Section 76-710.04, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 76-710.04 (1) A condemner may not take property through the use of
14 eminent domain under sections 76-704 to 76-724 if the taking is primarily
15 for an economic development purpose.

16 (2) For purposes of this section, economic development purpose means
17 taking property for subsequent use by a commercial for-profit enterprise
18 or to increase tax revenue, tax base, employment, or general economic
19 conditions.

20 (3) This section does not affect the use of eminent domain for:

21 (a) Public projects or private projects that make all or a major
22 portion of the property available for use by the general public or for
23 use as a right-of-way, aqueduct, pipeline, transmission line, or similar
24 use;

25 (b) Removing harmful uses of property if such uses constitute an
26 immediate threat to public health and safety;

27 (c) Leasing property to a private person who occupies an incidental
28 part of public property or a public facility, such as a retail
29 establishment on the ground floor of a public building;

30 (d) Acquiring abandoned property;

31 (e) Clearing defective property title;

1 (f) Taking private property for use by a utility or railroad;

2 (g) Taking private property based upon a finding of blighted or
3 substandard conditions under the Community Development Law if the private
4 property is not agricultural land and ~~or~~ horticultural land as defined in
5 section 3 of this act 77-1359; and

6 (h) Taking private property for a transmission line to serve a
7 privately developed facility generating electricity using wind, solar,
8 biomass, or landfill gas. Nothing in this subdivision shall be construed
9 to grant the power of eminent domain to a private entity.

10 Sec. 13. Section 77-103.01, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 77-103.01 Class or subclass of real property means a group of
13 properties that share one or more characteristics typically common to all
14 the properties in the class or subclass, but are not typically found in
15 the properties outside the class or subclass. Class or subclass includes,
16 but is not limited to, the classifications of agricultural land and ~~or~~
17 horticultural land listed in section 5 of this act 77-1363, parcel use,
18 parcel type, location, geographic characteristics, zoning, city size,
19 parcel size, land capability group, and market characteristics
20 appropriate for the valuation of such land. A class or subclass based on
21 market characteristics shall be based on characteristics that affect the
22 actual value in a different manner than it affects the actual value of
23 properties not within the market characteristic class or subclass.

24 Sec. 14. Section 77-201, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 77-201 (1) Except as provided in subsections (2) and (3) ~~through (4)~~
27 of this section, all real property in this state, not expressly exempt
28 therefrom, shall be subject to taxation and shall be valued at its actual
29 value.

30 (2) Agricultural land and horticultural land as defined in section 3
31 of this act 77-1359 shall constitute a separate and distinct class of

1 property for purposes of property taxation, shall be subject to taxation,
2 unless expressly exempt from taxation, and shall be valued at ~~seventy-~~
3 ~~five percent of its agricultural use actual value as provided in the~~
4 Agricultural Valuation Fairness Act.

5 ~~(3) Agricultural land and horticultural land actively devoted to~~
6 ~~agricultural or horticultural purposes which has value for purposes other~~
7 ~~than agricultural or horticultural uses and which meets the~~
8 ~~qualifications for special valuation under section 77-1344 shall~~
9 ~~constitute a separate and distinct class of property for purposes of~~
10 ~~property taxation, shall be subject to taxation, and shall be valued for~~
11 ~~taxation at seventy-five percent of its special value as defined in~~
12 ~~section 77-1343.~~

13 ~~(3)~~ (4) Historically significant real property which meets the
14 qualifications for historic rehabilitation valuation under sections
15 77-1385 to 77-1394 shall be valued for taxation as provided in such
16 sections.

17 ~~(4)~~ (5) Tangible personal property, not including motor vehicles,
18 trailers, and semitrailers registered for operation on the highways of
19 this state, shall constitute a separate and distinct class of property
20 for purposes of property taxation, shall be subject to taxation, unless
21 expressly exempt from taxation, and shall be valued at its net book
22 value. Tangible personal property transferred as a gift or devise or as
23 part of a transaction which is not a purchase shall be subject to
24 taxation based upon the date the property was acquired by the previous
25 owner and at the previous owner's Nebraska adjusted basis. Tangible
26 personal property acquired as replacement property for converted property
27 shall be subject to taxation based upon the date the converted property
28 was acquired and at the Nebraska adjusted basis of the converted property
29 unless insurance proceeds are payable by reason of the conversion. For
30 purposes of this subsection, (a) converted property means tangible
31 personal property which is compulsorily or involuntarily converted as a

1 result of its destruction in whole or in part, theft, seizure,
2 requisition, or condemnation, or the threat or imminence thereof, and no
3 gain or loss is recognized for federal or state income tax purposes by
4 the holder of the property as a result of the conversion and (b)
5 replacement property means tangible personal property acquired within two
6 years after the close of the calendar year in which tangible personal
7 property was converted and which is, except for date of construction or
8 manufacture, substantially the same as the converted property.

9 Sec. 15. Section 77-1327, Revised Statutes Cumulative Supplement,
10 2016, is amended to read:

11 77-1327 (1) It is the intent of the Legislature that accurate and
12 comprehensive information be developed by the Property Tax Administrator
13 and made accessible to the taxing officials and property owners in order
14 to ensure the uniformity and proportionality of the assessments of real
15 property valuations in the state in accordance with law and to provide
16 the statistical and narrative reports pursuant to section 77-5027.

17 (2) All transactions of real property for which the statement
18 required in section 76-214 is filed shall be available for development of
19 a sales file by the Property Tax Administrator. All transactions with
20 stated consideration of more than one hundred dollars or upon which more
21 than two dollars and twenty-five cents in documentary stamp taxes are
22 paid shall be considered sales. All sales shall be deemed to be arm's
23 length transactions unless determined to be otherwise under
24 professionally accepted mass appraisal techniques. The Department of
25 Revenue shall not overturn a determination made by a county assessor
26 regarding the qualification of a sale unless the department reviews the
27 sale and determines through the review that the determination made by the
28 county assessor is incorrect.

29 (3) The Property Tax Administrator annually shall make and issue
30 comprehensive assessment ratio studies of the average level of
31 assessment, the degree of assessment uniformity, and the overall

1 compliance with assessment requirements for each major class of real
2 property, except agricultural land and horticultural land, that is
3 subject to the property tax in each county. The comprehensive assessment
4 ratio studies shall be developed in compliance with professionally
5 accepted mass appraisal techniques and shall employ such statistical
6 analysis as deemed appropriate by the Property Tax Administrator,
7 including measures of central tendency and dispersion. The comprehensive
8 assessment ratio studies shall be based upon the sales file as developed
9 in subsection (2) of this section and shall be used by the Property Tax
10 Administrator for the analysis of the level of value and quality of
11 assessment for purposes of section 77-5027 and by the Property Tax
12 Administrator in establishing the adjusted valuations required by section
13 79-1016. Such studies may also be used by assessing officials in
14 establishing assessed valuations.

15 ~~(4) For purposes of determining the level of value of agricultural~~
16 ~~and horticultural land subject to special valuation under sections~~
17 ~~77-1343 to 77-1347.01, the Property Tax Administrator shall annually make~~
18 ~~and issue a comprehensive study developed in compliance with~~
19 ~~professionally accepted mass appraisal techniques to establish the level~~
20 ~~of value if in his or her opinion the level of value cannot be developed~~
21 ~~through the use of the comprehensive assessment ratio studies developed~~
22 ~~in subsection (3) of this section.~~

23 (4) ~~(5)~~ County assessors and other taxing officials shall
24 electronically report data on the assessed valuation and other features
25 of the property assessment process for such periods and in such form and
26 content as the Property Tax Administrator shall deem appropriate. The
27 Property Tax Administrator shall so construct and maintain the system
28 used to collect and analyze the data to enable him or her to make
29 intracounty comparisons of assessed valuation, including school districts
30 and other political subdivisions, as well as intercounty comparisons of
31 assessed valuation, including school districts and other political

1 subdivisions. The Property Tax Administrator shall include analysis of
2 real property sales pursuant to land contracts and similar transfers at
3 the time of execution of the contract or similar transfer.

4 Sec. 16. Section 77-1371, Revised Statutes Cumulative Supplement,
5 2016, is amended to read:

6 77-1371 Comparable sales are recent sales of properties that are
7 similar to the property being assessed in significant physical,
8 functional, and location characteristics and in their contribution to
9 value. When using comparable sales in determining actual value of an
10 individual property under the sales comparison approach provided in
11 section 77-112, the following guidelines shall be considered in
12 determining what constitutes a comparable sale:

13 (1) Whether the sale was financed by the seller and included any
14 special financing considerations or the value of improvements;

15 (2) Whether zoning affected the sale price of the property;

16 (3) For sales of agricultural land and ~~or~~ horticultural land as
17 defined in section 3 of this act ~~77-1359~~, whether a premium was paid to
18 acquire property. A premium may be paid when proximity or tax
19 consequences cause the buyer to pay more than actual value for
20 agricultural land and ~~or~~ horticultural land;

21 (4) Whether sales or transfers made in connection with foreclosure,
22 bankruptcy, or condemnations, in lieu of foreclosure, or in consideration
23 of other legal actions should be excluded from comparable sales analysis
24 as not reflecting current market value;

25 (5) Whether sales between family members within the third degree of
26 consanguinity include considerations that fail to reflect current market
27 value;

28 (6) Whether sales to or from federal or state agencies or local
29 political subdivisions reflect current market value;

30 (7) Whether sales of undivided interests in real property or parcels
31 less than forty acres or sales conveying only a portion of the unit

1 assessed reflect current market value;

2 (8) Whether sales or transfers of property in exchange for other
3 real estate, stocks, bonds, or other personal property reflect current
4 market value;

5 (9) Whether deeds recorded for transfers of convenience, transfers
6 of title to cemetery lots, mineral rights, and rights of easement reflect
7 current market value;

8 (10) Whether sales or transfers of property involving railroads or
9 other public utility corporations reflect current market value;

10 (11) Whether sales of property substantially improved subsequent to
11 assessment and prior to sale should be adjusted to reflect current market
12 value or eliminated from such analysis; and

13 ~~(12) For agricultural land or horticultural land as defined in~~
14 ~~section 77-1359 which is or has been receiving the special valuation~~
15 ~~pursuant to sections 77-1343 to 77-1347.01, whether the sale price~~
16 ~~reflects a value which the land has for purposes or uses other than as~~
17 ~~agricultural land or horticultural land and therefor does not reflect~~
18 ~~current market value of other agricultural land or horticultural land;~~

19 (12) ~~(13)~~ Whether sales or transfers of property are in a similar
20 market area and have similar characteristics to the property being
21 assessed; and

22 ~~(14) For agricultural land and horticultural land as defined in~~
23 ~~section 77-1359 which is within a class or subclass of irrigated cropland~~
24 ~~pursuant to section 77-1363, whether the difference in well capacity or~~
25 ~~in water availability due to federal, state, or local regulatory actions~~
26 ~~or limited source affected the sale price of the property. If data on~~
27 ~~current well capacity or current water availability is not available from~~
28 ~~a federal, state, or local government entity, this subdivision shall not~~
29 ~~be used to determine what constitutes a comparable sale.~~

30 The Property Tax Administrator may issue guidelines for assessing
31 officials for use in determining what constitutes a comparable sale.

1 Guidelines shall take into account the factors listed in this section and
2 other relevant factors as prescribed by the Property Tax Administrator.

3 Sec. 17. Section 77-1502, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 77-1502 (1) The county board of equalization shall meet for the
6 purpose of reviewing and deciding written protests filed pursuant to this
7 section beginning on or after June 1 and ending on or before July 25 of
8 each year. Protests regarding real property shall be signed and filed
9 after the county assessor's completion of the real property assessment
10 roll required by section 77-1315 and on or before June 30. For protests
11 of real property, a protest shall be filed for each parcel. Protests
12 regarding taxable tangible personal property returns filed pursuant to
13 section 77-1229 from January 1 through May 1 shall be signed and filed on
14 or before June 30. The county board in a county with a population of more
15 than one hundred thousand inhabitants based upon the most recent federal
16 decennial census may adopt a resolution to extend the deadline for
17 hearing protests from July 25 to August 10. The resolution must be
18 adopted before July 25 and it will affect the time for hearing protests
19 for that year only. By adopting such resolution, such county waives any
20 right to petition the Tax Equalization and Review Commission for
21 adjustment of a class or subclass of real property under section
22 77-1504.01 for that year.

23 (2) Each protest shall be signed and filed with the county clerk of
24 the county where the property is assessed. The protest shall contain or
25 have attached a statement of the reason or reasons why the requested
26 change should be made and a description of the property to which the
27 protest applies. If the property is real property, a description adequate
28 to identify each parcel shall be provided. If the property is tangible
29 personal property, a physical description of the property under protest
30 shall be provided. If the protest does not contain or have attached the
31 statement of the reason or reasons for the protest or the applicable

1 description of the property, the protest shall be dismissed by the county
2 board of equalization.

3 (3) Beginning January 1, 2014, in counties with a population of at
4 least one hundred fifty thousand inhabitants according to the most recent
5 federal decennial census, for a protest regarding real property, each
6 protester shall be afforded the opportunity to meet in person with the
7 county board of equalization or a referee appointed under section
8 77-1502.01 to provide information relevant to the protested property
9 value.

10 (4) No hearing of the county board of equalization on a protest
11 filed under this section shall be held before a single commissioner or
12 supervisor.

13 (5) For agricultural land and horticultural land, the county board
14 of equalization may only correct errors in those characteristics
15 affecting the income-producing capability of such land. Protests of such
16 characteristics shall be made on a form prescribed by the Tax
17 Commissioner.

18 (6) ~~(5)~~ The county clerk or county assessor shall prepare a separate
19 report on each protest. The report shall include (a) a description
20 adequate to identify the real property or a physical description of the
21 tangible personal property to which the protest applies, (b) any
22 recommendation of the county assessor for action on the protest, (c) if a
23 referee is used, the recommendation of the referee, (d) the date the
24 county board of equalization heard the protest, (e) the decision made by
25 the county board of equalization, (f) the date of the decision, and (g)
26 the date notice of the decision was mailed to the protester. The report
27 shall contain, or have attached to it, a statement, signed by the
28 chairperson of the county board of equalization, describing the basis
29 upon which the board's decision was made. The report shall have attached
30 to it a copy of that portion of the property record file which
31 substantiates calculation of the protested value unless the county

1 assessor certifies to the county board of equalization that a copy is
2 maintained in either electronic or paper form in his or her office. One
3 copy of the report, if prepared by the county clerk, shall be given to
4 the county assessor on or before August 2. The county assessor shall have
5 no authority to make a change in the assessment rolls until there is in
6 his or her possession a report which has been completed in the manner
7 specified in this section. If the county assessor deems a report
8 submitted by the county clerk incomplete, the county assessor shall
9 return the same to the county clerk for proper preparation.

10 (7) ~~(6)~~ On or before August 2, or on or before August 18 in a county
11 that has adopted a resolution to extend the deadline for hearing
12 protests, the county clerk shall mail to the protester written notice of
13 the board's decision. The notice shall contain a statement advising the
14 protester that a report of the board's decision is available at the
15 county clerk's or county assessor's office, whichever is appropriate.

16 Sec. 18. Section 77-1507.01, Reissue Revised Statutes of Nebraska,
17 is amended to read:

18 77-1507.01 Any person otherwise having a right to appeal may
19 petition the Tax Equalization and Review Commission in accordance with
20 section 77-5013, on or before December 31 of each year, to determine the
21 actual value or agricultural use ~~special~~ value of real property for that
22 year if a failure to give notice prevented timely filing of a protest or
23 appeal provided for in sections 77-1501 to 77-1510.

24 Sec. 19. Section 77-4212, Revised Statutes Cumulative Supplement,
25 2016, is amended to read:

26 77-4212 (1) For tax year 2007, the amount of relief granted under
27 the Property Tax Credit Act shall be one hundred five million dollars.
28 For tax year 2008, the amount of relief granted under the act shall be
29 one hundred fifteen million dollars. It is the intent of the Legislature
30 to fund the Property Tax Credit Act for tax years after tax year 2008
31 using available revenue. For tax year 2017, the amount of relief granted

1 under the act shall be two hundred twenty-four million dollars. The
2 relief shall be in the form of a property tax credit which appears on the
3 property tax statement.

4 (2)(a) For tax years prior to tax year 2017, to determine the amount
5 of the property tax credit, the county treasurer shall multiply the
6 amount disbursed to the county under subdivision (4)(a) of this section
7 by the ratio of the real property valuation of the parcel to the total
8 real property valuation in the county. The amount determined shall be the
9 property tax credit for the property.

10 (b) Beginning with tax year 2017, to determine the amount of the
11 property tax credit, the county treasurer shall multiply the amount
12 disbursed to the county under subdivision (4)(b) of this section by the
13 ratio of the credit allocation valuation of the parcel to the total
14 credit allocation valuation in the county. The amount determined shall be
15 the property tax credit for the property.

16 (3) If the real property owner qualifies for a homestead exemption
17 under sections 77-3501 to 77-3529, the owner shall also be qualified for
18 the relief provided in the act to the extent of any remaining liability
19 after calculation of the relief provided by the homestead exemption. If
20 the credit results in a property tax liability on the homestead that is
21 less than zero, the amount of the credit which cannot be used by the
22 taxpayer shall be returned to the State Treasurer by July 1 of the year
23 the amount disbursed to the county was disbursed. The State Treasurer
24 shall immediately credit any funds returned under this section to the
25 Property Tax Credit Cash Fund.

26 (4)(a) For tax years prior to tax year 2017, the amount disbursed to
27 each county shall be equal to the amount available for disbursement
28 determined under subsection (1) of this section multiplied by the ratio
29 of the real property valuation in the county to the real property
30 valuation in the state. By September 15, the Property Tax Administrator
31 shall determine the amount to be disbursed under this subdivision to each

1 county and certify such amounts to the State Treasurer and to each
2 county. The disbursements to the counties shall occur in two equal
3 payments, the first on or before January 31 and the second on or before
4 April 1. After retaining one percent of the receipts for costs, the
5 county treasurer shall allocate the remaining receipts to each taxing
6 unit levying taxes on taxable property in the tax district in which the
7 real property is located in the same proportion that the levy of such
8 taxing unit bears to the total levy on taxable property of all the taxing
9 units in the tax district in which the real property is located.

10 (b) Beginning with tax year 2017, the amount disbursed to each
11 county shall be equal to the amount available for disbursement determined
12 under subsection (1) of this section multiplied by the ratio of the
13 credit allocation valuation in the county to the credit allocation
14 valuation in the state. By September 15, the Property Tax Administrator
15 shall determine the amount to be disbursed under this subdivision to each
16 county and certify such amounts to the State Treasurer and to each
17 county. The disbursements to the counties shall occur in two equal
18 payments, the first on or before January 31 and the second on or before
19 April 1. After retaining one percent of the receipts for costs, the
20 county treasurer shall allocate the remaining receipts to each taxing
21 unit based on its share of the credits granted to all taxpayers in the
22 taxing unit.

23 (5) For purposes of this section, credit allocation valuation means
24 the taxable value for all real property except agricultural land and
25 horticultural land, and one hundred twenty percent of taxable value for
26 agricultural land and horticultural land ~~that is not subject to special~~
27 ~~valuation, and one hundred twenty percent of taxable value for~~
28 ~~agricultural land and horticultural land that is subject to special~~
29 ~~valuation.~~

30 (6) The State Treasurer shall transfer from the General Fund to the
31 Property Tax Credit Cash Fund one hundred five million dollars by August

1 1, 2007, and one hundred fifteen million dollars by August 1, 2008.

2 (7) The Legislature shall have the power to transfer funds from the
3 Property Tax Credit Cash Fund to the General Fund.

4 Sec. 20. Section 77-5007, Revised Statutes Cumulative Supplement,
5 2016, is amended to read:

6 77-5007 The commission has the power and duty to hear and determine
7 appeals of:

8 (1) Decisions of any county board of equalization equalizing the
9 value of individual tracts, lots, or parcels of real property so that all
10 real property is assessed uniformly and proportionately;

11 (2) Decisions of any county board of equalization granting or
12 denying tax-exempt status for real or personal property or an exemption
13 from motor vehicle taxes and fees;

14 (3) Decisions of the Tax Commissioner determining the taxable
15 property of a railroad company, car company, public service entity, or
16 air carrier within the state;

17 (4) Decisions of the Tax Commissioner determining adjusted valuation
18 pursuant to section 79-1016;

19 (5) Decisions of any county board of equalization on the valuation
20 of personal property or any penalties imposed under sections 77-1233.04
21 and 77-1233.06;

22 (6) Decisions of any county board of equalization on claims that a
23 levy is or is not for an unlawful or unnecessary purpose or in excess of
24 the requirements of the county;

25 (7) Decisions of any county board of equalization granting or
26 rejecting an application for a homestead exemption;

27 (8) Decisions of the Department of Motor Vehicles determining the
28 taxable value of motor vehicles pursuant to section 60-3,188;

29 (9) Decisions of the Tax Commissioner made under section 77-1330;

30 (10) Any other decision of any county board of equalization;

31 (11) Any other decision of the Tax Commissioner regarding property

1 valuation, exemption, or taxation;

2 (12) Decisions of the Tax Commissioner pursuant to section 77-3520;

3 (13) Final decisions of a county board of equalization appealed by
4 the Tax Commissioner or Property Tax Administrator pursuant to section
5 77-701;

6 (14) Determinations of the Rent-Restricted Housing Projects
7 Valuation Committee regarding the capitalization rate to be used to value
8 rent-restricted housing projects pursuant to section 77-1333 or the
9 requirement under such section that an income-approach calculation be
10 used by county assessors to value rent-restricted housing projects;

11 (15) The requirement under section 77-1314 that the income approach,
12 including the use of a discounted cash-flow analysis, be used by county
13 assessors; ~~and~~

14 (16) Decisions of the Tax Commissioner pursuant to section 8 of this
15 act; and

16 (17) ~~(16)~~ Any other decision, determination, action, or order from
17 which an appeal to the commission is authorized.

18 The commission has the power and duty to hear and grant or deny
19 relief on petitions.

20 Sec. 21. Section 77-5022, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 77-5022 The commission shall annually equalize the assessed value ~~or~~
23 ~~special value~~ of all residential and commercial real property as
24 submitted by the county assessors on the abstracts of assessments and
25 equalize the values of real property that is valued by the state. The
26 commission shall have the power to recess from time to time until the
27 equalization process is complete. Meetings held pursuant to this section
28 may be held by means of videoconference or telephone conference.

29 Sec. 22. Section 77-5023, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 77-5023 (1) Pursuant to section 77-5022, the commission shall have

1 the power to increase or decrease the value of a class or subclass of
2 residential or commercial real property in any county or taxing authority
3 or of real property valued by the state so that all classes or subclasses
4 of real property in all counties fall within an acceptable range.

5 (2) An acceptable range is the percentage of variation from a
6 standard for valuation as measured by an established indicator of central
7 tendency of assessment. The acceptable range ~~Acceptable ranges are: (a)~~
8 ~~For agricultural land and horticultural land as defined in section~~
9 ~~77-1359, sixty-nine to seventy-five percent of actual value; (b) for~~
10 ~~lands receiving special valuation, sixty-nine to seventy-five percent of~~
11 ~~special valuation as defined in section 77-1343; and (c) for all~~
12 residential and commercial ~~other~~ real property, is ninety-two to one
13 hundred percent of actual value.

14 (3) Any increase or decrease shall cause the level of value
15 determined by the commission to be at the midpoint of the ~~applicable~~
16 acceptable range.

17 (4) Any decrease or increase to a subclass of property shall also
18 cause the level of value determined by the commission for the class from
19 which the subclass is drawn to be within the ~~applicable~~ acceptable range.

20 (5) Whether or not the level of value determined by the commission
21 falls within the ~~an~~ acceptable range or at the midpoint of the ~~an~~
22 acceptable range may be determined to a reasonable degree of certainty
23 relying upon generally accepted mass appraisal techniques.

24 Sec. 23. Section 79-1016, Reissue Revised Statutes of Nebraska, is
25 amended to read:

26 79-1016 (1) On or before August 25, the county assessor shall
27 certify to the Property Tax Administrator the total taxable value by
28 school district in the county for the current assessment year on forms
29 prescribed by the Tax Commissioner. The county assessor may amend the
30 filing for changes made to the taxable valuation of the school district
31 in the county if corrections or errors on the original certification are

1 discovered. Amendments shall be certified to the Property Tax
2 Administrator on or before September 30.

3 (2) On or before October 10, the Property Tax Administrator shall
4 compute and certify to the State Department of Education the adjusted
5 valuation for the current assessment year for each class of property in
6 each school district and each local system. The adjusted valuation of
7 property for each school district and each local system, for purposes of
8 determining state aid pursuant to the Tax Equity and Educational
9 Opportunities Support Act, shall reflect as nearly as possible state aid
10 value as defined in subsection (3) of this section. The Property Tax
11 Administrator shall notify each school district and each local system of
12 its adjusted valuation for the current assessment year by class of
13 property on or before October 10. Establishment of the adjusted valuation
14 shall be based on the taxable value certified by the county assessor for
15 each school district in the county adjusted by the determination of the
16 level of value for each school district from an analysis of the
17 comprehensive assessment ratio study or other studies developed by the
18 Property Tax Administrator, in compliance with professionally accepted
19 mass appraisal techniques, as required by section 77-1327. The Tax
20 Commissioner shall adopt and promulgate rules and regulations setting
21 forth standards for the determination of level of value for state aid
22 purposes.

23 (3) For purposes of this section, state aid value means:

24 (a) For real property other than agricultural and horticultural
25 land, ninety-six percent of actual value;

26 (b) For agricultural land and horticultural land, the agricultural
27 use ~~seventy-two percent of actual value as provided in the Agricultural~~
28 ~~Valuation Fairness Act sections 77-1359 to 77-1363. For agricultural and~~
29 ~~horticultural land that receives special valuation pursuant to section~~
30 ~~77-1344, seventy-two percent of special valuation as defined in section~~
31 ~~77-1343; and~~

1 (c) For personal property, the net book value as defined in section
2 77-120.

3 (4) On or before November 10, any local system may file with the Tax
4 Commissioner written objections to the adjusted valuations prepared by
5 the Property Tax Administrator, stating the reasons why such adjusted
6 valuations are not the valuations required by subsection (3) of this
7 section. The Tax Commissioner shall fix a time for a hearing. Either
8 party shall be permitted to introduce any evidence in reference thereto.
9 On or before January 1, the Tax Commissioner shall enter a written order
10 modifying or declining to modify, in whole or in part, the adjusted
11 valuations and shall certify the order to the State Department of
12 Education. Modification by the Tax Commissioner shall be based upon the
13 evidence introduced at hearing and shall not be limited to the
14 modification requested in the written objections or at hearing. A copy of
15 the written order shall be mailed to the local system within seven days
16 after the date of the order. The written order of the Tax Commissioner
17 may be appealed within thirty days after the date of the order to the Tax
18 Equalization and Review Commission in accordance with section 77-5013.

19 (5) On or before November 10, any local system or county official
20 may file with the Tax Commissioner a written request for a nonappealable
21 correction of the adjusted valuation due to clerical error as defined in
22 ~~section 77-128 or, for agricultural and horticultural land, assessed~~
23 ~~value changes by reason of land qualified or disqualified for special use~~
24 ~~valuation pursuant to sections 77-1343 to 77-1347.01.~~ On or before the
25 following January 1, the Tax Commissioner shall approve or deny the
26 request and, if approved, certify the corrected adjusted valuations
27 resulting from such action to the State Department of Education.

28 (6) On or before May 31 of the year following the certification of
29 adjusted valuation pursuant to subsection (2) of this section, any local
30 system or county official may file with the Tax Commissioner a written
31 request for a nonappealable correction of the adjusted valuation due to

1 changes to the tax list that change the assessed value of taxable
2 property. Upon the filing of the written request, the Tax Commissioner
3 shall require the county assessor to recertify the taxable valuation by
4 school district in the county on forms prescribed by the Tax
5 Commissioner. The recertified valuation shall be the valuation that was
6 certified on the tax list, pursuant to section 77-1613, increased or
7 decreased by changes to the tax list that change the assessed value of
8 taxable property in the school district in the county in the prior
9 assessment year. On or before the following July 31, the Tax Commissioner
10 shall approve or deny the request and, if approved, certify the corrected
11 adjusted valuations resulting from such action to the State Department of
12 Education.

13 (7) No injunction shall be granted restraining the distribution of
14 state aid based upon the adjusted valuations pursuant to this section.

15 (8) A school district whose state aid is to be calculated pursuant
16 to subsection (5) of this section and whose state aid payment is
17 postponed as a result of failure to calculate state aid pursuant to such
18 subsection may apply to the state board for lump-sum payment of such
19 postponed state aid. Such application may be for any amount up to one
20 hundred percent of the postponed state aid. The state board may grant the
21 entire amount applied for or any portion of such amount. The state board
22 shall notify the Director of Administrative Services of the amount of
23 funds to be paid in a lump sum and the reduced amount of the monthly
24 payments. The Director of Administrative Services shall, at the time of
25 the next state aid payment made pursuant to section 79-1022, draw a
26 warrant for the lump-sum amount from appropriated funds and forward such
27 warrant to the district.

28 Sec. 24. Section 79-1036, Revised Statutes Cumulative Supplement,
29 2016, is amended to read:

30 79-1036 (1) In making the apportionment under section 79-1035, the
31 Commissioner of Education shall distribute from the school fund for

1 school purposes to (a) for school fiscal years prior to school fiscal
2 year 2017-18, any and all learning communities and school districts which
3 are not members of a learning community, and (b) for school fiscal year
4 2017-18 and each school fiscal year thereafter, all school districts in
5 which there are situated school lands which have not been sold and
6 transferred by deed or saline lands owned by the state, which lands are
7 being used for a public purpose, an amount in lieu of tax money that
8 would be raised by school district levies if such lands were taxable, to
9 be ascertained in accordance with subsection (2) of this section, except
10 that:

11 (i) For Class I districts or portions thereof which are affiliated
12 and in which there are situated school or saline lands, 38.6207 percent
13 of the in lieu of land tax money calculated pursuant to subsection (2) of
14 this section, based on the affiliated school system tax levy computed
15 pursuant to section 79-1077, shall be distributed to the affiliated high
16 school district and the remainder shall be distributed to the Class I
17 district;

18 (ii) For Class I districts or portions thereof which are part of a
19 Class VI district which offers instruction in grades nine through twelve
20 and in which there are situated school or saline lands, 38.6207 percent
21 of the in lieu of land tax money calculated pursuant to subsection (2) of
22 this section, based on the Class VI school system levy computed pursuant
23 to section 79-1078, shall be distributed to the Class VI district and the
24 remainder shall be distributed to the Class I district;

25 (iii) For Class I districts or portions thereof which are part of a
26 Class VI district which offers instruction in grades seven through twelve
27 and in which there are situated school or saline lands, 55.1724 percent
28 of the in lieu of land tax money calculated pursuant to subsection (2) of
29 this section, based on the Class VI school system levy computed pursuant
30 to section 79-1078, shall be distributed to the Class VI district and the
31 remainder shall be distributed to the Class I district; and

1 (iv) For Class I districts or portions thereof which are part of a
2 Class VI district which offers instruction in grades six through twelve
3 and in which there are situated school or saline lands, 62.0690 percent
4 of the in lieu of land tax money calculated pursuant to subsection (2) of
5 this section, based on the Class VI school system levy computed pursuant
6 to section 79-1078, shall be distributed to the Class VI district and the
7 remainder shall be distributed to the Class I district.

8 (2) The county assessor shall certify to the Commissioner of
9 Education the tax levies of each school district and, for levies
10 certified prior to January 1, 2017, learning community in which school
11 land or saline land is located and the last appraised value of such
12 school land, which value shall be the same percentage of the appraised
13 value as the percentage of the assessed value is of agricultural use
14 ~~market~~ value in subsection (2) of section 77-201 for the purpose of
15 applying the applicable tax levies for each district and, for levies
16 certified prior to January 1, 2017, learning community in determining the
17 distribution to the districts of such amounts. The school board of any
18 school district and, for levies certified prior to January 1, 2017, the
19 learning community coordinating council of any learning community in
20 which there is located any leased or undeeded school land or saline land
21 subject to this section may appeal to the Board of Educational Lands and
22 Funds for a reappraisalment of such school land if such school board or
23 learning community coordinating council deems the land not appraised in
24 proportion to the value of adjoining land of the same or similar value.
25 The Board of Educational Lands and Funds shall proceed to investigate the
26 facts involved in such appeal and, if the contention of the school board
27 or learning community coordinating council is correct, make the proper
28 reappraisalment. The value calculation in this subsection shall be used by
29 the Commissioner of Education for making distributions in each school
30 fiscal year.

31 Sec. 25. This act becomes operative on January 1, 2019.

1 Sec. 26. Original sections 19-2428, 46-294.03, 77-103.01,
2 77-1507.01, 77-5023, and 79-1016, Reissue Revised Statutes of Nebraska,
3 and sections 76-710.04, 77-201, 77-1327, 77-1359, 77-1363, 77-1371,
4 77-1502, 77-4212, 77-5007, 77-5022, and 79-1036, Revised Statutes
5 Cumulative Supplement, 2016, are repealed.

6 Sec. 27. The following sections are outright repealed: Sections
7 77-1343, 77-1344, 77-1345, 77-1345.01, 77-1346, and 77-1347.01, Reissue
8 Revised Statutes of Nebraska, and section 77-1347, Revised Statutes
9 Cumulative Supplement, 2016.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 409

Introduced by Groene, 42; Erdman, 47; Linehan, 39.

Read first time January 13, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to school finance; to amend section
- 2 79-1015.01, Reissue Revised Statutes of Nebraska, and section
- 3 77-3446, Revised Statutes Cumulative Supplement, 2016; to change
- 4 provisions relating to the Tax Equity and Educational Opportunities
- 5 Support Act; to change the base limitation; to change the local
- 6 effort rate; to eliminate obsolete provisions; to repeal the
- 7 original sections; and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3446, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-3446 Base limitation means the budget limitation rate applicable
4 to school districts and the limitation on growth of restricted funds
5 applicable to other political subdivisions prior to any increases in the
6 rate as a result of special actions taken by a supermajority of any
7 governing board or of any exception allowed by law. The base limitation
8 is two and one-half percent until adjusted, except that the base
9 limitation for school districts for school fiscal years 2017-18 and
10 2018-19 ~~year 2012-13 is one-half of one percent and the base limitation~~
11 ~~for school districts for school fiscal year 2013-14 is zero one and one-~~
12 ~~half~~ percent. The base limitation may be adjusted annually by the
13 Legislature to reflect changes in the prices of services and products
14 used by school districts and political subdivisions.

15 Sec. 2. Section 79-1015.01, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 79-1015.01 (1) Local system formula resources shall include local
18 effort rate yield which shall be computed as prescribed in this section.

19 (2) For each school fiscal year except school fiscal 2017-18 and
20 2018-19 ~~years 2011-12 through 2013-14~~: (a) For state aid certified
21 pursuant to section 79-1022, the local effort rate shall be the maximum
22 levy, for the school fiscal year for which aid is being certified,
23 authorized pursuant to subdivision (2)(a) of section 77-3442 less five
24 cents; (b) for the final calculation of state aid pursuant to section
25 79-1065, the local effort rate shall be the rate which, when multiplied
26 by the total adjusted valuation of all taxable property in local systems
27 receiving equalization aid pursuant to the Tax Equity and Educational
28 Opportunities Support Act, will produce the amount needed to support the
29 total formula need of such local systems when added to state aid
30 appropriated by the Legislature and other actual receipts of local
31 systems described in section 79-1018.01; and (c) the local effort rate

1 yield for such school fiscal years shall be determined by multiplying
2 each local system's total adjusted valuation by the local effort rate.

3 ~~(3) For school fiscal years 2011-12 and 2012-13: (a) For state aid~~
4 ~~certified pursuant to section 79-1022, the local effort rate shall be the~~
5 ~~maximum levy, for the school fiscal year for which aid is being~~
6 ~~certified, authorized pursuant to subdivision (2)(a) of section 77-3442~~
7 ~~less one and five-hundredths of one cent; (b) for the final calculation~~
8 ~~of state aid pursuant to section 79-1065, the local effort rate shall be~~
9 ~~the rate which, when multiplied by the total adjusted valuation of all~~
10 ~~taxable property in local systems receiving equalization aid pursuant to~~
11 ~~the Tax Equity and Educational Opportunities Support Act, will produce~~
12 ~~the amount needed to support the total formula need of such local systems~~
13 ~~when added to state aid appropriated by the Legislature and other actual~~
14 ~~receipts of local systems described in section 79-1018.01; and (c) the~~
15 ~~local effort rate yield for such school fiscal years shall be determined~~
16 ~~by multiplying each local system's total adjusted valuation by the local~~
17 ~~effort rate.~~

18 (3) (4) For school fiscal years 2017-18 and 2018-19 year 2013-14:
19 (a) For state aid certified pursuant to section 79-1022, the local effort
20 rate shall be the maximum levy, for the school fiscal year for which aid
21 is being certified, authorized pursuant to subdivision (2)(a) of section
22 77-3442 less four ~~two~~ cents; (b) for the final calculation of state aid
23 pursuant to section 79-1065, the local effort rate shall be the rate
24 which, when multiplied by the total adjusted valuation of all taxable
25 property in local systems receiving equalization aid pursuant to the Tax
26 Equity and Educational Opportunities Support Act, will produce the amount
27 needed to support the total formula need of such local systems when added
28 to state aid appropriated by the Legislature and other actual receipts of
29 local systems described in section 79-1018.01; and (c) the local effort
30 rate yield for such school fiscal years shall be determined by
31 multiplying each local system's total adjusted valuation by the local

1 effort rate.

2 Sec. 3. Original section 79-1015.01, Reissue Revised Statutes of
3 Nebraska, and section 77-3446, Revised Statutes Cumulative Supplement,
4 2016, are repealed.

5 Sec. 4. Since an emergency exists, this act takes effect when
6 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 415

Introduced by Kolterman, 24.

Read first time January 13, 2017

Committee: Nebraska Retirement Systems

1 A BILL FOR AN ACT relating to retirement; to amend sections 23-2320,
2 79-805, 79-901, 79-921, 79-933, 79-951, 79-955, 79-958, 81-2031.05,
3 84-1301, and 84-1322, Reissue Revised Statutes of Nebraska, and
4 sections 23-2301, 79-902, 79-904.01, 79-931, 79-934, 79-978,
5 79-978.01, 79-992, 79-9,100.01, 79-9,105, and 81-2014, Revised
6 Statutes Cumulative Supplement, 2016; to provide and change
7 notification requirements as prescribed; to define and redefine
8 terms; to provide and change duties and benefits for retirement
9 system members who are employed after retirement as prescribed; to
10 change annuity and disability benefit provisions under the Class V
11 School Employees Retirement Act; to provide duties for school
12 districts and the Public Employees Retirement Board; to eliminate
13 obsolete provisions; to harmonize provisions; to repeal the original
14 sections; to outright repeal section 79-923, Reissue Revised
15 Statutes of Nebraska; and to declare an emergency.
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 23-2301, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 23-2301 For purposes of the County Employees Retirement Act, unless
4 the context otherwise requires:

5 (1) Actuarial equivalent means the equality in value of the
6 aggregate amounts expected to be received under different forms of an
7 annuity payment. The mortality assumption used for purposes of converting
8 the member cash balance account shall be the 1994 Group Annuity Mortality
9 Table using a unisex rate that is fifty percent male and fifty percent
10 female. For purposes of converting the member cash balance account
11 attributable to contributions made prior to January 1, 1984, that were
12 transferred pursuant to the act, the 1994 Group Annuity Mortality Table
13 for males shall be used;

14 (2) Annuity means equal monthly payments provided by the retirement
15 system to a member or beneficiary under forms determined by the board
16 beginning the first day of the month after an annuity election is
17 received in the office of the Nebraska Public Employees Retirement
18 Systems or the first day of the month after the employee's termination of
19 employment, whichever is later. The last payment shall be at the end of
20 the calendar month in which the member dies or in accordance with the
21 payment option chosen by the member;

22 (3) Annuity start date means the date upon which a member's annuity
23 is first effective and shall be the first day of the month following the
24 member's termination or following the date the application is received by
25 the board, whichever is later;

26 (4) Cash balance benefit means a member's retirement benefit that is
27 equal to an amount based on annual employee contribution credits plus
28 interest credits and, if vested, employer contribution credits plus
29 interest credits and dividend amounts credited in accordance with
30 subdivision (4)(c) of section 23-2317;

31 (5)(a) Compensation means gross wages or salaries payable to the

1 member for personal services performed during the plan year. Compensation
2 does not include insurance premiums converted into cash payments,
3 reimbursement for expenses incurred, fringe benefits, per diems, or
4 bonuses for services not actually rendered, including, but not limited
5 to, early retirement inducements, cash awards, and severance pay, except
6 for retroactive salary payments paid pursuant to court order,
7 arbitration, or litigation and grievance settlements. Compensation
8 includes overtime pay, member retirement contributions, and amounts
9 contributed by the member to plans under sections 125, 403(b), and 457 of
10 the Internal Revenue Code or any other section of the code which defers
11 or excludes such amounts from income.

12 (b) Compensation in excess of the limitations set forth in section
13 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
14 employee who was a member of the retirement system before the first plan
15 year beginning after December 31, 1995, the limitation on compensation
16 shall not be less than the amount which was allowed to be taken into
17 account under the retirement system as in effect on July 1, 1993;

18 (6) Date of adoption of the retirement system by each county means
19 the first day of the month next following the date of approval of the
20 retirement system by the county board or January 1, 1987, whichever is
21 earlier;

22 (7) Date of disability means the date on which a member is
23 determined by the board to be disabled;

24 (8) Defined contribution benefit means a member's retirement benefit
25 from a money purchase plan in which member benefits equal annual
26 contributions and earnings pursuant to section 23-2309 and, if vested,
27 employer contributions and earnings pursuant to section 23-2310;

28 (9) Disability means an inability to engage in a substantially
29 gainful activity by reason of any medically determinable physical or
30 mental impairment which can be expected to result in death or be of a
31 long and indefinite duration;

1 (10) Employee means all persons or officers who are employed by a
2 county of the State of Nebraska on a permanent basis, persons or officers
3 employed by or serving in a municipal county formed by at least one
4 county participating in the retirement system, persons employed as
5 provided in section 2-1608, all elected officers of a county, and such
6 other persons or officers as are classified from time to time as
7 permanent employees by the county board of the county by which they are
8 employed, except that employee does not include judges, employees or
9 officers of any county having a population in excess of two hundred fifty
10 thousand inhabitants as determined by the most recent federal decennial
11 census, or, except as provided in section 23-2306, persons making
12 contributions to the School Employees Retirement System of the State of
13 Nebraska;

14 (11) Employee contribution credit means an amount equal to the
15 member contribution amount required by section 23-2307;

16 (12) Employer contribution credit means an amount equal to the
17 employer contribution amount required by section 23-2308;

18 (13) Final account value means the value of a member's account on
19 the date the account is either distributed to the member or used to
20 purchase an annuity from the plan, which date shall occur as soon as
21 administratively practicable after receipt of a valid application for
22 benefits, but no sooner than forty-five days after the member's
23 termination;

24 (14) Five-year break in service means a period of five consecutive
25 one-year breaks in service;

26 (15) Full-time employee means an employee who is employed to work
27 one-half or more of the regularly scheduled hours during each pay period;

28 (16) Future service means service following the date of adoption of
29 the retirement system;

30 (17) Guaranteed investment contract means an investment contract or
31 account offering a return of principal invested plus interest at a

1 specified rate. For investments made after July 19, 1996, guaranteed
2 investment contract does not include direct obligations of the United
3 States or its instrumentalities, bonds, participation certificates or
4 other obligations of the Federal National Mortgage Association, the
5 Federal Home Loan Mortgage Corporation, or the Government National
6 Mortgage Association, or collateralized mortgage obligations and other
7 derivative securities. This subdivision shall not be construed to require
8 the liquidation of investment contracts or accounts entered into prior to
9 July 19, 1996;

10 (18) Interest credit rate means the greater of (a) five percent or
11 (b) the applicable federal mid-term rate, as published by the Internal
12 Revenue Service as of the first day of the calendar quarter for which
13 interest credits are credited, plus one and one-half percent, such rate
14 to be compounded annually;

15 (19) Interest credits means the amounts credited to the employee
16 cash balance account and the employer cash balance account at the end of
17 each day. Such interest credit for each account shall be determined by
18 applying the daily portion of the interest credit rate to the account
19 balance at the end of the previous day. Such interest credits shall
20 continue to be credited to the employee cash balance account and the
21 employer cash balance account after a member ceases to be an employee,
22 except that no such credit shall be made with respect to the employee
23 cash balance account and the employer cash balance account for any day
24 beginning on or after the member's date of final account value. If
25 benefits payable to the member's surviving spouse or beneficiary are
26 delayed after the member's death, interest credits shall continue to be
27 credited to the employee cash balance account and the employer cash
28 balance account until such surviving spouse or beneficiary commences
29 receipt of a distribution from the plan;

30 (20) Member cash balance account means an account equal to the sum
31 of the employee cash balance account and, if vested, the employer cash

1 balance account and dividend amounts credited in accordance with
2 subdivision (4)(c) of section 23-2317;

3 (21) One-year break in service means a plan year during which the
4 member has not completed more than five hundred hours of service;

5 (22) Participation means qualifying for and making the required
6 deposits to the retirement system during the course of a plan year;

7 (23) Part-time employee means an employee who is employed to work
8 less than one-half of the regularly scheduled hours during each pay
9 period;

10 (24) Plan year means the twelve-month period beginning on January 1
11 and ending on December 31;

12 (25) Prior service means service prior to the date of adoption of
13 the retirement system;

14 (26) Regular interest means the rate of interest earned each
15 calendar year as determined by the retirement board in conformity with
16 actual and expected earnings on the investments through December 31,
17 1985;

18 (27) Required contribution means the deduction to be made from the
19 compensation of employees as provided in the act;

20 (28) Retirement means qualifying for and accepting the retirement
21 benefit granted under the act after terminating employment;

22 (29) Retirement application means the form approved and provided by
23 the retirement system for acceptance of a member's request for either
24 regular or disability retirement;

25 (30) Retirement board or board means the Public Employees Retirement
26 Board;

27 (31) Retirement date means (a) the first day of the month following
28 the date upon which a member's request for retirement is received on a
29 retirement application if the member is eligible for retirement and has
30 terminated employment or (b) the first day of the month following
31 termination of employment if the member is eligible for retirement and

1 has filed an application but has not yet terminated employment;

2 (32) Retirement system means the Retirement System for Nebraska
3 Counties;

4 (33) Service means the actual total length of employment as an
5 employee and is not deemed to be interrupted by (a) temporary or seasonal
6 suspension of service that does not terminate the employee's employment,
7 (b) leave of absence authorized by the employer for a period not
8 exceeding twelve months, (c) leave of absence because of disability, or
9 (d) military service, when properly authorized by the retirement board.
10 Service does not include any period of disability for which disability
11 retirement benefits are received under section 23-2315;

12 (34) Surviving spouse means (a) the spouse married to the member on
13 the date of the member's death or (b) the spouse or former spouse of the
14 member if survivorship rights are provided under a qualified domestic
15 relations order filed with the board pursuant to the Spousal Pension
16 Rights Act. The spouse or former spouse shall supersede the spouse
17 married to the member on the date of the member's death as provided under
18 a qualified domestic relations order. If the benefits payable to the
19 spouse or former spouse under a qualified domestic relations order are
20 less than the value of benefits entitled to the surviving spouse, the
21 spouse married to the member on the date of the member's death shall be
22 the surviving spouse for the balance of the benefits;

23 (35)(a) ~~(35)~~ Termination of employment occurs on the date on which a
24 county which is a member of the retirement system determines that its
25 employer-employee relationship with an employee is dissolved. The county
26 shall notify the board of the date on which such a termination has
27 occurred.

28 (b) Termination of employment does not occur if an employee whose
29 employer-employee relationship with a county is dissolved (i) enters into
30 an employer-employee relationship in any capacity with the same or
31 another county which participates in the Retirement System for Nebraska

1 Counties and there are less than one hundred twenty days between the date
2 when the employee's employer-employee relationship ceased with the county
3 and the date when the employer-employee relationship commenced in any
4 capacity with the same or another county which qualifies the employee for
5 participation in the plan, (ii) provides service to an employer
6 participating in a retirement system provided for in the Class V School
7 Employees Retirement Act, the Nebraska State Patrol Retirement Act, the
8 School Employees Retirement Act, or the State Employees Retirement Act
9 and there are less than one hundred twenty days between the date when the
10 employee's employer-employee relationship ceased with the county and the
11 date when the service commenced with the other employer which qualifies
12 for participation in the other retirement system, or (iii) if the member
13 accepted an early retirement incentive and, within three years after
14 accepting such incentive and ceasing such employment, subsequently
15 provides service in any capacity to an employer participating in a
16 retirement system provided for in the Class V School Employees Retirement
17 Act, the County Employees Retirement Act, the Nebraska State Patrol
18 Retirement Act, the School Employees Retirement Act, or the State
19 Employees Retirement Act.

20 (c) It is the responsibility of the employer that is involved in the
21 termination of employment to notify the board of such change in
22 employment and provide the board with such information as the board deems
23 necessary.

24 (d) If the board determines that termination of employment has not
25 occurred and a retirement benefit has been paid to a member of the
26 retirement system pursuant to section 23-2319, the board shall require
27 the member who has received such benefit to repay the benefit to the
28 retirement system; and

29 (36) Vesting credit means credit for years, or a fraction of a year,
30 of participation in another Nebraska governmental plan for purposes of
31 determining vesting of the employer account.

1 Sec. 2. Section 23-2320, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 23-2320 (1) Except as otherwise provided in this section, a member
4 of the retirement system who has a five-year break in service shall upon
5 reemployment be considered a new employee with respect to the County
6 Employees Retirement Act and shall not receive credit for service prior
7 to his or her reemployment date.

8 (2)(a) A member who ceases to be an employee before becoming
9 eligible for retirement under section 23-2315 and again becomes a
10 permanent full-time or permanent part-time county employee prior to
11 having a five-year break in service shall immediately be reenrolled in
12 the retirement system and resume making contributions. For purposes of
13 vesting employer contributions made prior to and after the reentry into
14 the retirement system under subsection (3) of section 23-2319, years of
15 participation include years of participation prior to such employee's
16 original termination. For a member who is not vested and has received a
17 termination benefit pursuant to section 23-2319, the years of
18 participation prior to such employee's original termination shall be
19 limited in a ratio equal to the amount that the member repays divided by
20 the termination benefit withdrawn pursuant to section 23-2319.

21 (b) The reemployed member may repay the value of, or a portion of
22 the value of, the termination benefit withdrawn pursuant to section
23 23-2319. A reemployed member who elects to repay all or a portion of the
24 value of the termination benefit withdrawn pursuant to section 23-2319
25 shall repay the actual earnings on such value. Repayment of the
26 termination benefit shall commence within three years of reemployment and
27 shall be completed within five years of reemployment or prior to
28 termination of employment, whichever occurs first, through (i) direct
29 payments to the retirement system, (ii) installment payments made
30 pursuant to a binding irrevocable payroll deduction authorization made by
31 the member, (iii) an eligible rollover distribution as provided under the

1 Internal Revenue Code, or (iv) a direct rollover distribution made in
2 accordance with section 401(a)(31) of the Internal Revenue Code.

3 (c) The value of the member's forfeited employer account or employer
4 cash balance account, as of the date of forfeiture, shall be restored in
5 a ratio equal to the amount of the benefit that the member has repaid
6 divided by the termination benefit received. The employer account or
7 employer cash balance account shall be restored first out of the current
8 forfeiture amounts and then by additional employer contributions.

9 (3) Except as provided in subsection (4) of this section, for ~~For~~ a
10 member who retired pursuant to section 23-2315 and becomes a permanent
11 full-time employee or permanent part-time employee with a county under
12 the County Employees Retirement Act more than one hundred twenty days
13 after his or her retirement date, the member shall continue receiving
14 retirement benefits. Such a retired member or a retired member who
15 received a lump-sum distribution of his or her benefit shall be
16 considered a new employee as of the date of reemployment and shall not
17 receive credit for any service prior to the member's retirement for
18 purposes of the act.

19 (4)(a) On or after July 1, 2017, a retired member of the retirement
20 system who is hired or rehired in any capacity by an employer
21 participating in a retirement system provided for in the Class V School
22 Employees Retirement Act, the County Employees Retirement Act, the
23 Nebraska State Patrol Retirement Act, the School Employees Retirement
24 Act, or the State Employees Retirement Act:

25 (i) Shall certify under oath or affirmation that, prior to
26 retirement, he or she did not have a prearranged agreement to work after
27 retirement with any such employer; and

28 (ii) Shall meet the requirements for termination of employment as
29 defined in section 23-2301 in order to commence such employment or
30 reemployment after retirement.

31 (b) A retired member who complies with subdivision (a) of this

1 subsection and returns to employment shall participate in the retirement
2 system as a new member and shall make contributions to the retirement
3 system commencing upon reemployment. The retirement benefit of a retired
4 member who returns to employment shall continue to be paid by the
5 retirement system. A retired member who returns to employment as an
6 employee shall receive vesting credit only for service performed after
7 his or her return to employment. In no event shall vesting credit which
8 accrues or the compensation paid to the member after such return to
9 employment after retirement increase the amount of the member's original
10 retirement benefit.

11 (c) Upon termination of employment of a retired member described in
12 subdivision (b) of this subsection, the member shall receive in addition
13 to the retirement benefit which commenced at the time of the previous
14 retirement:

15 (i) If the member has accrued ten years or more of vesting credit
16 after his or her return to employment, excluding years of vesting credit
17 acquired, a retirement benefit as provided in section 23-2315, 23-2317,
18 or 23-2319, as applicable, shall be calculated solely on the basis of
19 vesting credit accrued and earned after the member's return to employment
20 described in subdivision (b) of this subsection and as adjusted to
21 reflect any payment in other than the normal form; or

22 (ii) If the member has not accrued ten years or more of vesting
23 credit after his or her return to employment, a refund equal to the
24 member's accumulated contributions which were credited to the member
25 after the member's return to employment described in subdivision (b) of
26 this subsection. In no event shall the member's vesting credit which
27 accrued prior to a previous retirement be considered as part of the
28 member's vesting credit after his or her return to employment for any
29 purpose of the County Employees Retirement Act.

30 (d) A member shall not be eligible to subsequently retire on account
31 of disability pursuant to section 23-2315.01.

1 (5) (4) A member who is reinstated as an employee pursuant to a
2 grievance or appeal of his or her termination by the county shall be a
3 member upon reemployment and shall not be considered to have a break in
4 service for such period of time that the grievance or appeal was pending.
5 Following reinstatement, the member shall repay the value of the amount
6 received from his or her employee account or member cash balance account
7 under subdivision (2)(b) of section 23-2319.01.

8 (6) The retirement board may adopt and promulgate rules and
9 regulations and prescribe forms necessary to carry out this section.

10 Sec. 3. Section 79-805, Reissue Revised Statutes of Nebraska, is
11 amended to read:

12 79-805 (1) The school board or board of education shall be
13 personally liable for all public money paid to teachers or administrators
14 who are not qualified under sections 79-806 to 79-815 or not reported as
15 required under subsection (2) of this section. A teacher or administrator
16 violating such sections 79-806 to 79-815 shall not recover any money for
17 services while teaching during the time that such contract and
18 certificate are invalid. Any person having knowledge of the employment by
19 a school district of an uncertified teacher or administrator may prefer
20 charges against the board.

21 (2)(a) The employer as defined in section 79-902 or board of
22 education as defined in section 79-978 shall notify the State Department
23 of Education:

24 (i) Within fifteen calendar days after the date upon which a
25 termination of employment as defined in section 79-902 or 79-978, as
26 applicable, has occurred; and

27 (ii) Within fifteen calendar days after the date upon which a
28 retired member of a retirement system provided for in either the Class V
29 School Employees Retirement Act or the School Employees Retirement Act
30 has been hired or rehired following such retirement.

31 (b) The department shall forward such information to the Public

1 Employees Retirement Board or its designee within fifteen calendar days
2 after receipt of the information from the employer.

3 Sec. 4. Section 79-901, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 79-901 Sections 79-901 to 79-977.03 and section 8 of this act shall
6 be known and may be cited as the School Employees Retirement Act.

7 Sec. 5. Section 79-902, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 79-902 For purposes of the School Employees Retirement Act, unless
10 the context otherwise requires:

11 (1) Accumulated contributions means the sum of all amounts deducted
12 from the compensation of a member and credited to his or her individual
13 account in the School Retirement Fund together with regular interest
14 thereon, compounded monthly, quarterly, semiannually, or annually;

15 (2) Actuarial equivalent means the equality in value of the
16 aggregate amounts expected to be received under different forms of
17 payment. The determinations shall be based on the 1994 Group Annuity
18 Mortality Table reflecting sex-distinct factors blended using twenty-five
19 percent of the male table and seventy-five percent of the female table.
20 An interest rate of eight percent per annum shall be reflected in making
21 these determinations except when a lump-sum settlement is made to an
22 estate. If the lump-sum settlement is made to an estate, the interest
23 rate will be determined by the Moody's Triple A Bond Index as of the
24 prior June 30, rounded to the next lower quarter percent;

25 (3) Beneficiary means any person in receipt of a school retirement
26 allowance or other benefit provided by the act;

27 (4)(a) Compensation means gross wages or salaries payable to the
28 member for personal services performed during the plan year and includes
29 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
30 salary payments paid pursuant to court order, arbitration, or litigation
31 and grievance settlements, and (iv) amounts contributed by the member to

1 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
2 defined in section 49-801.01 or any other section of the code which
3 defers or excludes such amounts from income.

4 (b) Compensation does not include (i) fraudulently obtained amounts
5 as determined by the retirement board, (ii) amounts for unused sick leave
6 or unused vacation leave converted to cash payments, (iii) insurance
7 premiums converted into cash payments, (iv) reimbursement for expenses
8 incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii)
9 bonuses for services not actually rendered, including, but not limited
10 to, early retirement inducements, cash awards, and severance pay, or
11 (viii) beginning on September 4, 2005, employer contributions made for
12 the purposes of separation payments made at retirement and early
13 retirement inducements as provided for in section 79-514.

14 (c) Compensation in excess of the limitations set forth in section
15 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
16 shall be disregarded. For an employee who was a member of the retirement
17 system before the first plan year beginning after December 31, 1995, the
18 limitation on compensation shall not be less than the amount which was
19 allowed to be taken into account under the retirement system as in effect
20 on July 1, 1993;

21 (5) County school official means (a) until July 1, 2000, the county
22 superintendent or district superintendent and any person serving in his
23 or her office who is required by law to have a teacher's certificate and
24 (b) on or after July 1, 2000, the county superintendent, county school
25 administrator, or district superintendent and any person serving in his
26 or her office who is required by law to have a teacher's certificate;

27 (6) Creditable service means prior service for which credit is
28 granted under sections 79-926 to 79-929, service credit purchased under
29 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
30 while a contributing member of the retirement system. Creditable service
31 includes working days, sick days, vacation days, holidays, and any other

1 leave days for which the employee is paid regular wages as part of the
2 employee's agreement with the employer. Creditable service does not
3 include lump-sum payments to the employee upon termination or retirement
4 in lieu of accrued benefits for such days, eligibility and vesting
5 credit, nor service years for which member contributions are withdrawn
6 and not repaid. Creditable service also does not include service rendered
7 by a member for which the retirement board determines that the member was
8 paid less in compensation than the minimum wage as provided in the Wage
9 and Hour Act or service which the board determines was rendered with the
10 intent to defraud the retirement system;

11 (7) Current benefit means the initial benefit increased by all
12 adjustments made pursuant to the School Employees Retirement Act;

13 (8) Disability means an inability to engage in a substantially
14 gainful activity by reason of any medically determinable physical or
15 mental impairment which can be expected to result in death or be of a
16 long and indefinite duration;

17 (9) Disability retirement allowance means the annuity paid to a
18 person upon retirement for disability under section 79-952;

19 (10) Disability retirement date means the first day of the month
20 following the date upon which a member's request for disability
21 retirement is received on a retirement application provided by the
22 retirement system if the member has terminated employment in the school
23 system and has complied with sections 79-951 to 79-954 as such sections
24 refer to disability retirement;

25 (11) Eligibility and vesting credit means credit for years, or a
26 fraction of a year, of participation in a Nebraska government plan for
27 purposes of determining eligibility for benefits under the School
28 Employees Retirement Act. Such credit shall not be included as years of
29 creditable service in the benefit calculation;

30 (12) Emeritus member means a person (a) who has entered retirement
31 under the provisions of the act, including those persons who have retired

1 since July 1, 1945, under any other regularly established retirement or
2 pension system as contemplated by section 79-916, (b) who has thereafter
3 been reemployed in any capacity by a public school, a Class V school
4 district, or a school under the control and management of the Board of
5 Trustees of the Nebraska State Colleges, the Board of Regents of the
6 University of Nebraska, or a community college board of governors or has
7 become a state school official or county school official subsequent to
8 such retirement, and (c) who has applied to the board for emeritus
9 membership in the retirement system. The school district or agency shall
10 certify to the retirement board on forms prescribed by the retirement
11 board that the annuitant was reemployed, rendered a service, and was paid
12 by the district or agency for such services;

13 (13) Employer means the State of Nebraska or any subdivision thereof
14 or agency of the state or subdivision authorized by law to hire school
15 employees or to pay their compensation;

16 (14)(a) Final average compensation means:

17 (i) Except as provided in subdivision (ii) of this subdivision:

18 (A) The sum of the member's total compensation during the three
19 twelve-month periods of service as a school employee in which such
20 compensation was the greatest divided by thirty-six; or

21 (B) If a member has such compensation for less than thirty-six
22 months, the sum of the member's total compensation in all months divided
23 by the total number of months of his or her creditable service therefor;
24 and

25 (ii) For an employee who became a member on or after July 1, 2013:

26 (A) The sum of the member's total compensation during the five
27 twelve-month periods of service as a school employee in which such
28 compensation was the greatest divided by sixty; or

29 (B) If a member has such compensation for less than sixty months,
30 the sum of the member's total compensation in all months divided by the
31 total number of months of his or her creditable service therefor.

1 (b) Payments under the Retirement Incentive Plan pursuant to section
2 79-855 and Staff Development Assistance pursuant to section 79-856 shall
3 not be included in the determination of final average compensation;

4 (15) Fiscal year means any year beginning July 1 and ending June 30
5 next following;

6 (16) Initial benefit means the retirement benefit calculated at the
7 time of retirement;

8 (17) Member means any person who has an account in the School
9 Retirement Fund;

10 (18) Participation means qualifying for and making required deposits
11 to the retirement system during the course of a plan year;

12 (19) Plan year means the twelve-month period beginning on July 1 and
13 ending on June 30 of the following year;

14 (20) Prior service means service rendered as a school employee in
15 the public schools of the State of Nebraska prior to July 1, 1945;

16 (21) Public school means any and all schools offering instruction in
17 elementary or high school grades, as defined in section 79-101, which
18 schools are supported by public funds and are wholly under the control
19 and management of the State of Nebraska or any subdivision thereof,
20 including (a) schools or other entities established, maintained, and
21 controlled by the school boards of local school districts, except Class V
22 school districts, (b) any educational service unit, and (c) any other
23 educational institution wholly supported by public funds, except schools
24 under the control and management of the Board of Trustees of the Nebraska
25 State Colleges, the Board of Regents of the University of Nebraska, or
26 the community college boards of governors for any community college
27 areas;

28 (22) Regular employee means an employee hired by a public school or
29 under contract in a regular full-time or part-time position who works a
30 full-time or part-time schedule on an ongoing basis for twenty or more
31 hours per week. An employee hired as described in this subdivision to

1 provide service for less than twenty hours per week but who provides
2 service for an average of twenty hours or more per week in each calendar
3 month of any three calendar months of a plan year shall, beginning with
4 the next full payroll period, commence contributions and shall be deemed
5 a regular employee for all future employment with the same employer;

6 (23) Regular interest means interest fixed at a rate equal to the
7 daily treasury yield curve for one-year treasury securities, as published
8 by the Secretary of the Treasury of the United States, that applies on
9 July 1 of each year, which may be credited monthly, quarterly,
10 semiannually, or annually as the board may direct;

11 (24) Relinquished creditable service means, with respect to a member
12 who has withdrawn his or her accumulated contributions under section
13 79-955, the total amount of creditable service which such member has
14 given up as a result of his or her election not to remain a member of the
15 retirement system;

16 (25) Required deposit means the deduction from a member's
17 compensation as provided for in section 79-958 which shall be deposited
18 in the School Retirement Fund;

19 (26) Retirement means qualifying for and accepting a school or
20 disability retirement allowance granted under the School Employees
21 Retirement Act;

22 (27) Retirement application means the form approved and provided by
23 the retirement system for acceptance of a member's request for either
24 regular or disability retirement;

25 (28) Retirement board or board means the Public Employees Retirement
26 Board;

27 (29) Retirement date means (a) if the member has terminated
28 employment, the first day of the month following the date upon which a
29 member's request for retirement is received on a retirement application
30 provided by the retirement system or (b) if the member has filed a
31 retirement application but has not yet terminated employment, the first

1 day of the month following the date on which the member terminates
2 employment. An application may be filed no more than one hundred twenty
3 days prior to the effective date of the member's initial benefit;

4 (30) Retirement system means the School Employees Retirement System
5 of the State of Nebraska;

6 (31) Savings annuity means payments for life, made in equal monthly
7 payments, derived from the accumulated contributions of a member;

8 (32) School employee means a contributing member who earns service
9 credit pursuant to section 79-927. For purposes of this section,
10 contributing member means the following persons who receive compensation
11 from a public school: (a) Regular employees; (b) regular employees having
12 retired pursuant to the School Employees Retirement Act who subsequently
13 provide compensated service on a regular basis in any capacity; and (c)
14 regular employees hired by a public school on an ongoing basis to assume
15 the duties of other regular employees who are temporarily absent.
16 Substitute employees, temporary employees, and employees who have not
17 attained the age of eighteen years shall not be considered school
18 employees;

19 (33) School year means one fiscal year which includes not less than
20 one thousand instructional hours or, in the case of service in the State
21 of Nebraska prior to July 1, 1945, not less than seventy-five percent of
22 the then legal school year;

23 (34) School retirement allowance means the total of the savings
24 annuity and the service annuity or formula annuity paid a person who has
25 retired under sections 79-931 to 79-935. The monthly payments shall be
26 payable at the end of each calendar month during the life of a retired
27 member. The first payment shall include all amounts accrued since the
28 effective date of the award of annuity. The last payment shall be at the
29 end of the calendar month in which such member dies or in accordance with
30 the payment option chosen by the member;

31 (35) Service means employment as a school employee and shall not be

1 deemed interrupted by (a) termination at the end of the school year of
2 the contract of employment of an employee in a public school if the
3 employee enters into a contract of employment in any public school,
4 except a school in a Class V school district, for the following school
5 year, (b) temporary or seasonal suspension of service that does not
6 terminate the employee's employment, (c) leave of absence authorized by
7 the employer for a period not exceeding twelve months, (d) leave of
8 absence because of disability, or (e) military service when properly
9 authorized by the retirement board. Service does not include any period
10 of disability for which disability retirement benefits are received under
11 sections 79-951 to 79-953;

12 (36) Service annuity means payments for life, made in equal monthly
13 installments, derived from appropriations made by the State of Nebraska
14 to the retirement system;

15 (37) State deposit means the deposit by the state in the retirement
16 system on behalf of any member;

17 (38) State school official means the Commissioner of Education and
18 his or her professional staff who are required by law or by the State
19 Department of Education to hold a certificate as such term is defined in
20 section 79-807;

21 (39) Substitute employee means a person hired by a public school as
22 a temporary employee to assume the duties of regular employees due to a
23 temporary absence of any regular employees. Substitute employee does not
24 mean a person hired as a regular employee on an ongoing basis to assume
25 the duties of other regular employees who are temporarily absent;

26 (40) Surviving spouse means (a) the spouse married to the member on
27 the date of the member's death or (b) the spouse or former spouse of the
28 member if survivorship rights are provided under a qualified domestic
29 relations order filed with the board pursuant to the Spousal Pension
30 Rights Act. The spouse or former spouse shall supersede the spouse
31 married to the member on the date of the member's death as provided under

1 a qualified domestic relations order. If the benefits payable to the
2 spouse or former spouse under a qualified domestic relations order are
3 less than the value of benefits entitled to the surviving spouse, the
4 spouse married to the member on the date of the member's death shall be
5 the surviving spouse for the balance of the benefits;

6 (41) Temporary employee means an employee hired by a public school
7 who is not a regular employee and who is hired to provide service for a
8 limited period of time to accomplish a specific purpose or task. When
9 such specific purpose or task is complete, the employment of such
10 temporary employee shall terminate and in no case shall the temporary
11 employment period exceed one year in duration; and

12 (42)(a) ~~(42)~~ Termination of employment occurs on the date on which
13 the member experiences a bona fide separation from service of employment
14 with the member's employer, the date of which separation is determined by
15 the end of the member's contractual agreement or, if there is no contract
16 or only partial fulfillment of a contract, by the employer.

17 (b) A member shall not be deemed to have terminated employment if
18 the member subsequently provides service in any capacity within one
19 hundred eighty days after ceasing employment (i) to any employer
20 participating in the retirement system provided for in the School
21 Employees Retirement Act or (ii) to an employer participating in a
22 retirement system provided for in the Class V School Employees Retirement
23 Act, the County Employees Retirement Act, the Nebraska State Patrol
24 Retirement Act, or the State Employees Retirement Act. within one hundred
25 eighty days after ceasing employment unless such service:

26 (c) A member who accepted an early retirement incentive pursuant to
27 section 79-855 shall not be deemed to have terminated employment if the
28 member subsequently provides service, within three years after accepting
29 such incentive and ceasing such employment, to an employer participating
30 in a retirement system provided for in the Class V School Employees
31 Retirement Act, the County Employees Retirement Act, the Nebraska State

1 Patrol Retirement Act, the School Employees Retirement Act, or the State
2 Employees Retirement Act.

3 ~~(a) Is bona fide unpaid voluntary service or substitute service,~~
4 ~~provided on an intermittent basis; or~~

5 ~~(b) Is as provided in subsection (2) of section 79-920.~~

6 ~~Nothing in this subdivision precludes an employer from adopting a~~
7 ~~policy which limits or denies employees who have terminated employment~~
8 ~~from providing voluntary or substitute service within one hundred eighty~~
9 ~~days after termination.~~

10 (d) A member shall not be deemed to have terminated employment if
11 the board determines that a claimed termination was not a bona fide
12 separation from service with the employer or that a member was
13 compensated for a full contractual period when the member terminated
14 prior to the end date of the contract.

15 Sec. 6. Section 79-904.01, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 79-904.01 (1)(a) If the board determines that the retirement system
18 has previously received contributions or distributed benefits which for
19 any reason are not in accordance with the statutory provisions of the
20 School Employees Retirement Act, the board may refund contributions,
21 require additional contributions, adjust benefits, or require repayment
22 of benefits paid. In the event of an overpayment of a benefit, the board
23 may, in addition to other remedies, offset future benefit payments by the
24 amount of the prior overpayment, together with regular interest thereon.
25 In the event of a material underpayment of a benefit, the board shall
26 immediately make payment equal to the deficit amount plus regular
27 interest.

28 (b) The board shall have the power, through the director of the
29 Nebraska Public Employees Retirement Systems or the director's designee,
30 to make a thorough investigation of any overpayment of a benefit, when in
31 the judgment of the retirement system such investigation is necessary,

1 including, but not limited to, circumstances in which benefit payments
2 are made after the death of a member or beneficiary and the retirement
3 system is not made aware of such member's or beneficiary's death. In
4 connection with any such investigation, the board, through the director
5 or the director's designee, shall have the power to compel the attendance
6 of witnesses and the production of books, papers, records, and documents,
7 whether in hardcopy, electronic form, or otherwise, and issue subpoenas
8 for such purposes. Such subpoenas shall be served in the same manner and
9 have the same effect as subpoenas from district courts.

10 (2) If the board determines that termination of employment has not
11 occurred and a retirement benefit has been paid to a member of the
12 retirement system pursuant to section 79-933, such member shall repay the
13 benefit to the retirement system.

14 (3) The board shall adopt and promulgate rules and regulations
15 implementing this section, which shall include, but not be limited to,
16 the following: (a) The procedures for refunding contributions, adjusting
17 future contributions or benefit payments, and requiring additional
18 contributions or repayment of benefits; (b) the process for a member,
19 member's beneficiary, employee, or employer to dispute an adjustment of
20 contributions or benefits; and (c) notice provided to all affected
21 persons. All notices shall be sent at the time of or prior to an
22 adjustment and shall describe the process for disputing an adjustment of
23 contributions or benefits.

24 (4) The board shall not refund contributions made on compensation in
25 excess of the limitations imposed by subdivision (4) of section 79-902 or
26 subsection (9) ~~(7)~~ of section 79-934.

27 Sec. 7. Section 79-921, Reissue Revised Statutes of Nebraska, is
28 amended to read:

29 79-921 (1) The membership of any person in the retirement system
30 shall cease only if he or she (a) withdraws his or her accumulated
31 contributions under section 79-955 or receives a refund of his or her

1 contributions under section 8 of this act, (b) retires on a school or
2 formula or disability retirement allowance, (c) retires under section 8
3 of this act, or (d) {e} dies.

4 (2) The employer shall notify the board and the State Department of
5 Education of the date upon which a termination of employment has
6 occurred. It is the responsibility of the employer that is involved in
7 the termination of employment to notify the board of such change in
8 employment and provide the board with such information as the board deems
9 necessary which shall include, but not be limited to, certification by
10 the employer and the member under penalty of prosecution pursuant to
11 section 79-949 that, prior to the member's retirement, there was no
12 prearranged agreement to return to work in any capacity, including, but
13 not limited to, acceptance of employment under a personal services
14 contract as an independent contractor, as a consultant, or with a private
15 leasing company, a temporary staffing agency, or any other company. The
16 member shall also certify that, prior to his or her retirement, there was
17 no prearranged agreement to commence employment in any capacity, as
18 described in this subsection, with an employer participating in a
19 retirement system provided for in the Class V School Employees Retirement
20 Act, the County Employees Retirement Act, the Nebraska State Patrol
21 Retirement Act, or the State Employees Retirement Act.

22 (3)(a) A former member of the retirement system who has withdrawn
23 his or her accumulated contributions under section 79-955 shall be
24 reinstated to membership in the retirement system if such person again
25 becomes a school employee.

26 (b) The date of such membership shall relate back to the beginning
27 of his or her original membership in the retirement system only if such
28 school employee has repaid all amounts required in accordance with
29 subsection (4) of this section. Unless and until all such amounts are
30 repaid, the school employee shall be considered a new member, effective
31 as of the date he or she again becomes a school employee.

1 (4)(a) With respect to any person who is reinstated to membership in
2 the retirement system pursuant to subdivision (3)(a) of this section
3 prior to April 17, 2014, and who files a valid and complete one-time
4 application with the retirement board for the restoration of part or all
5 of his or her relinquished creditable service prior to six years after
6 April 17, 2014, but prior to termination, the following shall apply:

7 (i) Such member shall pay to the retirement system an amount equal
8 to the previously withdrawn contributions for the creditable service to
9 be restored, plus an amount equal to the actuarial assumed rate of return
10 on such amount to the date of repayment; and

11 (ii) Payment for restoration of such relinquished creditable service
12 must be completed within six years of April 17, 2014, or prior to
13 termination, whichever is earlier.

14 (b) With respect to any person who is reinstated to membership in
15 the retirement system pursuant to subdivision (3)(a) of this section on
16 and after April 17, 2014, and who files a valid and complete one-time
17 application with the retirement board for the restoration of part or all
18 of his or her relinquished creditable service within five years after the
19 date of such member's reinstatement to membership in the retirement
20 system but prior to termination, the following shall apply:

21 (i) Such member shall pay to the retirement system an amount equal
22 to the previously withdrawn contributions for the creditable service to
23 be restored, plus an amount equal to the actuarial assumed rate of return
24 on such amount to the date of repayment; and

25 (ii) Payment for restoration of such relinquished creditable service
26 must be completed within five years of the date of such member's
27 reinstatement to membership in the retirement system or prior to
28 termination, whichever is earlier.

29 (5) If less than full payment is made by the member, relinquished
30 creditable service shall be restored in proportion to the amounts repaid.
31 Repayment may be made through direct payment, installment payments, an

1 irrevocable payroll deduction authorization, cash rollover contributions
2 pursuant to section 79-933.02, or trustee-to-trustee transfers pursuant
3 to section 79-933.09.

4 Sec. 8. (1) On or after July 1, 2017, a retired member of the
5 retirement system who is hired or rehired by an employer participating in
6 a retirement system provided for in the Class V School Employees
7 Retirement Act, the County Employees Retirement Act, the Nebraska State
8 Patrol Retirement Act, or the State Employees Retirement Act:

9 (a) Shall certify under oath or affirmation as required in section
10 79-921 that, prior to retirement, he or she did not have a prearranged
11 agreement to work after retirement with any such employer; and

12 (b) Shall meet the requirements for termination of employment as
13 defined in section 79-902 in order to commence such employment or
14 reemployment after retirement.

15 (2) A retired member who complies with subsection (1) of this
16 section and returns to employment shall participate in the retirement
17 system as a new member and shall make contributions to the retirement
18 system commencing upon reemployment. The retirement annuity of a retired
19 member who returns to employment shall continue to be paid by the
20 retirement system. A retired member who returns to employment as an
21 employee shall receive creditable service only for service performed
22 after his or her return to employment. In no event shall creditable
23 service which accrues or the compensation paid to the member after such
24 return to employment after retirement increase the amount of the member's
25 original retirement annuity.

26 (3) Upon termination of employment of a retired member described in
27 subsection (2) of this section, the member shall receive in addition to
28 the retirement annuity which commenced at the time of the previous
29 retirement:

30 (a) If the member has accrued ten years or more of creditable
31 service after his or her return to employment, excluding years of prior

1 service acquired, a retirement annuity as provided in section 79-934, as
2 applicable, shall be calculated solely on the basis of creditable service
3 and final average compensation accrued and earned after the member's
4 return to employment described in subsection (2) of this section and as
5 adjusted to reflect any payment in other than the normal form; or

6 (b) If the member has not accrued ten years or more of creditable
7 service after his or her return to employment, a refund equal to the
8 member's accumulated contributions which were credited to the member
9 after the member's return to employment described in subsection (2) of
10 this section. In no event shall the member's creditable service which
11 accrued prior to a previous retirement be considered as part of the
12 member's creditable service after his or her return to employment for any
13 purpose under the School Employees Retirement Act.

14 The member shall not be eligible to subsequently retire on account
15 of disability pursuant to sections 79-951 to 79-954.

16 (4) The retirement board may adopt and promulgate rules and
17 regulations and prescribe forms necessary to carry out this section.

18 Sec. 9. Section 79-931, Revised Statutes Cumulative Supplement,
19 2016, is amended to read:

20 79-931 (1) A member hired prior to July 1, 2016, upon filing a
21 retirement application with the retirement system, may retire (a) at any
22 age if the member has completed thirty-five years of creditable service,
23 (b) if the member has completed at least five years of creditable service
24 plus eligibility and vesting credit and is at least sixty years of age,
25 (c) if the member is at least sixty-five years of age upon termination,
26 or (d) if the member is at least fifty-five years of age, has acquired
27 the equivalent of one-half year of service as a public school employee
28 under the retirement system following July 1, 1997, was a school employee
29 on or after March 4, 1998, and the sum of the member's attained age and
30 creditable service totals eighty-five.

31 (2) A member hired on or after July 1, 2016, or a member who has

1 taken a refund or retirement and is rehired or hired by a separate
2 employer covered by the retirement system on or after July 1, 2016, upon
3 filing a retirement application with the retirement system, may retire
4 (a) at any age if the member has completed thirty-five years of
5 creditable service, (b) if the member is at least fifty-five years of age
6 and the sum of the member's attained age and creditable service totals
7 eighty-five, or (c) if the member is at least sixty years of age and has
8 completed at least five years of creditable service.

9 (3) A member hired on or after July 1, 2017, or a member who has
10 taken a refund or retirement and is rehired or hired by any employer
11 covered by the retirement system on or after July 1, 2017, upon filing a
12 retirement application with the retirement system, may retire (a) if the
13 member is at least sixty years of age and the sum of the member's
14 attained age and creditable service totals ninety, or (b) if the member
15 is at least sixty-five years of age and has completed at least five years
16 of creditable service.

17 Sec. 10. Section 79-933, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 79-933 (1) Upon retirement under section 79-931 and except as
20 provided in section 8 of this act, a member or emeritus member shall
21 receive a school retirement allowance which shall consist of the sum of:
22 (a) A savings annuity which shall be the actuarial equivalent, as
23 determined by the retirement board, of the member's accumulated
24 contributions at the time of his or her retirement or, in the case of an
25 emeritus member, the savings annuity fixed by the retirement board at the
26 time of his or her original retirement; and (b) a service annuity to be
27 paid by the State of Nebraska.

28 (2) The amount of any individual service annuity for (a) a full-time
29 school employee hired on or before April 1, 1988, who retires with
30 thirty-five or more years of service or who retires under the provisions
31 of disability retirement, (b) a full-time school employee who provided

1 compensated service after April 1, 1988, but prior to July 19, 1996, if
2 the service annuity commences on or after the member's sixty-fifth
3 birthday, who retires with thirty-five or more years of service or who
4 retires under the provisions of disability retirement, or (c) an emeritus
5 member shall be three dollars and fifty cents per month for each year of
6 creditable service commencing with his or her retirement on or after May
7 19, 1981. For employees not enumerated in subdivision (a) or (b) of this
8 subsection or for employees hired on or after July 19, 1996, if the
9 service annuity commences prior to the member's sixty-fifth birthday, it
10 shall be on an actuarially reduced basis. Each school employee or
11 emeritus member who retired before July 1, 1973, and who is receiving a
12 service annuity as of that date shall have such service annuity adjusted
13 by the increase in the cost of living as determined by the difference
14 between the Consumer Price Index for Urban Wage Earners and Clerical
15 Workers from the date the service annuity commenced and July 1, 1973,
16 except that such annuity shall not exceed three dollars and fifty cents
17 monthly per year of service based on the same number of years of service
18 that is currently being used to determine his or her service annuity.
19 Such increased service annuity shall commence on July 1, 1973.

20 Sec. 11. Section 79-934, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 79-934 (1) In lieu of the school retirement allowance provided by
23 section 79-933, any member who is not an employee of a Class V school
24 district and who becomes eligible to make application for and receive a
25 school retirement allowance under section 79-931 may receive a formula
26 annuity retirement allowance if it is greater than the school retirement
27 allowance provided by section 79-933.

28 (2) Subject to the other provisions of this section, the monthly
29 formula annuity in the normal form shall be determined by multiplying the
30 number of years of creditable service for which such member would
31 otherwise receive the service annuity provided by section 79-933 by (a)

1 one and one-quarter percent of his or her final average compensation for
2 a member who has acquired the equivalent of one-half year of service or
3 more as a school employee under the retirement system following August
4 24, 1975, (b) one and one-half percent of his or her final average
5 compensation for a member who has acquired the equivalent of one-half
6 year of service or more as a school employee under the retirement system
7 following July 17, 1982, (c) one and sixty-five hundredths percent of his
8 or her final average compensation for a member who has acquired the
9 equivalent of one-half year of service or more as a school employee under
10 the retirement system following July 1, 1984, (d) one and seventy-three
11 hundredths percent of his or her final average compensation for a member
12 actively employed as a school employee under the retirement system or
13 under contract with an employer on or after June 5, 1993, (e) one and
14 eight-tenths percent of his or her final average compensation for a
15 member who has acquired the equivalent of one-half year of service or
16 more as a school employee under the retirement system following July 1,
17 1995, and was employed as a school employee under the retirement system
18 or under contract with an employer on or after April 10, 1996, (f) one
19 and nine-tenths percent of his or her final average compensation for a
20 member who has acquired the equivalent of one-half year of service or
21 more as a school employee under the retirement system following July 1,
22 1998, and was employed as a school employee under the retirement system
23 or under contract with an employer on or after April 29, 1999, (g) two
24 percent of his or her final average compensation for a member who has
25 acquired the equivalent of one-half year of service or more as a school
26 employee under the retirement system following July 1, 2000, who was
27 employed as a school employee under the retirement system or under
28 contract with an employer on or after May 2, 2001, and hired prior to
29 July 1, 2016, and who has not retired prior to May 2, 2001, or (h) two
30 percent of his or her final average compensation for a member initially
31 hired on or after July 1, 2016, or a member who has taken a refund or

1 retirement and is rehired or hired by a separate employer covered by the
2 retirement system on or after July 1, 2016, and has acquired the
3 equivalent of five years of service or more as a school employee under
4 the retirement system or under contract with an employer on or after July
5 1, 2016. Subdivision (2)(f) of this section shall not apply to a member
6 who is retired prior to April 29, 1999. Subdivision (2)(g) of this
7 section shall not apply to a member who is retired prior to May 2, 2001.

8 (3) If the annuity begins on or after the sixty-fifth birthday of a
9 member, the annuity shall not be reduced.

10 (4) For a member who is retired prior to March 4, 1998, and for
11 retirement for a member hired on or after July 1, 2017, or for a member
12 who has taken a refund or retirement and is rehired or hired by an
13 employer covered by the retirement system on or after July 1, 2017, if If
14 the annuity begins prior to the sixty-fifth birthday of the member and
15 the member has completed thirty or more years of creditable service and
16 is at least sixty years of age, the annuity shall not be reduced. ~~If the~~
17 ~~annuity begins prior to the sixtieth birthday of the member and the~~
18 ~~member has completed thirty-five or more years of creditable service, the~~
19 ~~annuity shall be actuarially reduced on the basis of age sixty-five.~~

20 (5) If the annuity begins on or after the sixtieth birthday of the
21 member and the member has completed at least a total of five years of ~~(a)~~
22 creditable service plus ~~(b)~~ eligibility and vesting credit but less than
23 thirty years of creditable service, the annuity shall be reduced by three
24 percent for each year by which the member's age is less than the age at
25 which the member's age plus years of creditable service would have
26 totaled ninety or three percent for each year after the member's sixtieth
27 birthday and prior to his or her sixty-fifth birthday, whichever provides
28 the greater annuity.

29 (6)(a) ~~(4)(a)~~ For retirements on or after March 4, 1998, for a
30 member hired prior to July 1, 2016, if the annuity begins at a time when
31 the sum of the member's attained age and creditable service totals

1 eighty-five and the member is at least fifty-five years of age, the
2 annuity shall not be reduced. This subdivision shall only apply to a
3 member who has acquired the equivalent of one-half year of service or
4 more as a public school employee under the retirement system following
5 July 1, 1997, and who was a school employee on or after March 4, 1998.
6 This subdivision shall not apply to a member who is retired prior to
7 March 4, 1998.

8 (b) For retirements for a member hired on or after July 1, 2016, and
9 prior to July 1, 2017, or for a member who has taken a refund or
10 retirement and is rehired or hired by a separate employer covered by the
11 retirement system on or after July 1, 2016, and prior to July 1, 2017, if
12 the annuity begins at a time when the sum of the member's attained age
13 and creditable service totals eighty-five and the member is at least
14 fifty-five years of age, the annuity shall not be reduced. This
15 subdivision shall only apply to a member who has acquired the equivalent
16 of five years of service or more as a school employee under the
17 retirement system.

18 (c) For retirements for a member hired on or after July 1, 2017, or
19 for a member who has taken a refund or retirement and is rehired or hired
20 by any employer covered by the retirement system on or after July 1,
21 2017, if the annuity begins at a time when the sum of the member's
22 attained age and creditable service totals ninety and the member is at
23 least sixty years of age, the annuity shall not be reduced. This
24 subdivision shall only apply to a member who has acquired the equivalent
25 of five years of service or more as a school employee under the
26 retirement system.

27 (7) ~~(5)~~ Except as provided in section 42-1107, the normal form of
28 the formula annuity shall be an annuity payable monthly during the
29 remainder of the member's life with the provision that in the event of
30 his or her death before sixty monthly payments have been made the monthly
31 payments will be continued to his or her estate or to the beneficiary he

1 or she has designated until sixty monthly payments have been made. Except
2 as provided in section 42-1107, a member may elect to receive in lieu of
3 the normal form of annuity an actuarially equivalent annuity in any
4 optional form provided by section 79-938.

5 (8) ~~(6)~~ All formula annuities shall be paid from the School
6 Retirement Fund.

7 (9)(a)(i) ~~(7)(a)(i)~~ For purposes of this section, in the
8 determination of compensation for members on or after July 1, 2005, that
9 part of a member's compensation for the plan year which exceeds the
10 member's compensation with the same employer for the preceding plan year
11 by more than seven percent of the compensation base during the sixty
12 months preceding the member's retirement shall be excluded unless (A) the
13 member experienced a substantial change in employment position, (B) as
14 verified by the school board, the excess compensation above seven percent
15 occurred as the result of a collective-bargaining agreement between the
16 employer and a recognized collective-bargaining unit or category of
17 school employee, and the percentage increase in compensation above seven
18 percent shall not be excluded for employees outside of a collective-
19 bargaining unit or within the same category of school employee, or (C)
20 the excess compensation occurred as the result of a districtwide
21 permanent benefit change made by the employer for a category of school
22 employee in accordance with subdivision (4)(a)(iv) of section 79-902.

23 (ii) For purposes of subdivision (9)(a) ~~(7)(a)~~ of this section:

24 (A) Category of school employee means either all employees of the
25 employer who are administrators or certificated teachers, or all
26 employees of the employer who are not administrators or certificated
27 teachers, or both;

28 (B) Compensation base means (I) for current members, employed with
29 the same employer, the member's compensation for the plan year ending
30 June 30, 2005, or (II) for members newly hired or hired by a separate
31 employer on or after July 1, 2005, the member's compensation for the

1 first full plan year following the member's date of hiring. Thereafter,
2 the member's compensation base shall be increased each plan year by the
3 lesser of seven percent of the member's preceding plan year's
4 compensation base or the member's actual annual compensation increase
5 during the preceding plan year; and

6 (C) Recognized collective-bargaining unit means a group of employees
7 similarly situated with a similar community of interest appropriate for
8 bargaining recognized as such by a school board.

9 (b)(i) In the determination of compensation for members whose
10 retirement date is on or after July 1, 2012, through June 30, 2013, that
11 part of a member's compensation for the plan year which exceeds the
12 member's compensation with the same employer for the preceding plan year
13 by more than nine percent of the compensation base shall be excluded.

14 (ii) For purposes of subdivision (9)(b) ~~(7)(b)~~ of this section,
15 compensation base means (A) for current members employed with the same
16 employer, the member's compensation for the plan year ending June 30,
17 2012, or (B) for members newly hired or hired by a separate employer on
18 or after July 1, 2012, the member's compensation for the first full plan
19 year following the member's date of hiring.

20 (c)(i) In the determination of compensation for members whose
21 retirement date is on or after July 1, 2013, that part of a member's
22 compensation for the plan year which exceeds the member's compensation
23 for the preceding plan year by more than eight percent during the capping
24 period shall be excluded. Such member's compensation for the first plan
25 year of the capping period shall be compared to the member's compensation
26 received for the plan year immediately preceding the capping period.

27 (ii) For purposes of subdivision (9)(c) ~~(7)(c)~~ of this section:

28 (A) Capping period means the five plan years preceding the later of
29 (I) such member's retirement date or (II) such member's final
30 compensation date; and

31 (B) Final compensation date means the later of (I) the date on which

1 a retiring member's final compensation is actually paid or (II) if a
2 retiring member's final compensation is paid in advance as a lump sum,
3 the date on which such final compensation would have been paid to the
4 member in the absence of such advance payment.

5 Sec. 12. Section 79-951, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 79-951 (1) Except as provided in section 8 of this act, a A member
8 shall be retired on account of disability, either upon his or her own
9 application or the application of his or her employer or a person acting
10 in his or her behalf, if a medical examination, made at the expense of
11 the retirement system and conducted by a competent disinterested
12 physician legally authorized to practice medicine under the laws of the
13 state in which he or she practices, selected by the retirement board,
14 shows and the physician certifies to the retirement board that the member
15 is unable to engage in a substantially gainful activity by reason of any
16 medically determinable physical or mental impairment which began while
17 the member was a participant in the plan and which can be expected to
18 result in death or be of a long and indefinite duration. The medical
19 examination may be waived if, in the judgment of the retirement board,
20 extraordinary circumstances exist which preclude substantial gainful
21 activity by the member. Such circumstances shall include hospice
22 placement or similar confinement for a terminal illness or injury.

23 (2) The member shall have five years from the date he or she
24 terminates employment in a public school located in Nebraska in which to
25 make application for disability retirement benefits if the disability is
26 related to employment in a public school located in Nebraska. If the
27 disability is not related to a public school located in Nebraska, the
28 member shall have one year from the date he or she terminates employment
29 in which to make application for disability retirement benefits. Any
30 application for retirement on account of disability shall be made on a
31 retirement application provided by the retirement system. Upon approval

1 by the board, benefits shall begin on the disability retirement date.

2 Sec. 13. Section 79-955, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 79-955 Upon termination of employment for any cause, other than
5 death, ~~or retirement, or retirement after retirement pursuant to section~~
6 8 of this act, the retirement board shall, upon the member's demand,
7 terminate his or her membership in the retirement system and cause to be
8 paid to such member the accumulated contributions standing to the credit
9 of his or her individual account in the School Retirement Fund. Any
10 member who attains or has attained membership in another Nebraska state
11 or school retirement system authorized by the Legislature and who elects
12 not to be or remain a member of the School Employees Retirement System of
13 the State of Nebraska shall have his or her accumulated contributions
14 returned to him or her forthwith.

15 Sec. 14. Section 79-958, Reissue Revised Statutes of Nebraska, is
16 amended to read:

17 79-958 (1) Beginning on September 1, 2012, for the purpose of
18 providing the funds to pay for formula annuities, every employee shall be
19 required to deposit in the School Retirement Fund nine and seventy-eight
20 hundredths percent of compensation. Such deposits shall be transmitted at
21 the same time and in the same manner as required employer contributions.

22 (2) For the purpose of providing the funds to pay for formula
23 annuities, every employer shall be required to deposit in the School
24 Retirement Fund one hundred one percent of the required contributions of
25 the school employees of each employer. Such deposits shall be transmitted
26 to the retirement board at the same time and in the same manner as such
27 required employee contributions.

28 (3) The employer shall pick up the member contributions required by
29 this section for all compensation paid on or after January 1, 1986, and
30 the contributions so picked up shall be treated as employer contributions
31 pursuant to section 414(h)(2) of the Internal Revenue Code in determining

1 federal tax treatment under the code and shall not be included as gross
2 income of the member until such time as they are distributed or made
3 available. The contributions, although designated as member
4 contributions, shall be paid by the employer in lieu of member
5 contributions. The employer shall pay these member contributions from the
6 same source of funds which is used in paying earnings to the member. The
7 employer shall pick up these contributions by a compensation deduction
8 through a reduction in the cash compensation of the member. Member
9 contributions picked up shall be treated for all purposes of the School
10 Employees Retirement Act in the same manner and to the same extent as
11 member contributions made prior to the date picked up.

12 (4) The employer shall pick up the member contributions made through
13 irrevocable payroll deduction authorizations pursuant to sections 79-921,
14 79-933.03 to 79-933.06, and 79-933.08 and section 8 of this act, and the
15 contributions so picked up shall be treated as employer contributions in
16 the same manner as contributions picked up under subsection (3) of this
17 section.

18 Sec. 15. Section 79-978, Revised Statutes Cumulative Supplement,
19 2016, is amended to read:

20 79-978 For purposes of the Class V School Employees Retirement Act,
21 unless the context otherwise requires:

22 (1) Accumulated contributions means the sum of amounts contributed
23 by a member of the system together with regular interest credited
24 thereon;

25 (2) Actuarial equivalent means the equality in value of the
26 retirement allowance for early retirement or the retirement allowance for
27 an optional form of annuity, or both, with the normal form of the annuity
28 to be paid, as determined by the application of the appropriate actuarial
29 table, except that use of such actuarial tables shall not effect a
30 reduction in benefits accrued prior to September 1, 1985, as determined
31 by the actuarial tables in use prior to such date;

1 (3) Actuarial tables means:

2 (a) For determining the actuarial equivalent of any annuities other
3 than joint and survivorship annuities, a unisex mortality table using
4 twenty-five percent of the male mortality and seventy-five percent of the
5 female mortality from the 1994 Group Annuity Mortality Table with a One
6 Year Setback and using an interest rate of eight percent compounded
7 annually; and

8 (b) For joint and survivorship annuities, a unisex retiree mortality
9 table using sixty-five percent of the male mortality and thirty-five
10 percent of the female mortality from the 1994 Group Annuity Mortality
11 Table with a One Year Setback and using an interest rate of eight percent
12 compounded annually and a unisex joint annuitant mortality table using
13 thirty-five percent of the male mortality and sixty-five percent of the
14 female mortality from the 1994 Group Annuity Mortality Table with a One
15 Year Setback and using an interest rate of eight percent compounded
16 annually;

17 (4) Annuitant means any member receiving an allowance;

18 (5) Annuity means annual payments, for both prior service and
19 membership service, for life as provided in the Class V School Employees
20 Retirement Act;

21 (6) Audit year means the period beginning January 1 in any year and
22 ending on December 31 of that same year except for the initial audit year
23 which will begin September 1, 2016, and end on December 31, 2016.
24 Beginning September 1, 2016, the audit year will be the period of time
25 used in the preparation of the annual actuarial analysis and valuation
26 and a financial audit of the investments of the retirement system;

27 (7) Beneficiary means any person entitled to receive or receiving a
28 benefit by reason of the death of a member;

29 (8) Board of education means the board of education of the school
30 district;

31 (9)(a) Compensation means gross wages or salaries payable to the

1 member during a fiscal year and includes (i) overtime pay, (ii) member
2 contributions to the retirement system that are picked up under section
3 414(h) of the Internal Revenue Code, as defined in section 49-801.01,
4 (iii) retroactive salary payments paid pursuant to court order,
5 arbitration, or litigation and grievance settlements, and (iv) amounts
6 contributed by the member to plans under sections 125, 403(b), and 457 of
7 the Internal Revenue Code, as defined in section 49-801.01, or any other
8 section of the code which defers or excludes such amounts from income.

9 (b) Compensation does not include (i) fraudulently obtained amounts
10 as determined by the board, (ii) amounts for unused sick leave or unused
11 vacation leave converted to cash payments, (iii) insurance premiums
12 converted into cash payments, (iv) reimbursement for expenses incurred,
13 (v) fringe benefits, (vi) per diems paid as expenses, (vii) bonuses for
14 services not actually rendered, including, but not limited to, early
15 retirement inducements, cash awards, and severance pay, or (viii)
16 employer contributions made for the purposes of separation payments made
17 at retirement and early retirement inducements as provided for in section
18 79-514.

19 (c) Compensation in excess of the limitations set forth in section
20 401(a)(17) of the Internal Revenue Code, as defined in section 49-801.01,
21 shall be disregarded;

22 (10) Council means the Nebraska Investment Council created and
23 acting pursuant to section 72-1237;

24 (11) Creditable service means the sum of the membership service and
25 the prior service, measured in one-tenth-year increments;

26 (12) Early retirement date means, for members hired prior to July 1,
27 2016, who have attained age fifty-five, that month and year selected by a
28 member having at least ten years of creditable service which includes a
29 minimum of five years of membership service. Early retirement date means,
30 for members hired on or after July 1, 2016, that month and year selected
31 by a member having at least five years of creditable service and who has

1 attained age sixty;

2 (13) Employee means the following enumerated persons receiving
3 compensation from the school district: (a) Regular teachers and
4 administrators employed on a written contract basis; and (b) regular
5 employees, not included in subdivision (13)(a) of this section, hired
6 upon a full-time basis, which basis shall contemplate a workweek of not
7 less than thirty hours;

8 (14) Employer means the school district;

9 (15) ~~(14)~~ Fiscal year means the period beginning September 1 in any
10 year and ending on August 31 of the next succeeding year;

11 (16) ~~(15)~~ Interest means, for the purchase of service credit, the
12 purchase of prior service credit, restored refunds, and delayed payments,
13 the investment return assumption used in the most recent actuarial
14 valuation;

15 (17) ~~(16)~~ Member means any employee included in the membership of
16 the retirement system or any former employee who has made contributions
17 to the system and has not received a refund;

18 (18) ~~(17)~~ Membership service means service on or after September 1,
19 1951, as an employee of the school district and a member of the system
20 for which compensation is paid by the school district. Credit for more
21 than one year of membership service shall not be allowed for service
22 rendered in any fiscal year. Beginning September 1, 2005, a member shall
23 be credited with a year of membership service for each fiscal year in
24 which the member performs one thousand or more hours of compensated
25 service as an employee of the school district. An hour of compensated
26 service shall include any hour for which the member is compensated by the
27 school district during periods where no service is performed due to
28 vacation or approved leave. If a member performs less than one thousand
29 hours of compensated service during a fiscal year, one-tenth of a year of
30 membership service shall be credited for each one hundred hours of
31 compensated service by the member in such fiscal year. In determining a

1 member's total membership service, all periods of membership service,
2 including fractional years of membership service in one-tenth-year
3 increments, shall be aggregated;

4 (19) ~~(18)~~ Military service means service in the uniformed services
5 as defined in 38 U.S.C. 4301 et seq., as such provision existed on March
6 27, 1997;

7 (20) ~~(19)~~ Normal retirement date means the end of the month during
8 which the member attains age sixty-five and has completed at least five
9 years of membership service;

10 (21) ~~(20)~~ Primary beneficiary means the person or persons entitled
11 to receive or receiving a benefit by reason of the death of a member;

12 (22) ~~(21)~~ Prior service means service rendered prior to September 1,
13 1951, for which credit is allowed under section 79-999, service rendered
14 by retired employees receiving benefits under preexisting systems, and
15 service for which credit is allowed under sections 79-990, 79-991,
16 79-994, 79-995, and 79-997;

17 (23) ~~(22)~~ Regular interest means interest (a) on the total
18 contributions of the member prior to the close of the last preceding
19 fiscal year, (b) compounded annually, and (c)(i) beginning September 1,
20 2016, at a rate equal to the daily treasury yield curve for one-year
21 treasury securities, as published by the Secretary of the Treasury of the
22 United States, that applies on September 1 of each year and (ii) prior to
23 September 1, 2016, at rates to be determined annually by the board, which
24 shall have the sole, absolute, and final discretionary authority to make
25 such determination, except that the rate for any given year in no event
26 shall exceed the actual percentage of net earnings of the system during
27 the last preceding fiscal year;

28 (24) ~~(23)~~ Retirement allowance means the total annual retirement
29 benefit payable to a member for service or disability;

30 (25) ~~(24)~~ Retirement date means the date of retirement of a member
31 for service or disability as fixed by the board of trustees;

1 ~~(26)~~ ~~(25)~~ Retirement system or system means the School Employees'
2 Retirement System of (corporate name of the school district as described
3 in section 79-405) as provided for by the act;

4 ~~(27)~~ ~~(26)~~ Secondary beneficiary means the person or persons entitled
5 to receive or receiving a benefit by reason of the death of all primary
6 beneficiaries prior to the death of the member. If no primary beneficiary
7 survives the member, secondary beneficiaries shall be treated in the same
8 manner as primary beneficiaries;

9 ~~(28)~~ ~~(27)~~ State investment officer means the state investment
10 officer appointed pursuant to section 72-1240 and acting pursuant to the
11 Nebraska State Funds Investment Act; ~~and~~

12 (29)(a) Termination of employment occurs on the date on which the
13 member experiences a bona fide separation from service of employment with
14 the employer, the date of which separation is determined by the end of
15 the member's contractual agreement or, if there is no contract or only
16 partial fulfillment of a contract, by the employer. A member shall not be
17 deemed to have terminated employment if:

18 (i) The member subsequently provides service in any capacity to the
19 same employer or to an employer participating in a retirement system
20 provided for in the County Employees Retirement Act, the Nebraska State
21 Patrol Retirement Act, the School Employees Retirement Act, or the State
22 Employees Retirement Act within one hundred eighty days after he or she
23 ceases such employment; or

24 (ii) The member accepted an early retirement incentive pursuant to
25 section 79-855 and, within three years after accepting such incentive and
26 ceasing such employment, subsequently provides service in any capacity to
27 an employer participating in a retirement system provided for in the
28 Class V School Employees Retirement Act, the County Employees Retirement
29 Act, the Nebraska State Patrol Retirement Act, the School Employees
30 Retirement Act, or the State Employees Retirement Act.

31 (b) If the board of trustees determines that termination of

1 employment has not occurred and a retirement benefit has been paid to a
2 member of the retirement system pursuant to section 79-999, 79-9,100, or
3 79-9,100.01, the board of trustees shall require the member who has
4 received such benefit to repay the benefit to the retirement system; and

5 (30) (28) Trustee means a trustee provided for in section 79-980.

6 Sec. 16. Section 79-978.01, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 79-978.01 Sections 79-978 to 79-9,118 and section 18 of this act
9 shall be known and may be cited as the Class V School Employees
10 Retirement Act.

11 Sec. 17. Section 79-992, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 79-992 (1) A member who has five years or more of creditable
14 service, excluding years of prior service acquired pursuant to section
15 79-990, 79-991, 79-994, 79-995, or 79-997, and who terminates ~~severs~~ his
16 or her employment may elect to leave his or her contributions in the
17 retirement system, in which event he or she shall receive a retirement
18 allowance at normal retirement age based on the annuity earned to the
19 date of such termination of employment ~~severance~~. Such member may elect
20 to receive a retirement allowance at early retirement age if such member
21 retires at an early retirement date. Such annuity shall be adjusted in
22 accordance with section 79-9,100. Upon termination ~~the severance~~ of
23 employment, except on account of retirement, a member shall be entitled
24 to receive refunds as follows: (a) An amount equal to the accumulated
25 contributions to the retirement system by the member; and (b) any
26 contributions made to a previously existing system which were refundable
27 under the terms of that system. Any member receiving a refund of
28 contributions shall thereby forfeit and relinquish all accrued rights in
29 the retirement system including all accumulated creditable service,
30 except that if any member who has withdrawn his or her contributions as
31 provided in this section reenters the service of the district and again

1 becomes a member of the retirement system, he or she may restore any or
2 all money previously received by him or her as a refund, including the
3 interest on the amount of the restored refund for the period of his or
4 her absence from the district's service as determined using the interest
5 rate for interest on such restored refunds, and he or she shall then
6 again receive credit for that portion of service which the restored money
7 represents. Such restoration may be made as the board of trustees may
8 direct through direct payments to the system or on an installment basis
9 pursuant to a binding irrevocable payroll deduction authorized between
10 the member and the school district over a period of not to exceed five
11 years from the date of reemployment. Interest on delayed payments shall
12 be at the rate of interest for determining interest on delayed payments
13 by members to the retirement system. Creditable service may be purchased
14 only in one-tenth-year increments, starting with the most recent years'
15 salary.

16 (2) Except as provided in section 18 of this act:

17 (a) {2} A retired member who returns to employment as an employee of
18 the school district shall again participate in the retirement system as a
19 new member and shall make contributions to the retirement system
20 commencing upon reemployment. The retirement annuity of a retired member
21 who returns to employment with the school district shall continue to be
22 paid by the retirement system. A retired member who returns to employment
23 as an employee of the school district shall receive creditable service
24 only for service performed after his or her return to employment and in
25 no event shall creditable service which accrues or the compensation paid
26 to the member after such return to employment after retirement increase
27 the amount of the member's original retirement annuity; and -

28 (b) {3} Upon termination of employment of the reemployed member, the
29 member shall receive in addition to the retirement annuity which
30 commenced at the time of the previous retirement (i) {a} if the member
31 has accrued five years or more of creditable service after his or her

1 return to employment, excluding years of prior service acquired pursuant
2 to section 79-990, 79-991, 79-994, 79-995, or 79-997, a retirement
3 annuity as provided in section 79-999 or 79-9,100, as applicable,
4 calculated solely on the basis of creditable service and final average
5 compensation accrued and earned after the member's return to employment
6 after his or her original retirement, and as adjusted to reflect any
7 payment in other than the normal form or (ii) ~~(b)~~ if the member has not
8 accrued five years or more of creditable service after his or her return
9 to employment, a refund equal to the member's accumulated contributions
10 which were credited to the member after the member's return to
11 employment. In no event shall the member's creditable service which
12 accrued prior to a previous retirement be considered as part of the
13 member's creditable service after his or her return to employment for any
14 purpose of the Class V School Employees Retirement Act.

15 (3) ~~(4)~~ In the event a member is entitled to receive a refund of
16 contributions pursuant to subsection (1) or subdivision (2)(b)(ii) ~~(3)(b)~~
17 of this section in an amount greater than one thousand dollars, if the
18 member does not elect to have the refund paid directly to himself or
19 herself or transferred to an eligible retirement plan designated by the
20 member as a direct rollover pursuant to section 79-998, then the refund
21 of contributions shall be paid in a direct rollover to an individual
22 retirement plan designated by the board of trustees.

23 Sec. 18. (1) On or after July 1, 2017, a retired member of the
24 retirement system who is hired or rehired by an employer participating in
25 a retirement system provided for in the Class V School Employees
26 Retirement Act, the County Employees Retirement Act, the Nebraska State
27 Patrol Retirement Act, the School Employees Retirement Act, or the State
28 Employees Retirement Act:

29 (a) Shall certify under oath or affirmation that, prior to
30 retirement, he or she did not have a prearranged agreement to work after
31 retirement with any such employer; and

1 (b) Shall meet the requirements for termination of employment as
2 defined in section 79-978 in order to commence such employment or
3 reemployment after retirement.

4 (2) A retired member who complies with subsection (1) of this
5 section and returns to employment shall participate in the retirement
6 system as a new member and shall make contributions to the retirement
7 system commencing upon reemployment. The retirement annuity of a retired
8 member who returns to employment shall continue to be paid by the
9 retirement system. A retired member who returns to employment as an
10 employee shall receive creditable service only for service performed
11 after his or her return to employment. In no event shall creditable
12 service which accrues or the compensation paid to the member after such
13 return to employment after retirement increase the amount of the member's
14 original retirement annuity.

15 (3) Upon termination of employment of a retired member described in
16 subsection (2) of this section, the member shall receive in addition to
17 the retirement annuity which commenced at the time of the previous
18 retirement:

19 (a) If the member has accrued ten years or more of creditable
20 service after his or her return to employment, excluding years of prior
21 service acquired prior to retirement, a retirement annuity as provided in
22 section 79-999, 79-9,100, or 79-9,100.01, as applicable, shall be
23 calculated solely on the basis of creditable service and final average
24 compensation accrued and earned after the member's return to employment
25 described in subsection (2) of this section and as adjusted to reflect
26 any payment in other than the normal form; or

27 (b) If the member has not accrued ten years or more of creditable
28 service after his or her return to employment, a refund equal to the
29 member's accumulated contributions which were credited to the member
30 after the member's return to employment described in subsection (2) of
31 this section. In no event shall the member's creditable service which

1 accrued prior to a previous retirement be considered as part of the
2 member's creditable service after his or her return to employment for any
3 purpose under the Class V School Employees Retirement Act.

4 The member shall not be eligible to subsequently retire on account
5 of disability pursuant to section 79-9,105.

6 (4) The employer shall notify the State Department of Education of
7 the date upon which a member terminates employment.

8 (5) The employer and member shall certify under oath or affirmation
9 that, prior to the member's retirement, there was no prearranged
10 agreement to return to work in any capacity, including, but not limited
11 to, acceptance of employment under a personal services contract as an
12 independent contractor, as a consultant, or with a private leasing
13 company, a temporary staffing agency, or any other company. The member
14 shall also certify that, prior to his or her retirement, there was no
15 prearranged agreement to commence employment in any capacity, as
16 described in this subsection, with an employer participating in a
17 retirement system provided for in the Class V School Employees Retirement
18 Act, the County Employees Retirement Act, the Nebraska State Patrol
19 Retirement Act, the School Employees Retirement Act, or the State
20 Employees Retirement Act.

21 (6) The retirement board may adopt and promulgate rules and
22 regulations and prescribe forms necessary to carry out this section.

23 Sec. 19. Section 79-9,100.01, Revised Statutes Cumulative
24 Supplement, 2016, is amended to read:

25 79-9,100.01 Except as provided in subdivision (1)(b) of this
26 section, for For employees who become members on or after July 1, 2016:

27 (1)(a) ~~(1)~~ If the annuity begins at a time when the sum of the
28 member's attained age and creditable service totals eighty-five and the
29 member is at least fifty-five years of age, the annuity shall not be
30 reduced;

31 (b) For employees who become members on or after July 1, 2017, if

1 the annuity begins at a time when the sum of the member's attained age
2 and creditable service totals ninety and the member is at least sixty
3 years of age, the annuity shall not be reduced;

4 (2) If the annuity begins on or after the sixtieth birthday of the
5 member and the member has completed at least a total of five years of
6 creditable service, the annuity shall be reduced by twenty-five
7 hundredths percent for each month or partial month between the date the
8 annuity begins and the member's sixty-fifth birthday;

9 (3) A member's attained age shall be measured in one-half-year
10 increments;

11 (4) Except as provided in section 42-1107, the normal form of the
12 formula retirement annuity based on final average compensation shall be
13 an annuity payable monthly during the remainder of the member's life with
14 the provision that, in the event of his or her death before sixty monthly
15 payments have been made, the monthly payments will be continued to his or
16 her estate or to the beneficiary he or she has designated until a total
17 of sixty monthly payments have been made. A member may elect to receive,
18 in lieu of the normal form of annuity, an actuarially equivalent annuity
19 in any optional form provided by section 79-9,101; and

20 (5) All formula annuities shall be paid from the Class V School
21 Employees Retirement Fund.

22 Sec. 20. Section 79-9,105, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 79-9,105 (1) Any member with five or more years of creditable
25 service, excluding years of prior service acquired pursuant to section
26 79-990, 79-991, 79-994, 79-995, or 79-997, who becomes totally disabled
27 for further performance of duty on or after March 22, 2000, may be
28 approved for deferred disability retirement by the board of trustees. In
29 the case of such deferred disability retirement, the member, during the
30 period specified in subsection (3) of this section, shall be credited
31 with creditable service for each year or portion thereof, to be

1 determined in accordance with policies of the board of trustees governing
2 creditable service, that the member defers retirement, up to a maximum of
3 thirty-five years of total creditable service, including creditable
4 service accrued before the member became totally disabled. The member
5 approved for deferred disability retirement may at any time of the
6 member's choosing request the deferral to end and retirement annuity
7 payments to begin. The retirement annuity of such member shall be based
8 on the total number of years of the member's creditable service,
9 including the years credited to the member during his or her total
10 disability under this section, and the member's final average salary as
11 of the date that the member became totally disabled and as adjusted from
12 such date by a percentage equal to the cumulative percentage cost-of-
13 living adjustments that were made or declared for annuities in pay status
14 pursuant to section 79-9,103 after the date of the approval of the board
15 of trustees for deferred disability retirement and before the cessation
16 of the accrual of additional creditable service pursuant to subsection
17 (3) of this section. Except as provided in subsection (4) of this
18 section, the retirement annuity so determined for the member shall be
19 payable to the member without reduction due to any early commencement of
20 benefits, except that the retirement annuity shall be reduced by the
21 amount of any periodic payments to such employee as workers' compensation
22 benefits. Additional creditable service acquired through deferred
23 disability retirement shall apply to the service requirements specified
24 in section 79-9,106. The board of trustees shall consider a member to be
25 totally disabled when it has received an application by the member and a
26 statement by at least two licensed and practicing physicians designated
27 by the board of trustees certifying that the member is totally and
28 presumably permanently disabled and unable to perform his or her duties
29 as a consequence thereof.

30 (2) Notwithstanding the provisions of subsection (1) of this
31 section, the payment of the retirement annuity of a member may not be

1 deferred later than the member's required beginning date as defined in
2 section 401(a)(9) of the Internal Revenue Code, as defined in section
3 49-801.01. If the payment of a disabled member's retirement annuity is
4 required to commence before the member has elected to end his or her
5 deferred disability retirement, the amount of benefit that would have
6 accrued pursuant to subsection (1) of this section in the fiscal year of
7 the member's required beginning date, and in each subsequent fiscal year
8 through the year of the member's election to end the deferred disability
9 retirement period, shall be reduced, but not below zero, by the actuarial
10 equivalent of the payments which were paid to the member during each such
11 fiscal year and after the member's required beginning date. The
12 retirement annuity of any member that commences before the end of the
13 member's deferred disability retirement shall be adjusted as of each
14 September 1 pursuant to the requirements of this subsection.

15 (3) The accrual of creditable service and any adjustment of final
16 average salary provided in subsection (1) of this section shall begin
17 from the first day of the month following the date of the first of the
18 two examinations by which the member is determined by the board of
19 trustees to be totally disabled, shall continue only so long as the
20 member does not receive any wages or compensation for services, and shall
21 end at the earlier of (a) the time total disability ceases as determined
22 by the board of trustees or (b) the date the member elects to end the
23 deferred disability retirement and begin to receive his or her retirement
24 annuity. The board of trustees may require periodic proof of disability
25 but not more frequently than semiannually.

26 (4)(a) For an employee hired prior to July 1, 2017, the ~~(4)~~ The
27 payment of any retirement annuity to a disabled member, which begins to
28 be paid under this section (i) ~~(a)~~ before the member's sixty-second
29 birthday or (ii) ~~(b)~~ at a time before the sum of the member's attained
30 age and creditable service is eighty-five or more, shall be suspended if
31 the board of trustees determines at any time before the member's sixty-

1 second birthday that the member's total disability has ceased.

2 (b) For an employee hired on or after July 1, 2017, the payment of
3 any retirement annuity to a disabled member, which begins to be paid
4 under this section (i) before the member's sixty-fifth birthday or (ii)
5 at a time before the sum of the member's attained age and creditable
6 service is ninety or more, shall be suspended if the board of trustees
7 determines at any time before the member's sixty-fifth birthday that the
8 member's total disability has ceased.

9 (c) Payment of the retirement annuity of such member as determined
10 under this section shall recommence at the member's early retirement date
11 or normal retirement date but shall be subject to reduction at such time
12 as specified in section 79-9,100.

13 Sec. 21. Section 81-2014, Revised Statutes Cumulative Supplement,
14 2016, is amended to read:

15 81-2014 For purposes of the Nebraska State Patrol Retirement Act:

16 (1) Actuarial equivalent means the equality in value of the
17 aggregate amounts expected to be received under different forms of
18 payment or to be received at an earlier retirement age than the normal
19 retirement age. The determinations shall be based on the 1994 Group
20 Annuity Mortality Table reflecting sex-distinct factors blended using
21 seventy-five percent of the male table and twenty-five percent of the
22 female table. An interest rate of eight percent per annum shall be
23 reflected in making the determinations until such percent is amended by
24 the Legislature;

25 (2) Board means the Public Employees Retirement Board;

26 (3)(a)(i) Compensation means gross wages or salaries payable to the
27 member for personal services performed during the plan year. Compensation
28 does not include insurance premiums converted into cash payments,
29 reimbursement for expenses incurred, fringe benefits, per diems, or
30 bonuses for services not actually rendered, including, but not limited
31 to, early retirement inducements, cash awards, and severance pay, except

1 for retroactive salary payments paid pursuant to court order,
2 arbitration, or litigation and grievance settlements. Compensation
3 includes overtime pay, member retirement contributions, and amounts
4 contributed by the member to plans under sections 125 and 457 of the
5 Internal Revenue Code as defined in section 49-801.01 or any other
6 section of the code which defers or excludes such amounts from income.

7 (ii) For any officer employed on or prior to January 4, 1979,
8 compensation includes compensation for unused sick leave or unused
9 vacation leave converted to cash payments.

10 (iii) For any officer employed after January 4, 1979, and prior to
11 July 1, 2016, compensation does not include compensation for unused sick
12 leave or unused vacation leave converted to cash payments and includes
13 compensation for unused holiday compensatory time and unused compensatory
14 time converted to cash payments.

15 (iv) For any officer employed on or after July 1, 2016, compensation
16 does not include compensation for unused sick leave, unused vacation
17 leave, unused holiday compensatory time, unused compensatory time, or any
18 other type of unused leave, compensatory time, or similar benefits,
19 converted to cash payments.

20 (b) Compensation in excess of the limitations set forth in section
21 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
22 shall be disregarded. For an employee who was a member of the retirement
23 system before the first plan year beginning after December 31, 1995, the
24 limitation on compensation shall not be less than the amount which was
25 allowed to be taken into account under the retirement system as in effect
26 on July 1, 1993;

27 (4) Creditable service means service granted pursuant to section
28 81-2034 and all service rendered while a contributing member of the
29 retirement system. Creditable service includes working days, sick days,
30 vacation days, holidays, and any other leave days for which the officer
31 is paid regular wages except as specifically provided in the Nebraska

1 State Patrol Retirement Act. Creditable service does not include
2 eligibility and vesting credit nor service years for which member
3 contributions are withdrawn and not repaid;

4 (5) Current benefit means the initial benefit increased by all
5 adjustments made pursuant to the Nebraska State Patrol Retirement Act;

6 (6) DROP means the deferred retirement option plan as provided in
7 section 81-2041;

8 (7) DROP account means an individual DROP participant's defined
9 contribution account under section 414(k) of the Internal Revenue Code;

10 (8) DROP period means the amount of time the member elects to
11 participate in DROP which shall be for a period not to exceed five years
12 from and after the date of the member's DROP election;

13 (9) Eligibility and vesting credit means credit for years, or a
14 fraction of a year, of participation in a Nebraska government plan for
15 purposes of determining eligibility for benefits under the Nebraska State
16 Patrol Retirement Act. Such credit shall be used toward the vesting
17 percentage pursuant to subsection (2) of section 81-2031 but shall not be
18 included as years of service in the benefit calculation;

19 (10) Initial benefit means the retirement benefit calculated at the
20 time of retirement;

21 (11) Officer means an officer provided for in sections 81-2001 to
22 81-2009;

23 (12) Plan year means the twelve-month period beginning on July 1 and
24 ending on June 30 of the following year;

25 (13) Regular interest means interest fixed at a rate equal to the
26 daily treasury yield curve for one-year treasury securities, as published
27 by the Secretary of the Treasury of the United States, that applies on
28 July 1 of each year, which may be credited monthly, quarterly,
29 semiannually, or annually as the board may direct;

30 (14) Retirement application means the form approved and provided by
31 the retirement system for acceptance of a member's request for either

1 regular or disability retirement;

2 (15) Retirement date means (a) the first day of the month following
3 the date upon which a member's request for retirement is received on a
4 retirement application if the member is eligible for retirement and has
5 terminated employment or (b) the first day of the month following
6 termination of employment if the member is eligible for retirement and
7 has filed an application but has not yet terminated employment;

8 (16) Retirement system or system means the Nebraska State Patrol
9 Retirement System as provided in the act;

10 (17) Service means employment as a member of the Nebraska State
11 Patrol and shall not be deemed to be interrupted by (a) temporary or
12 seasonal suspension of service that does not terminate the employee's
13 employment, (b) leave of absence authorized by the employer for a period
14 not exceeding twelve months, (c) leave of absence because of disability,
15 or (d) military service, when properly authorized by the board. Service
16 does not include any period of disability for which disability retirement
17 benefits are received under subsection (1) of section 81-2025;

18 (18) Surviving spouse means (a) the spouse married to the member on
19 the date of the member's death if married for at least one year prior to
20 death or if married on the date of the member's retirement or (b) the
21 spouse or former spouse of the member if survivorship rights are provided
22 under a qualified domestic relations order filed with the board pursuant
23 to the Spousal Pension Rights Act. The spouse or former spouse shall
24 supersede the spouse married to the member on the date of the member's
25 death as provided under a qualified domestic relations order. If the
26 benefits payable to the spouse or former spouse under a qualified
27 domestic relations order are less than the value of benefits entitled to
28 the surviving spouse, the spouse married to the member on the date of the
29 member's death shall be the surviving spouse for the balance of the
30 benefits; and

31 (19)(a) ~~(19)~~ Termination of employment occurs on the date on which

1 the Nebraska State Patrol determines that the officer's employer-employee
2 relationship with the patrol is dissolved. The Nebraska State Patrol
3 shall notify the board of the date on which such a termination has
4 occurred.

5 (b) Termination of employment does not include ceasing employment
6 with the Nebraska State Patrol if the officer returns to regular
7 employment in any capacity with the Nebraska State Patrol or another
8 agency of the State of Nebraska or provides service in any capacity to
9 any employer participating in a retirement system provided for in the
10 Class V School Employees Retirement Act, the County Employees Retirement
11 Act, or the School Employees Retirement Act and there are less than one
12 hundred twenty days between the date when the employee's employer-
13 employee relationship ceased and the date when the employer-employee
14 relationship commenced with the Nebraska State Patrol or an employer
15 participating in a retirement system provided for in the Class V School
16 Employees Retirement Act, the County Employees Retirement Act, the School
17 Employees Retirement Act, or the State Employees Retirement Act or
18 another state agency.

19 (c) Termination does not occur if an officer accepted an early
20 retirement incentive and, within three years after accepting such
21 incentive and ceasing such employment, subsequently provides service in
22 any capacity to an employer participating in a retirement system provided
23 for in the Class V School Employees Retirement Act, the County Employees
24 Retirement Act, the Nebraska State Patrol Retirement Act, the School
25 Employees Retirement Act, or the State Employees Retirement Act.

26 (d) Termination of employment does not occur upon an officer's
27 participation in DROP pursuant to section 81-2041.

28 (e) It is the responsibility of the employer that is involved in the
29 termination of employment to notify the board of such change in
30 employment and provide the board with such information as the board deems
31 necessary, including, but not limited to, certification as required in

1 subdivision (f) of this subsection. If the board determines that
2 termination of employment has not occurred and a retirement benefit has
3 been paid to a member of the retirement system pursuant to section
4 81-2026, the board shall require the member who has received such benefit
5 to repay the benefit to the retirement system.

6 (f) The employer involved in the termination of employment and the
7 officer shall certify under oath or affirmation that, prior to the
8 officer's retirement, there was no prearranged agreement to return to
9 work in any capacity, including, but not limited to, acceptance of
10 employment under a personal services contract as an independent
11 contractor, as a consultant, or with a private leasing company, a
12 temporary staffing agency, or any other company. The officer shall also
13 certify that, prior to his or her retirement, there was no prearranged
14 agreement to commence employment in any capacity, as described in this
15 subdivision, with an employer participating in a retirement system
16 provided for in the Class V School Employees Retirement Act, the County
17 Employees Retirement Act, the School Employees Retirement Act, or the
18 State Employees Retirement Act.

19 Sec. 22. Section 81-2031.05, Reissue Revised Statutes of Nebraska,
20 is amended to read:

21 81-2031.05 (1) Except as provided in this section, a A retired
22 officer of the Nebraska State Patrol who becomes a member of the Nebraska
23 State Patrol shall continue receiving retirement benefits and shall be
24 treated for all purposes of the Nebraska State Patrol Retirement Act as a
25 new member of the system.

26 (2) On or after July 1, 2017, a retired member of the Nebraska State
27 Patrol who is hired or rehired in any capacity by the Nebraska State
28 Patrol or by an employer participating in a retirement system provided
29 for in the Class V School Employees Retirement Act, the County Employees
30 Retirement Act, the School Employees Retirement Act, or the State
31 Employees Retirement Act:

1 (a) Shall certify under oath or affirmation that, prior to
2 retirement, he or she did not have a prearranged agreement to work after
3 retirement in any capacity with the Nebraska State Patrol or any such
4 employer; and

5 (b) Shall meet the requirements for termination of employment as
6 defined in section 81-2014 in order to commence such employment or
7 reemployment after retirement.

8 (3) A retired officer who complies with subsection (2) of this
9 section and returns to employment as an officer shall again participate
10 in the retirement system as a new member and shall make contributions to
11 the retirement system commencing upon reemployment. The retirement
12 annuity of a retired officer who returns to employment shall continue to
13 be paid by the retirement system. A retired officer who returns to
14 employment as an officer shall receive creditable service only for
15 service performed after his or her return to employment. In no event
16 shall creditable service which accrues or the compensation paid to the
17 officer after such return to employment after retirement increase the
18 amount of the officer's original retirement annuity.

19 (4) Upon termination of employment of a retired officer described in
20 subsection (3) of this section, the officer shall receive in addition to
21 the retirement annuity which commenced at the time of the previous
22 retirement:

23 (a) If the officer has accrued ten years or more of creditable
24 service after his or her return to employment, excluding years of prior
25 service acquired prior to retirement, a retirement annuity as provided in
26 section 81-2026, as applicable, shall be calculated solely on the basis
27 of creditable service and final average compensation accrued and earned
28 after the officer's return to employment described in subsection (3) of
29 this section and as adjusted to reflect any payment in other than the
30 normal form; or

31 (b) If the officer has not accrued ten years or more of creditable

1 service after his or her return to employment, a refund equal to the
2 officer's accumulated contributions which were credited to the officer
3 after the officer's return to employment described in subsection (3) of
4 this section. In no event shall the officer's creditable service which
5 accrued prior to a previous retirement be considered as part of the
6 officer's creditable service after his or her return to employment for
7 any purpose under the Nebraska State Patrol Retirement Act.

8 The member shall not be eligible to subsequently retire on account
9 of disability pursuant to sections 81-2028 to 81-2030.

10 (5) The retirement board may adopt and promulgate rules and
11 regulations and prescribe forms necessary to carry out this section.

12 Sec. 23. Section 84-1301, Reissue Revised Statutes of Nebraska, is
13 amended to read:

14 84-1301 For purposes of the State Employees Retirement Act, unless
15 the context otherwise requires:

16 (1) Actuarial equivalent means the equality in value of the
17 aggregate amounts expected to be received under different forms of an
18 annuity payment. The mortality assumption used for purposes of converting
19 the member cash balance account shall be the 1994 Group Annuity Mortality
20 Table using a unisex rate that is fifty percent male and fifty percent
21 female. For purposes of converting the member cash balance account
22 attributable to contributions made prior to January 1, 1984, that were
23 transferred pursuant to the act, the 1994 Group Annuity Mortality Table
24 for males shall be used;

25 (2) Annuity means equal monthly payments provided by the retirement
26 system to a member or beneficiary under forms determined by the board
27 beginning the first day of the month after an annuity election is
28 received in the office of the Nebraska Public Employees Retirement
29 Systems or the first day of the month after the employee's termination of
30 employment, whichever is later. The last payment shall be at the end of
31 the calendar month in which the member dies or in accordance with the

1 payment option chosen by the member;

2 (3) Annuity start date means the date upon which a member's annuity
3 is first effective and shall be the first day of the month following the
4 member's termination or following the date the application is received by
5 the board, whichever is later;

6 (4) Cash balance benefit means a member's retirement benefit that is
7 equal to an amount based on annual employee contribution credits plus
8 interest credits and, if vested, employer contribution credits plus
9 interest credits and dividend amounts credited in accordance with
10 subdivision (4)(c) of section 84-1319;

11 (5)(a) Compensation means gross wages or salaries payable to the
12 member for personal services performed during the plan year. Compensation
13 does not include insurance premiums converted into cash payments,
14 reimbursement for expenses incurred, fringe benefits, per diems, or
15 bonuses for services not actually rendered, including, but not limited
16 to, early retirement inducements, cash awards, and severance pay, except
17 for retroactive salary payments paid pursuant to court order,
18 arbitration, or litigation and grievance settlements. Compensation
19 includes overtime pay, member retirement contributions, and amounts
20 contributed by the member to plans under sections 125, 403(b), and 457 of
21 the Internal Revenue Code or any other section of the code which defers
22 or excludes such amounts from income.

23 (b) Compensation in excess of the limitations set forth in section
24 401(a)(17) of the Internal Revenue Code shall be disregarded. For an
25 employee who was a member of the retirement system before the first plan
26 year beginning after December 31, 1995, the limitation on compensation
27 shall not be less than the amount which was allowed to be taken into
28 account under the retirement system as in effect on July 1, 1993;

29 (6) Date of disability means the date on which a member is
30 determined to be disabled by the board;

31 (7) Defined contribution benefit means a member's retirement benefit

1 from a money purchase plan in which member benefits equal annual
2 contributions and earnings pursuant to section 84-1310 and, if vested,
3 employer contributions and earnings pursuant to section 84-1311;

4 (8) Disability means an inability to engage in a substantially
5 gainful activity by reason of any medically determinable physical or
6 mental impairment which can be expected to result in death or to be of
7 long-continued and indefinite duration;

8 (9) Employee means any employee of the State Board of Agriculture
9 who is a member of the state retirement system on July 1, 1982, and any
10 person or officer employed by the State of Nebraska whose compensation is
11 paid out of state funds or funds controlled or administered by a state
12 department through any of its executive or administrative officers when
13 acting exclusively in their respective official, executive, or
14 administrative capacities. Employee does not include (a) judges as
15 defined in section 24-701, (b) members of the Nebraska State Patrol,
16 except for those members of the Nebraska State Patrol who elected
17 pursuant to section 60-1304 to remain members of the State Employees
18 Retirement System of the State of Nebraska, (c) employees of the
19 University of Nebraska, (d) employees of the state colleges, (e)
20 employees of community colleges, (f) employees of the Department of Labor
21 employed prior to July 1, 1984, and paid from funds provided pursuant to
22 Title III of the federal Social Security Act or funds from other federal
23 sources, except that if the contributory retirement plan or contract let
24 pursuant to section 48-609 is terminated, such employees shall become
25 employees for purposes of the State Employees Retirement Act on the first
26 day of the first pay period following the termination of such
27 contributory retirement plan or contract, (g) employees of the State
28 Board of Agriculture who are not members of the state retirement system
29 on July 1, 1982, (h) the Nebraska National Guard air and army
30 technicians, (i) persons eligible for membership under the School
31 Employees Retirement System of the State of Nebraska who have not elected

1 to become members of the retirement system pursuant to section 79-920 or
2 been made members of the system pursuant to such section, except that
3 those persons so eligible and who as of September 2, 1973, are
4 contributing to the State Employees Retirement System of the State of
5 Nebraska shall continue as members of such system, or (j) employees of
6 the Coordinating Commission for Postsecondary Education who are eligible
7 for and have elected to become members of a qualified retirement program
8 approved by the commission which is commensurate with retirement programs
9 at the University of Nebraska. Any individual appointed by the Governor
10 may elect not to become a member of the State Employees Retirement System
11 of the State of Nebraska;

12 (10) Employee contribution credit means an amount equal to the
13 member contribution amount required by section 84-1308;

14 (11) Employer contribution credit means an amount equal to the
15 employer contribution amount required by section 84-1309;

16 (12) Final account value means the value of a member's account on
17 the date the account is either distributed to the member or used to
18 purchase an annuity from the plan, which date shall occur as soon as
19 administratively practicable after receipt of a valid application for
20 benefits, but no sooner than forty-five days after the member's
21 termination;

22 (13) Five-year break in service means five consecutive one-year
23 breaks in service;

24 (14) Full-time employee means an employee who is employed to work
25 one-half or more of the regularly scheduled hours during each pay period;

26 (15) Fund means the State Employees Retirement Fund created by
27 section 84-1309;

28 (16) Guaranteed investment contract means an investment contract or
29 account offering a return of principal invested plus interest at a
30 specified rate. For investments made after July 19, 1996, guaranteed
31 investment contract does not include direct obligations of the United

1 States or its instrumentalities, bonds, participation certificates or
2 other obligations of the Federal National Mortgage Association, the
3 Federal Home Loan Mortgage Corporation, or the Government National
4 Mortgage Association, or collateralized mortgage obligations and other
5 derivative securities. This subdivision shall not be construed to require
6 the liquidation of investment contracts or accounts entered into prior to
7 July 19, 1996;

8 (17) Interest credit rate means the greater of (a) five percent or
9 (b) the applicable federal mid-term rate, as published by the Internal
10 Revenue Service as of the first day of the calendar quarter for which
11 interest credits are credited, plus one and one-half percent, such rate
12 to be compounded annually;

13 (18) Interest credits means the amounts credited to the employee
14 cash balance account and the employer cash balance account at the end of
15 each day. Such interest credit for each account shall be determined by
16 applying the daily portion of the interest credit rate to the account
17 balance at the end of the previous day. Such interest credits shall
18 continue to be credited to the employee cash balance account and the
19 employer cash balance account after a member ceases to be an employee,
20 except that no such credit shall be made with respect to the employee
21 cash balance account and the employer cash balance account for any day
22 beginning on or after the member's date of final account value. If
23 benefits payable to the member's surviving spouse or beneficiary are
24 delayed after the member's death, interest credits shall continue to be
25 credited to the employee cash balance account and the employer cash
26 balance account until such surviving spouse or beneficiary commences
27 receipt of a distribution from the plan;

28 (19) Member cash balance account means an account equal to the sum
29 of the employee cash balance account and, if vested, the employer cash
30 balance account and dividend amounts credited in accordance with
31 subdivision (4)(c) of section 84-1319;

1 (20) One-year break in service means a plan year during which the
2 member has not completed more than five hundred hours of service;

3 (21) Participation means qualifying for and making the required
4 deposits to the retirement system during the course of a plan year;

5 (22) Part-time employee means an employee who is employed to work
6 less than one-half of the regularly scheduled hours during each pay
7 period;

8 (23) Plan year means the twelve-month period beginning on January 1
9 and ending on December 31;

10 (24) Prior service means service before January 1, 1964;

11 (25) Regular interest means the rate of interest earned each
12 calendar year commencing January 1, 1975, as determined by the retirement
13 board in conformity with actual and expected earnings on the investments
14 through December 31, 1984;

15 (26) Required contribution means the deduction to be made from the
16 compensation of employees as provided in section 84-1308;

17 (27) Retirement means qualifying for and accepting the retirement
18 benefit granted under the State Employees Retirement Act after
19 terminating employment;

20 (28) Retirement application means the form approved and provided by
21 the retirement system for acceptance of a member's request for either
22 regular or disability retirement;

23 (29) Retirement board or board means the Public Employees Retirement
24 Board;

25 (30) Retirement date means (a) the first day of the month following
26 the date upon which a member's request for retirement is received on a
27 retirement application if the member is eligible for retirement and has
28 terminated employment or (b) the first day of the month following
29 termination of employment if the member is eligible for retirement and
30 has filed an application but has not yet terminated employment;

31 (31) Retirement system means the State Employees Retirement System

1 of the State of Nebraska;

2 (32) Service means the actual total length of employment as an
3 employee and shall not be deemed to be interrupted by (a) temporary or
4 seasonal suspension of service that does not terminate the employee's
5 employment, (b) leave of absence authorized by the employer for a period
6 not exceeding twelve months, (c) leave of absence because of disability,
7 or (d) military service, when properly authorized by the retirement
8 board. Service does not include any period of disability for which
9 disability retirement benefits are received under section 84-1317;

10 (33) State department means any department, bureau, commission, or
11 other division of state government not otherwise specifically defined or
12 exempted in the act, the employees and officers of which are not already
13 covered by a retirement plan;

14 (34) Surviving spouse means (a) the spouse married to the member on
15 the date of the member's death or (b) the spouse or former spouse of the
16 member if survivorship rights are provided under a qualified domestic
17 relations order filed with the board pursuant to the Spousal Pension
18 Rights Act. The spouse or former spouse shall supersede the spouse
19 married to the member on the date of the member's death as provided under
20 a qualified domestic relations order. If the benefits payable to the
21 spouse or former spouse under a qualified domestic relations order are
22 less than the value of benefits entitled to the surviving spouse, the
23 spouse married to the member on the date of the member's death shall be
24 the surviving spouse for the balance of the benefits;

25 (35)(a) ~~(35)~~ Termination of employment occurs on the date on which
26 the agency which employs the member determines that the member's
27 employer-employee relationship with the State of Nebraska is dissolved.
28 The agency which employs the member shall notify the board of the date on
29 which such a termination has occurred.

30 (b) Termination of employment does not occur if an employee whose
31 employer-employee relationship with the State of Nebraska is dissolved

1 (i) enters into an employer-employee relationship in any capacity with
2 the same or another agency of the State of Nebraska and there are less
3 than one hundred twenty days between the date when the employee's
4 employer-employee relationship ceased with the state and the date when
5 the employer-employee relationship commenced with the same or another
6 agency, (ii) provides service in any capacity to an employer
7 participating in a retirement system provided for in the Class V School
8 Employees Retirement Act, the County Employees Retirement Act, the
9 Nebraska State Patrol Retirement Act, or the School Employees Retirement
10 Act and there are less than one hundred twenty days between the date when
11 the employee's employer-employee relationship ceased with the state and
12 the date when the service commenced with the other employer which
13 qualified for participation in the other retirement system, or (iii) if
14 the member accepted an early retirement incentive and within three years
15 after accepting such incentive and ceasing such employment, subsequently
16 provides service in any capacity to an employer participating in a
17 retirement system provided for in the Class V School Employees Retirement
18 Act, the County Employees Retirement Act, the Nebraska State Patrol
19 Retirement Act, the School Employees Retirement Act, or the State
20 Employees Retirement Act.

21 (c) It is the responsibility of the employer that is involved in the
22 termination of employment to notify the board of such change in
23 employment and provide the board with such information as the board deems
24 necessary.

25 (d) If the board determines that termination of employment has not
26 occurred and a retirement benefit has been paid to a member of the
27 retirement system pursuant to section 84-1321, the board shall require
28 the member who has received such benefit to repay the benefit to the
29 retirement system; and

30 (36) Vesting credit means credit for years, or a fraction of a year,
31 of participation in another Nebraska governmental plan for purposes of

1 determining vesting of the employer account.

2 Sec. 24. Section 84-1322, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 84-1322 (1) Except as otherwise provided in this section, a member
5 of the retirement system who has a five-year break in service shall upon
6 reemployment be considered a new employee with respect to the State
7 Employees Retirement Act and shall not receive credit for service prior
8 to his or her reemployment date.

9 (2)(a) A member who ceases to be an employee before becoming
10 eligible for retirement under section 84-1317 and again becomes a
11 permanent full-time or permanent part-time state employee prior to having
12 a five-year break in service shall immediately be reenrolled in the
13 retirement system and resume making contributions. For purposes of
14 vesting employer contributions made prior to and after reentry into the
15 retirement system under subsection (3) of section 84-1321, years of
16 participation include years of participation prior to such employee's
17 original termination. For a member who is not vested and has received a
18 termination benefit pursuant to section 84-1321, the years of
19 participation prior to such employee's original termination shall be
20 limited in a ratio equal to the amount that the member repays divided by
21 the termination benefit withdrawn pursuant to section 84-1321. This
22 subsection shall apply whether or not the person was a state employee on
23 April 20, 1986, or July 17, 1986.

24 (b) The reemployed member may repay the value of, or a portion of
25 the value of, the termination benefit withdrawn pursuant to section
26 84-1321. A reemployed member who elects to repay all or a portion of the
27 value of the termination benefit withdrawn pursuant to section 84-1321
28 shall repay the actual earnings on such value. Repayment of the
29 termination benefit shall commence within three years after reemployment
30 and shall be completed within five years after reemployment or prior to
31 termination of employment, whichever occurs first, through (i) direct

1 payments to the retirement system, (ii) installment payments made
2 pursuant to a binding irrevocable payroll deduction authorization made by
3 the member, (iii) an eligible rollover distribution as provided under the
4 Internal Revenue Code, or (iv) a direct rollover distribution made in
5 accordance with section 401(a)(31) of the Internal Revenue Code.

6 (c) The value of the member's forfeited employer account or employer
7 cash balance account, as of the date of forfeiture, shall be restored in
8 a ratio equal to the amount of the benefit that the member has repaid
9 divided by the termination benefit received. The employer account or
10 employer cash balance account shall be restored first out of the current
11 forfeiture amounts and then by additional employer contributions.

12 (3) Except as provided in subsection (4) of this section, for ~~For~~ a
13 member who retired pursuant to section 84-1317 and becomes a permanent
14 full-time employee or permanent part-time employee with the state more
15 than one hundred twenty days after his or her retirement date, the member
16 shall continue receiving retirement benefits. Such a retired member or a
17 retired member who received a lump-sum distribution of his or her benefit
18 shall be considered a new employee as of the date of reemployment and
19 shall not receive credit for any service prior to the member's retirement
20 for purposes of the act.

21 (4)(a) On or after July 1, 2017, a retired member of the retirement
22 system who is hired or rehired in any capacity by an employer
23 participating in a retirement system provided for in the Class V School
24 Employees Retirement Act, the County Employees Retirement Act, the
25 Nebraska State Patrol Retirement Act, the School Employees Retirement
26 Act, or the State Employees Retirement Act:

27 (i) Shall certify under oath that, prior to retirement, he or she
28 did not have a prearranged agreement to work after retirement in any
29 capacity with any such employer; and

30 (ii) Shall meet the requirements for termination of employment as
31 defined in section 84-1301 in order to commence such employment or

1 reemployment after retirement.

2 (b) A retired member who complies with subdivision (a) of this
3 subsection and returns to employment in any capacity as an employee with
4 an employer in the State Employees Retirement Act shall again participate
5 in the retirement system as a new member and shall make contributions to
6 the retirement system commencing upon reemployment. The retirement
7 benefit of a retired member who returns to employment shall continue to
8 be paid by the retirement system. A retired member who returns to
9 employment as an employee shall receive vesting credit only for service
10 performed after his or her return to employment. In no event shall
11 vesting credit which accrues or the compensation paid to the member after
12 such return to employment after retirement increase the amount of the
13 member's original retirement benefit.

14 (c) Upon termination of employment of a retired member described in
15 subdivision (b) of this subsection, the member shall receive in addition
16 to the retirement benefit which commenced at the time of the previous
17 retirement:

18 (i) If the member has accrued ten years or more of vesting credit
19 after his or her return to employment, excluding years of vesting credit
20 acquired prior to retirement, as applicable, shall be calculated solely
21 on the basis of vesting credit accrued and earned after the member's
22 return to employment described in subdivision (b) of this subsection and
23 as adjusted to reflect any payment in other than the normal form; or

24 (ii) If the member has not accrued ten years or more of vesting
25 credit after his or her return to employment, a refund equal to the
26 member's accumulated contributions which were credited to the member
27 after the member's return to employment described in subdivision (b) of
28 this subsection. In no event shall the member's vesting credit which
29 accrued prior to a previous retirement be considered as part of the
30 member's vesting credit after his or her return to employment for any
31 purpose of the State Employees Retirement Act.

1 The member shall not be eligible to subsequently retire on account
2 of disability pursuant to section 84-1323.01.

3 (5) (4) A member who is reinstated as an employee pursuant to a
4 grievance or appeal of his or her termination by the state shall be a
5 member upon reemployment and shall not be considered to have a break in
6 service for such period of time that the grievance or appeal was pending.
7 Following reinstatement, the member shall repay the value of the amount
8 received from his or her employee account or member cash balance account
9 under subdivision (2)(b) of section 84-1321.01.

10 (6) The retirement board may adopt and promulgate rules and
11 regulations and prescribe forms necessary to carry out this section.

12 Sec. 25. Original sections 23-2320, 79-805, 79-901, 79-921, 79-933,
13 79-951, 79-955, 79-958, 81-2031.05, 84-1301, and 84-1322, Reissue Revised
14 Statutes of Nebraska, and sections 23-2301, 79-902, 79-904.01, 79-931,
15 79-934, 79-978, 79-978.01, 79-992, 79-9,100.01, 79-9,105, and 81-2014,
16 Revised Statutes Cumulative Supplement, 2016, are repealed.

17 Sec. 26. The following section is outright repealed: Section
18 79-923, Reissue Revised Statutes of Nebraska.

19 Sec. 27. Since an emergency exists, this act takes effect when
20 passed and approved according to law.

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB431

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: January 26, 2017

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

The purpose of this bill is to correct the relationship between taxes levied and cash reserved. LB431 intends to cap cash reserves at 50% of the total amount received from personal and real property taxes, instead of through projected budgeting. Furthermore, the bill intends to strip governing bodies from their ability to build-up exorbitant cash reserves which exceed 50% of their total tax asking ability.

LB431 will accomplish this goal by changing the wording of Nebraska State Statute 13-504(b) and (c). The bill will strike the words, "budget adopted" from these two sections of the statute and replace them with the words, "amount received from personal and real property taxation." This change in the wording of Nebraska State Statute 13-504(b) and (c) shall limit incoming cash reserves to 50% of the governing body's tax asking ability and cap the total amount of these cash reserves at this same amount. There is simply no reason for any governing body within the State to hold more than 50% of its operating costs in cash reserves.

Principal Introducer: _____

Senator Steve Erdman

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB432

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: January 26, 2017

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

Some tax asking entities are abusing their tax asking authority by adding delinquent taxes to their tax asking ability. Such a practice constitutes an abuse of taxpayers' monies, especially when less than 0.05% of real estate taxes go unpaid.

This bill is intended to strip tax asking entities of their authority to add delinquent taxes to their tax asking ability. LB431 will remove that portion of Nebraska State Statute 13-508 which provides tax asking entities with the option of adding delinquent taxes to their tax asking ability.

Principal Introducer: _____

Senator Steve Erdman

One Hundred Fifth Legislature - First Session - 2017

Introducer's Statement of Intent

LB479

Chairperson: Senator John Murante

Committee: Government, Military and Veterans Affairs

Date of Hearing: January 26, 2017

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

In order for citizens to be able to cast a watchful eye on local government spending, local governments have to be transparent in their budget process and not only ensure that citizens have all the information they need to be informed available at the meeting, but also give citizens time to express their opinion on local government spending. This reinforces that the citizens' right to review the information discussed as provided in the Open Meetings Act 84-1412(8) applies to the Nebraska Budget Act as well.

This bill amends the Nebraska Budget Act to ensure greater transparency of the budget process by mandating that at the budget hearing, scheduled separately from a governing body's regular hearing, the board must make a detailed presentation on the budget, ensure that copies of the budget are available to the citizens, and so that every citizen wanting to address the board has an opportunity to do so, the hearing is not limited by time.

This bill also expands the list of boards included in the Nebraska Budget Act.

Principal Introducer: _____

Senator Mike Groene

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 484

Introduced by Kolowski, 31.

Read first time January 17, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to create and provide duties for
- 2 the School Financing Review Commission; to state intent relating to
- 3 appropriations; and to declare an emergency.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) The School Financing Review Commission is created.
2 The commission shall consist of twenty members, including: (a) Three
3 members of the Legislature, including one member of the Revenue Committee
4 of the Legislature, one member of the Education Committee of the
5 Legislature, and one member of the Appropriations Committee of the
6 Legislature, appointed by the Executive Board of the Legislative Council;
7 (b) the Property Tax Administrator or his or her designee, who shall be a
8 nonvoting, ex officio member; (c) the council director of the Educational
9 Service Unit Coordinating Council; (d) the Commissioner of Education or
10 his or her designee; (e) a representative of the Governor selected by the
11 Governor; (f) two members representing postsecondary education with
12 expertise in the area of school finance; (g) two members who reside in a
13 Class II school district, one of whom shall be a school administrator and
14 one of whom shall be a school board member; (h) two members who reside in
15 a Class III school district, one of whom shall be a school administrator
16 and one of whom shall be a school board member; (i) two members who
17 reside in a Class IV school district, one of whom shall be a school
18 administrator and one of whom shall be a school board member; (j) two
19 members who reside in a Class V school district, one of whom shall be a
20 school administrator and one of whom shall be a school board member; and
21 (k) three members from the state at large, one from each congressional
22 district, who reside in school districts of varied sizes and with varying
23 percentages of limited English proficiency students and poverty students.
24 At least one of the members appointed pursuant to this subdivision shall
25 have experience in the teaching profession in public schools, at least
26 one shall have experience in business, and at least one shall have
27 experience in agriculture-related business.

28 (2) The members described in subdivisions (1)(f) through (k) of this
29 section shall be appointed by the Commissioner of Education to serve
30 through December 31, 2026. To the extent possible, the membership of the
31 commission shall be diverse in terms of race, gender, and other

demographic factors. Vacancies shall be filled by the Commissioner of Education for the remainder of the term. The Commissioner of Education or his or her designee shall be the chairperson of the commission, and the commission shall elect a vice-chairperson from among its members. Members of the commission shall not receive any compensation for their services but shall be reimbursed for their actual and necessary expenses incurred as members of the commission as provided in sections 81-1174 to 81-1177.

(3) The commission shall cease to exist on December 31, 2026, unless extended by the Legislature.

(4) For administrative purposes, the commission shall be housed within the State Department of Education.

Sec. 2. (1) The School Financing Review Commission shall conduct an in-depth review of the financing of the public elementary and secondary schools. The commission shall:

(a) Examine the option of using income as a component in the financing of schools;

(b) Examine the option of using sales tax as a component in the financing of schools, including, but not limited to, an examination of the experience of any other states with such option;

(c) Examine financing methods used in other states which offer alternatives to heavy reliance on property tax;

(d) Examine financing issues as they relate to the quality and performance of the schools;

(e) Examine options for funding expanded prekindergarten services;

(f) Examine options for funding college-readiness and career-readiness programs, including, but not limited to, programs of excellence, dual-enrollment courses, and career academies;

(g) Examine the costs and resources necessary to educate poverty students and limited English proficiency students;

(h) Examine methods used by other states to fund kindergarten through twelfth grade infrastructure needs;

1 (i) Examine other issues related to public elementary and secondary
2 school finance as necessary and as determined by the chairperson;

3 (j) Prepare a report on the progress of the work of the commission
4 and submit it electronically to the Legislature on or before December 31,
5 2017; and

6 (k) Prepare a preliminary report and present it to the Legislative
7 Council in November 2018. A final report with recommendations on
8 maintaining adequate and equitable funding for public schools in light of
9 information gathered through the review shall be presented to the
10 Governor, the State Board of Education, and electronically to the
11 Legislature by December 1, 2018.

12 (2) On and after December 1, 2018, to assure that every Nebraskan is
13 educated for success, the commission shall:

14 (a) Review the mission of providing Nebraskans the opportunity to
15 acquire the necessary skills and knowledge to be productive individuals;

16 (b) Review, make recommendations on, and report on the progress of
17 the goals established by the Legislature and the State Department of
18 Education. The committee may solicit comments, concerns, and case studies
19 from all sizes of schools in Nebraska and develop best practices for
20 implementing and achieving such goals; and

21 (c) Review the implementation of the Tax Equity and Educational
22 Opportunities Support Act and the implementation of any recommendations
23 contained in reports issued under section 3 of this act.

24 Sec. 3. On or before July 1 of each even-numbered year beginning in
25 2020, the School Financing Review Commission shall report to the
26 Governor, to the State Board of Education, and electronically to the
27 Legislature on the adequacy of school funding sources. The State
28 Department of Education and the staff of the Revenue Committee, the
29 Education Committee, and the Appropriations Committee of the Legislature,
30 with the consent of the chairpersons of such committees, may assist as
31 needed and requested by the chairperson of the commission in accordance

1 with guidelines developed by the commission.

2 Sec. 4. The School Financing Review Commission may:

3 (1) Hire staff, including, but not limited to, consultants; and

4 (2) Obtain assistance from the State Department of Education and the

5 Department of Revenue in acquiring data needed to carry out its duties.

6 Sec. 5. It is the intent of the Legislature to appropriate at least

7 one hundred thousand dollars from the General Fund to the School

8 Financing Review Commission to carry out its duties.

9 Sec. 6. Since an emergency exists, this act takes effect when
10 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 503

Introduced by Brewer, 43; Linehan, 39.

Read first time January 18, 2017

Committee: Business and Labor

- 1 A BILL FOR AN ACT relating to public employers; to prohibit certain
- 2 provisions in collective-bargaining agreements; and to prohibit
- 3 certain deductions from wages.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) Any collective-bargaining agreement involving a
2 public employer entered into, renewed, or extended on or after the
3 effective date of this act shall not contain provisions requiring or
4 allowing the deduction of dues, assessments, or other amounts from a
5 public employee's wages, including, but not limited to, public school
6 employees, either directly or indirectly, on behalf of a union,
7 collective-bargaining organization, or other professional association.

8 (2) A public employer shall not deduct dues, assessments, or other
9 amounts from the wages of a public employee, including, but not limited
10 to, public school employees, either directly or indirectly, on behalf of
11 a union, collective-bargaining organization, or other professional
12 association, except as required by a collective-bargaining agreement
13 entered into between a public employer and a representative of its
14 employees prior to the effective date of this act.

15 (3) For purposes of this section, public employer and public
16 employee have the same meanings as in section 48-801.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 521

Introduced by Walz, 15.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to the Tax Equity and Educational
- 2 Opportunities Support Act; to amend sections 79-1001, 79-1003,
- 3 79-1007.11, and 79-1017.01, Revised Statutes Cumulative Supplement,
- 4 2016; to change provisions related to early childhood education aid;
- 5 to provide a new allowance; to provide aid; to harmonize provisions;
- 6 and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1001, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1001 Sections 79-1001 to 79-1033 and section 3 of this act shall
4 be known and may be cited as the Tax Equity and Educational Opportunities
5 Support Act.

6 Sec. 2. Section 79-1003, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 79-1003 For purposes of the Tax Equity and Educational Opportunities
9 Support Act:

10 (1) Adjusted general fund operating expenditures means (a) for
11 school fiscal years 2013-14 through 2015-16, the difference of the
12 general fund operating expenditures as calculated pursuant to subdivision
13 (23) of this section increased by the cost growth factor calculated
14 pursuant to section 79-1007.10, minus the transportation allowance,
15 special receipts allowance, poverty allowance, limited English
16 proficiency allowance, distance education and telecommunications
17 allowance, elementary site allowance, summer school allowance,
18 instructional time allowance, teacher education allowance, and focus
19 school and program allowance, (b) for school fiscal years 2016-17 through
20 2017-18 ~~2018-19~~, the difference of the general fund operating
21 expenditures as calculated pursuant to subdivision (23) of this section
22 increased by the cost growth factor calculated pursuant to section
23 79-1007.10, minus the transportation allowance, special receipts
24 allowance, poverty allowance, limited English proficiency allowance,
25 distance education and telecommunications allowance, elementary site
26 allowance, summer school allowance, best practices allowance, and focus
27 school and program allowance, ~~and~~ (c) for school fiscal year 2018-19, the
28 difference of the general fund operating expenditures as calculated
29 pursuant to subdivision (23) of this section increased by the cost growth
30 factor calculated pursuant to section 79-1007.10, minus the
31 transportation allowance, special receipts allowance, poverty allowance,

1 limited English proficiency allowance, distance education and
2 telecommunications allowance, elementary site allowance, summer school
3 allowance, early childhood education allowance, best practices allowance,
4 and focus school and program allowance, and (d) for school fiscal year
5 2019-20 and each school fiscal year thereafter, the difference of the
6 general fund operating expenditures as calculated pursuant to subdivision
7 (23) of this section increased by the cost growth factor calculated
8 pursuant to section 79-1007.10, minus the transportation allowance,
9 special receipts allowance, poverty allowance, limited English
10 proficiency allowance, distance education and telecommunications
11 allowance, elementary site allowance, summer school allowance, early
12 childhood education allowance, best practices allowance, community
13 achievement plan allowance, and focus school and program allowance;

14 (2) Adjusted valuation means the assessed valuation of taxable
15 property of each local system in the state, adjusted pursuant to the
16 adjustment factors described in section 79-1016. Adjusted valuation means
17 the adjusted valuation for the property tax year ending during the school
18 fiscal year immediately preceding the school fiscal year in which the aid
19 based upon that value is to be paid. For purposes of determining the
20 local effort rate yield pursuant to section 79-1015.01, adjusted
21 valuation does not include the value of any property which a court, by a
22 final judgment from which no appeal is taken, has declared to be
23 nontaxable or exempt from taxation;

24 (3) Allocated income tax funds means the amount of assistance paid
25 to a local system pursuant to section 79-1005.01 as adjusted, for school
26 fiscal years prior to school fiscal year 2017-18, by the minimum levy
27 adjustment pursuant to section 79-1008.02;

28 (4) Average daily membership means the average daily membership for
29 grades kindergarten through twelve attributable to the local system, as
30 provided in each district's annual statistical summary, and includes the
31 proportionate share of students enrolled in a public school instructional

1 program on less than a full-time basis;

2 (5) Base fiscal year means the first school fiscal year following
3 the school fiscal year in which the reorganization or unification
4 occurred;

5 (6) Board means the school board of each school district;

6 (7) Categorical funds means funds limited to a specific purpose by
7 federal or state law, including, but not limited to, Title I funds, Title
8 VI funds, federal vocational education funds, federal school lunch funds,
9 Indian education funds, Head Start funds, and funds from the Education
10 Innovation Fund;

11 (8) Consolidate means to voluntarily reduce the number of school
12 districts providing education to a grade group and does not include
13 dissolution pursuant to section 79-498;

14 (9) Converted contract means an expired contract that was in effect
15 for at least fifteen school years beginning prior to school year 2012-13
16 for the education of students in a nonresident district in exchange for
17 tuition from the resident district when the expiration of such contract
18 results in the nonresident district educating students, who would have
19 been covered by the contract if the contract were still in effect, as
20 option students pursuant to the enrollment option program established in
21 section 79-234;

22 (10) Converted contract option student means a student who will be
23 an option student pursuant to the enrollment option program established
24 in section 79-234 for the school fiscal year for which aid is being
25 calculated and who would have been covered by a converted contract if the
26 contract were still in effect and such school fiscal year is the first
27 school fiscal year for which such contract is not in effect;

28 (11) Department means the State Department of Education;

29 (12) District means any Class I, II, III, IV, V, or VI school
30 district and, beginning with the calculation of state aid for school
31 fiscal year 2011-12 and each school fiscal year thereafter, a unified

1 system as defined in section 79-4,108;

2 (13) Ensuing school fiscal year means the school fiscal year
3 following the current school fiscal year;

4 (14) Equalization aid means the amount of assistance calculated to
5 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
6 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

7 (15) Fall membership means the total membership in kindergarten
8 through grade twelve attributable to the local system as reported on the
9 fall school district membership reports for each district pursuant to
10 section 79-528;

11 (16) Fiscal year means the state fiscal year which is the period
12 from July 1 to the following June 30;

13 (17) Formula students means:

14 (a) For state aid certified pursuant to section 79-1022, the sum of
15 the product of fall membership from the school fiscal year immediately
16 preceding the school fiscal year in which the aid is to be paid
17 multiplied by the average ratio of average daily membership to fall
18 membership for the second school fiscal year immediately preceding the
19 school fiscal year in which the aid is to be paid and the prior two
20 school fiscal years plus ~~sixty percent~~ of the qualified early childhood
21 education fall membership plus tuitioned students from the school fiscal
22 year immediately preceding the school fiscal year in which aid is to be
23 paid minus the product of the number of students enrolled in kindergarten
24 that is not full-day kindergarten from the fall membership multiplied by
25 0.5; and

26 (b) For the final calculation of state aid pursuant to section
27 79-1065, the sum of average daily membership plus ~~sixty percent~~ of the
28 qualified early childhood education average daily membership plus
29 tuitioned students minus the product of the number of students enrolled
30 in kindergarten that is not full-day kindergarten from the average daily
31 membership multiplied by 0.5 from the school fiscal year immediately

1 preceding the school fiscal year in which aid was paid;

2 (18) Free lunch and free milk calculated students means, using the
3 most recent data available on November 1 of the school fiscal year
4 immediately preceding the school fiscal year in which aid is to be paid,
5 (a) for schools that did not provide free meals to all students pursuant
6 to the community eligibility provision, students who individually
7 qualified for free lunches or free milk pursuant to the federal Richard
8 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
9 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
10 and sections existed on January 1, 2015, and rules and regulations
11 adopted thereunder, plus (b) for schools that provided free meals to all
12 students pursuant to the community eligibility provision, (i) for school
13 fiscal year 2016-17, the product of the students who attended such school
14 multiplied by the identified student percentage calculated pursuant to
15 such federal provision or (ii) for school fiscal year 2017-18 and each
16 school fiscal year thereafter, the greater of the number of students in
17 such school who individually qualified for free lunch or free milk using
18 the most recent school fiscal year for which the school did not provide
19 free meals to all students pursuant to the community eligibility
20 provision or one hundred ten percent of the product of the students who
21 qualified for free meals at such school pursuant to the community
22 eligibility provision multiplied by the identified student percentage
23 calculated pursuant to such federal provision, except that the free lunch
24 and free milk students calculated for any school pursuant to subdivision
25 (18)(b)(ii) of this section shall not exceed one hundred percent of the
26 students qualified for free meals at such school pursuant to the
27 community eligibility provision;

28 (19) Free lunch and free milk student means, for school fiscal years
29 prior to school fiscal year 2016-17, a student who qualified for free
30 lunches or free milk from the most recent data available on November 1 of
31 the school fiscal year immediately preceding the school fiscal year in

1 which aid is to be paid;

2 (20) Full-day kindergarten means kindergarten offered by a district
3 for at least one thousand thirty-two instructional hours;

4 (21) General fund budget of expenditures means the total budget of
5 disbursements and transfers for general fund purposes as certified in the
6 budget statement adopted pursuant to the Nebraska Budget Act, except that
7 for purposes of the limitation imposed in section 79-1023 and the
8 calculation pursuant to subdivision (2) of section 79-1027.01, the
9 general fund budget of expenditures does not include any special grant
10 funds, exclusive of local matching funds, received by a district;

11 (22) General fund expenditures means all expenditures from the
12 general fund;

13 (23) General fund operating expenditures means for state aid
14 calculated for school fiscal years 2012-13 and each school fiscal year
15 thereafter, as reported on the annual financial report for the second
16 school fiscal year immediately preceding the school fiscal year in which
17 aid is to be paid, the total general fund expenditures minus (a) the
18 amount of all receipts to the general fund, to the extent that such
19 receipts are not included in local system formula resources, from early
20 childhood education tuition, summer school tuition, educational entities
21 as defined in section 79-1201.01 for providing distance education courses
22 through the Educational Service Unit Coordinating Council to such
23 educational entities, private foundations, individuals, associations,
24 charitable organizations, the textbook loan program authorized by section
25 79-734, federal impact aid, and levy override elections pursuant to
26 section 77-3444, (b) the amount of expenditures for categorical funds,
27 tuition paid, transportation fees paid to other districts, adult
28 education, community services, redemption of the principal portion of
29 general fund debt service, retirement incentive plans authorized by
30 section 79-855, and staff development assistance authorized by section
31 79-856, (c) the amount of any transfers from the general fund to any bond

1 fund and transfers from other funds into the general fund, (d) any legal
2 expenses in excess of fifteen-hundredths of one percent of the formula
3 need for the school fiscal year in which the expenses occurred, (e)
4 expenditures to pay for sums agreed to be paid by a school district to
5 certificated employees in exchange for a voluntary termination occurring
6 prior to July 1, 2009, occurring on or after the last day of the 2010-11
7 school year and prior to the first day of the 2013-14 school year, or, to
8 the extent that a district has demonstrated to the State Board of
9 Education pursuant to section 79-1028.01 that the agreement will result
10 in a net savings in salary and benefit costs to the school district over
11 a five-year period, occurring on or after the first day of the 2013-14
12 school year, (f)(i) expenditures to pay for employer contributions
13 pursuant to subsection (2) of section 79-958 to the School Employees
14 Retirement System of the State of Nebraska to the extent that such
15 expenditures exceed the employer contributions under such subsection that
16 would have been made at a contribution rate of seven and thirty-five
17 hundredths percent or (ii) expenditures to pay for school district
18 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
19 the retirement system established pursuant to the Class V School
20 Employees Retirement Act to the extent that such expenditures exceed the
21 school district contributions under such subdivision that would have been
22 made at a contribution rate of seven and thirty-seven hundredths percent,
23 and (g) any amounts paid by the district for lobbyist fees and expenses
24 reported to the Clerk of the Legislature pursuant to section 49-1483.

25 For purposes of this subdivision (23) of this section, receipts from
26 levy override elections shall equal ninety-nine percent of the difference
27 of the total general fund levy minus a levy of one dollar and five cents
28 per one hundred dollars of taxable valuation multiplied by the assessed
29 valuation for school districts that have voted pursuant to section
30 77-3444 to override the maximum levy provided pursuant to section
31 77-3442;

1 (24) High school district means a school district providing
2 instruction in at least grades nine through twelve;

3 (25) Income tax liability means the amount of the reported income
4 tax liability for resident individuals pursuant to the Nebraska Revenue
5 Act of 1967 less all nonrefundable credits earned and refunds made;

6 (26) Income tax receipts means the amount of income tax collected
7 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
8 credits earned and refunds made;

9 (27) Limited English proficiency students means the number of
10 students with limited English proficiency in a district from the most
11 recent data available on November 1 of the school fiscal year preceding
12 the school fiscal year in which aid is to be paid plus the difference of
13 such students with limited English proficiency minus the average number
14 of limited English proficiency students for such district, prior to such
15 addition, for the three immediately preceding school fiscal years if such
16 difference is greater than zero;

17 (28) Local system means a learning community for purposes of
18 calculation of state aid for each school fiscal year prior to school
19 fiscal year 2017-18, a unified system, a Class VI district and the
20 associated Class I districts, or a Class II, III, IV, or V district and
21 any affiliated Class I districts or portions of Class I districts. The
22 membership, expenditures, and resources of Class I districts that are
23 affiliated with multiple high school districts will be attributed to
24 local systems based on the percent of the Class I valuation that is
25 affiliated with each high school district;

26 (29) Low-income child means (a) for school fiscal years prior to
27 2016-17, a child under nineteen years of age living in a household having
28 an annual adjusted gross income for the second calendar year preceding
29 the beginning of the school fiscal year for which aid is being calculated
30 equal to or less than the maximum household income that would allow a
31 student from a family of four people to be a free lunch and free milk

1 student during the school fiscal year immediately preceding the school
2 fiscal year for which aid is being calculated and (b) for school fiscal
3 year 2016-17 and each school fiscal year thereafter, a child under
4 nineteen years of age living in a household having an annual adjusted
5 gross income for the second calendar year preceding the beginning of the
6 school fiscal year for which aid is being calculated equal to or less
7 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
8 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
9 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
10 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
11 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
12 existed on January 1, 2015, for a household of that size that would have
13 allowed the child to meet the income qualifications for free meals during
14 the school fiscal year immediately preceding the school fiscal year for
15 which aid is being calculated;

16 (30) Low-income students means the number of low-income children
17 within the district multiplied by the ratio of the formula students in
18 the district divided by the total children under nineteen years of age
19 residing in the district as derived from income tax information;

20 (31) Most recently available complete data year means the most
21 recent single school fiscal year for which the annual financial report,
22 fall school district membership report, annual statistical summary,
23 Nebraska income tax liability by school district for the calendar year in
24 which the majority of the school fiscal year falls, and adjusted
25 valuation data are available;

26 (32) Poverty students means (a) for school fiscal years prior to
27 2016-17, the number of low-income students or the number of students who
28 are free lunch and free milk students in a district plus the difference
29 of the number of low-income students or the number of students who are
30 free lunch and free milk students in a district, whichever is greater,
31 minus the average number of poverty students for such district, prior to

1 such addition, for the three immediately preceding school fiscal years if
2 such difference is greater than zero and (b) for school fiscal year
3 2016-17 and each school fiscal year thereafter, the unadjusted poverty
4 students plus the difference of such unadjusted poverty students minus
5 the average number of poverty students for such district, prior to such
6 addition, for the three immediately preceding school fiscal years if such
7 difference is greater than zero;

8 (33) Qualified early childhood education average daily membership
9 means (a) for aid calculated for school fiscal years prior to school
10 fiscal year 2018-19, the product of sixty percent of the average daily
11 membership for school fiscal year 2006-07 and each school fiscal year
12 thereafter of students who will be eligible to attend kindergarten the
13 following school year and are enrolled in an early childhood education
14 program approved by the department pursuant to section 79-1103 for such
15 school district for such school year multiplied by the ratio of the
16 actual instructional hours of the program divided by one thousand thirty-
17 two if: (i) {a} The program is receiving a grant pursuant to such section
18 for the third year; (ii) {b} the program has already received grants
19 pursuant to such section for three years; or (iii) {c} the program has
20 been approved pursuant to subsection (5) of section 79-1103 for such
21 school year and the two preceding school years, including any such
22 students in portions of any of such programs receiving an expansion grant
23 and (b) for aid calculated for school fiscal year 2018-19 and each school
24 fiscal year thereafter, the product of eighty percent of the average
25 daily membership of students who will be eligible to attend kindergarten
26 in one of the two immediately following school years and are enrolled in
27 an early childhood education program approved by the department pursuant
28 to section 79-1103 for such school district for such school year
29 multiplied by the ratio of the actual instructional hours of the program
30 divided by one thousand thirty-two if: (i) The program is receiving a
31 grant pursuant to such section for the third year; (ii) the program has

1 already received grants pursuant to such section for three years; or
2 (iii) the program has been approved pursuant to subsection (5) of section
3 79-1103 for such school year and the two preceding school years,
4 including any such students in portions of any of such programs receiving
5 an expansion grant;

6 (34) Qualified early childhood education fall membership means (a)
7 for aid calculated for school fiscal years prior to school fiscal year
8 2018-19, the product of sixty percent of the membership on the last
9 Friday in September 2006 and each year thereafter of students who will be
10 eligible to attend kindergarten the following school year and are
11 enrolled in an early childhood education program approved by the
12 department pursuant to section 79-1103 for such school district for such
13 school year multiplied by the ratio of the planned instructional hours of
14 the program divided by one thousand thirty-two if: (i) {a} The program is
15 receiving a grant pursuant to such section for the third year; (ii) {b}
16 the program has already received grants pursuant to such section for
17 three years; or (iii) {c} the program has been approved pursuant to
18 subsection (5) of section 79-1103 for such school year and the two
19 preceding school years, including any such students in portions of any of
20 such programs receiving an expansion grant and (b) for aid calculated for
21 school fiscal year 2018-19 and each school fiscal year thereafter, the
22 product of eighty percent of the membership on the last Friday in
23 September of students who will be eligible to attend kindergarten in one
24 of the two immediately following school years and are enrolled in an
25 early childhood education program approved by the department pursuant to
26 section 79-1103 for such school district for such school year multiplied
27 by the ratio of the planned instructional hours of the program divided by
28 one thousand thirty-two if: (i) The program is receiving a grant pursuant
29 to such section for the third year; (ii) the program has already received
30 grants pursuant to such section for three years; or (iii) the program has
31 been approved pursuant to subsection (5) of section 79-1103 for such

1 school year and the two preceding school years, including any such
2 students in portions of any of such programs receiving an expansion
3 grant;

4 (35) Regular route transportation means the transportation of
5 students, including early childhood education students, on regularly
6 scheduled daily routes to and from the attendance center;

7 (36) Reorganized district means any district involved in a
8 consolidation and currently educating students following consolidation;

9 (37) School year or school fiscal year means the fiscal year of a
10 school district as defined in section 79-1091;

11 (38) Sparse local system means a local system that is not a very
12 sparse local system but which meets the following criteria:

13 (a)(i) Less than two students per square mile in the county in which
14 each high school is located, based on the school district census, (ii)
15 less than one formula student per square mile in the local system, and
16 (iii) more than ten miles between each high school attendance center and
17 the next closest high school attendance center on paved roads;

18 (b)(i) Less than one and one-half formula students per square mile
19 in the local system and (ii) more than fifteen miles between each high
20 school attendance center and the next closest high school attendance
21 center on paved roads;

22 (c)(i) Less than one and one-half formula students per square mile
23 in the local system and (ii) more than two hundred seventy-five square
24 miles in the local system; or

25 (d)(i) Less than two formula students per square mile in the local
26 system and (ii) the local system includes an area equal to ninety-five
27 percent or more of the square miles in the largest county in which a high
28 school attendance center is located in the local system;

29 (39) Special education means specially designed kindergarten through
30 grade twelve instruction pursuant to section 79-1125, and includes
31 special education transportation;

1 (40) Special grant funds means the budgeted receipts for grants,
2 including, but not limited to, categorical funds, reimbursements for
3 wards of the court, short-term borrowings including, but not limited to,
4 registered warrants and tax anticipation notes, interfund loans,
5 insurance settlements, and reimbursements to county government for
6 previous overpayment. The state board shall approve a listing of grants
7 that qualify as special grant funds;

8 (41) State aid means the amount of assistance paid to a district
9 pursuant to the Tax Equity and Educational Opportunities Support Act;

10 (42) State board means the State Board of Education;

11 (43) State support means all funds provided to districts by the
12 State of Nebraska for the general fund support of elementary and
13 secondary education;

14 (44) Statewide average basic funding per formula student means the
15 statewide total basic funding for all districts divided by the statewide
16 total formula students for all districts;

17 (45) Statewide average general fund operating expenditures per
18 formula student means the statewide total general fund operating
19 expenditures for all districts divided by the statewide total formula
20 students for all districts;

21 (46) Teacher has the definition found in section 79-101;

22 (47) Temporary aid adjustment factor means (a) for school fiscal
23 years before school fiscal year 2007-08, one and one-fourth percent of
24 the sum of the local system's transportation allowance, the local
25 system's special receipts allowance, and the product of the local
26 system's adjusted formula students multiplied by the average formula cost
27 per student in the local system's cost grouping and (b) for school fiscal
28 year 2007-08, one and one-fourth percent of the sum of the local system's
29 transportation allowance, special receipts allowance, and distance
30 education and telecommunications allowance and the product of the local
31 system's adjusted formula students multiplied by the average formula cost

1 per student in the local system's cost grouping;

2 (48) Tuition receipts from converted contracts means tuition
3 receipts received by a district from another district in the most
4 recently available complete data year pursuant to a converted contract
5 prior to the expiration of the contract;

6 (49) Tuitioned students means students in kindergarten through grade
7 twelve of the district whose tuition is paid by the district to some
8 other district or education agency;

9 (50) Unadjusted poverty students means, for school fiscal year
10 2016-17 and each school fiscal year thereafter, the greater of the number
11 of low-income students or the free lunch and free milk calculated
12 students in a district; and

13 (51) Very sparse local system means a local system that has:

14 (a)(i) Less than one-half student per square mile in each county in
15 which each high school attendance center is located based on the school
16 district census, (ii) less than one formula student per square mile in
17 the local system, and (iii) more than fifteen miles between the high
18 school attendance center and the next closest high school attendance
19 center on paved roads; or

20 (b)(i) More than four hundred fifty square miles in the local
21 system, (ii) less than one-half student per square mile in the local
22 system, and (iii) more than fifteen miles between each high school
23 attendance center and the next closest high school attendance center on
24 paved roads.

25 Sec. 3. (1) For school fiscal year 2018-19 and each school fiscal
26 year thereafter, the department shall calculate an early childhood
27 education allowance for each district as follows:

28 (a) For state aid certified pursuant to section 79-1022, the early
29 childhood education allowance for each school district shall equal the
30 product of the qualified early childhood education fall membership
31 multiplied by the statewide average general fund operating expenditures

1 per formula student; and

2 (b) For the final calculation of state aid certified pursuant to
3 section 79-1065, the early childhood education allowance for each school
4 district shall equal the product of the qualified early childhood
5 education average daily membership multiplied by the statewide average
6 general fund operating expenditures per formula student.

7 (2) For school fiscal year 2018-19 and each school fiscal year
8 thereafter, the department shall calculate early childhood education
9 transportation costs for each district which shall equal the sum of:

10 (a) The number of miles included in the calculation of the
11 transportation allowance that were traveled by vehicles owned, leased, or
12 contracted by the district or the districts in the local system for the
13 purpose of regular route transportation for routes used exclusively to
14 transport early childhood education students multiplied by four hundred
15 percent of the mileage rate established by the Department of
16 Administrative Services pursuant to section 81-1176 as of January 1 of
17 the most recently available complete data year; plus

18 (b) The in lieu of transportation expenditures pursuant to section
19 79-611 included in the calculation for the transportation allowance that
20 were paid exclusively to transport early childhood education students.

21 (3) Fifty percent of the sum of the early childhood education
22 allowance calculated pursuant to this section plus the early childhood
23 education transportation costs calculated pursuant to this section shall
24 be paid to such school district as early childhood education aid for the
25 school fiscal year for which aid is being calculated.

26 (4) For purposes of the Tax Equity and Educational Opportunities
27 Support Act, if an educational service unit provides an early childhood
28 education program approved by the department pursuant to section 79-1103
29 for one or more school districts, the early childhood education students
30 and the associated expenditures of a school district shall continue to be
31 attributable to such school district.

1 Sec. 4. Section 79-1007.11, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1007.11 (1) Except as otherwise provided in this section, for
4 school fiscal years 2013-14 through 2015-16, each school district's
5 formula need shall equal the difference of the sum of the school
6 district's basic funding, poverty allowance, limited English proficiency
7 allowance, focus school and program allowance, summer school allowance,
8 special receipts allowance, transportation allowance, elementary site
9 allowance, instructional time allowance, teacher education allowance,
10 distance education and telecommunications allowance, averaging
11 adjustment, new learning community transportation adjustment, student
12 growth adjustment, any positive student growth adjustment correction, and
13 new school adjustment, minus the sum of the limited English proficiency
14 allowance correction, poverty allowance correction, and any negative
15 student growth adjustment correction.

16 (2) Except as otherwise provided in this section, for school fiscal
17 year 2016-17, each school district's formula need shall equal the
18 difference of the sum of the school district's basic funding, poverty
19 allowance, limited English proficiency allowance, focus school and
20 program allowance, summer school allowance, special receipts allowance,
21 transportation allowance, elementary site allowance, best practices
22 allowance, distance education and telecommunications allowance, averaging
23 adjustment, new learning community transportation adjustment, student
24 growth adjustment, any positive student growth adjustment correction, and
25 new school adjustment, minus the sum of the limited English proficiency
26 allowance correction, poverty allowance correction, and any negative
27 student growth adjustment correction.

28 (3) Except as otherwise provided in this section, for school fiscal
29 year ~~years 2017-18 and 2018-19~~, each school district's formula need shall
30 equal the difference of the sum of the school district's basic funding,
31 poverty allowance, poverty allowance adjustment, limited English

1 proficiency allowance, focus school and program allowance, summer school
2 allowance, special receipts allowance, transportation allowance,
3 elementary site allowance, best practices allowance, distance education
4 and telecommunications allowance, averaging adjustment, new community
5 achievement plan adjustment, student growth adjustment, any positive
6 student growth adjustment correction, and new school adjustment minus the
7 sum of the limited English proficiency allowance correction, poverty
8 allowance correction, and any negative student growth adjustment
9 correction.

10 (4) Except as otherwise provided in this section, for school fiscal
11 year 2018-19, each school district's formula need shall equal the
12 difference of the sum of the school district's basic funding, poverty
13 allowance, poverty allowance adjustment, limited English proficiency
14 allowance, focus school and program allowance, summer school allowance,
15 early childhood education allowance, special receipts allowance,
16 transportation allowance, elementary site allowance, best practices
17 allowance, distance education and telecommunications allowance, averaging
18 adjustment, new community achievement plan adjustment, student growth
19 adjustment, any positive student growth adjustment correction, and new
20 school adjustment minus the sum of the limited English proficiency
21 allowance correction, poverty allowance correction, and any negative
22 student growth adjustment correction.

23 (5) (4) Except as otherwise provided in this section, for school
24 fiscal year 2019-20 and each school fiscal year thereafter, each school
25 district's formula need shall equal the difference of the sum of the
26 school district's basic funding, poverty allowance, limited English
27 proficiency allowance, focus school and program allowance, summer school
28 allowance, early childhood education allowance, special receipts
29 allowance, transportation allowance, elementary site allowance, best
30 practices allowance, distance education and telecommunications allowance,
31 community achievement plan allowance, averaging adjustment, new community

1 achievement plan adjustment, student growth adjustment, any positive
2 student growth adjustment correction, and new school adjustment minus the
3 sum of the limited English proficiency allowance correction, poverty
4 allowance correction, and any negative student growth adjustment
5 correction.

6 (6) ~~(5)~~ If the formula need calculated for a school district
7 pursuant to subsections (1) through (5) ~~(4)~~ of this section is less than
8 one hundred percent of the formula need for such district for the school
9 fiscal year immediately preceding the school fiscal year for which aid is
10 being calculated, the formula need for such district shall equal one
11 hundred percent of the formula need for such district for the school
12 fiscal year immediately preceding the school fiscal year for which aid is
13 being calculated.

14 (7) ~~(6)~~ If the formula need calculated for a school district
15 pursuant to subsections (1) through (5) ~~(4)~~ of this section is more than
16 one hundred twelve percent of the formula need for such district for the
17 school fiscal year immediately preceding the school fiscal year for which
18 aid is being calculated, the formula need for such district shall equal
19 one hundred twelve percent of the formula need for such district for the
20 school fiscal year immediately preceding the school fiscal year for which
21 aid is being calculated, except that the formula need shall not be
22 reduced pursuant to this subsection for any district receiving a student
23 growth adjustment for the school fiscal year for which aid is being
24 calculated.

25 (8) ~~(7)~~ For purposes of subsections (6) ~~(5)~~ and (7) ~~(6)~~ of this
26 section, the formula need for the school fiscal year immediately
27 preceding the school fiscal year for which aid is being calculated shall
28 be the formula need used in the final calculation of aid pursuant to
29 section 79-1065 and for districts that were affected by a reorganization
30 with an effective date in the calendar year preceding the calendar year
31 in which aid is certified for the school fiscal year for which aid is

1 being calculated, the formula need for the school fiscal year immediately
2 preceding the school fiscal year for which aid is being calculated shall
3 be attributed to the affected school districts based on information
4 provided to the department by the school districts or proportionally
5 based on the adjusted valuation transferred if sufficient information has
6 not been provided to the department.

7 Sec. 5. Section 79-1017.01, Revised Statutes Cumulative Supplement,
8 2016, is amended to read:

9 79-1017.01 (1) For state aid calculated for school fiscal years
10 2014-15 and 2015-16, local system formula resources includes other actual
11 receipts determined pursuant to section 79-1018.01, net option funding
12 determined pursuant to section 79-1009, teacher education aid determined
13 pursuant to section 79-1007.25, instructional time aid determined
14 pursuant to subsection (2) of section 79-1007.23, allocated income tax
15 funds determined pursuant to section 79-1005.01, and minimum levy
16 adjustments determined pursuant to section 79-1008.02 and is reduced by
17 amounts paid by the district in the most recently available complete data
18 year as property tax refunds pursuant to or in the manner prescribed by
19 section 77-1736.06.

20 (2) For state aid calculated for school fiscal years ~~year~~ 2016-17
21 and 2017-18 ~~each school fiscal year thereafter~~, local system formula
22 resources includes other actual receipts determined pursuant to section
23 79-1018.01, net option funding determined pursuant to section 79-1009,
24 best practices aid determined pursuant to section 79-1004, if any
25 districts in the local system qualify, allocated income tax funds
26 determined pursuant to section 79-1005.01, community achievement plan aid
27 determined pursuant to section 79-1005, and minimum levy adjustments
28 determined pursuant to section 79-1008.02 for school fiscal years prior
29 to school fiscal year 2017-18, and is reduced by amounts paid by the
30 district in the most recently available complete data year as property
31 tax refunds pursuant to or in the manner prescribed by section

1 77-1736.06.

2 (3) For state aid calculated for school fiscal year 2018-19 and each
3 school fiscal year thereafter, local system formula resources includes
4 other actual receipts determined pursuant to section 79-1018.01, net
5 option funding determined pursuant to section 79-1009, early childhood
6 education aid, best practices aid determined pursuant to section 79-1004,
7 if any districts in the local system qualify, allocated income tax funds
8 determined pursuant to section 79-1005.01, and community achievement plan
9 aid determined pursuant to section 79-1005, and is reduced by amounts
10 paid by the district in the most recently available complete data year as
11 property tax refunds pursuant to or in the manner prescribed by section
12 77-1736.06.

13 Sec. 6. Original sections 79-1001, 79-1003, 79-1007.11, and
14 79-1017.01, Revised Statutes Cumulative Supplement, 2016, are repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 540

Introduced by Stinner, 48.

Read first time January 18, 2017

Committee: Education

1 A BILL FOR AN ACT relating to the Tax Equity and Educational
2 Opportunities Support Act; to amend sections 79-1003, 79-1005.01,
3 79-1007.11, and 79-1009, Revised Statutes Cumulative Supplement,
4 2016; to redefine and provide for a temporary aid adjustment factor;
5 to change the calculation of formula need, allocated income tax
6 funds, and net option funding; to harmonize provisions; to repeal
7 the original sections; and to declare an emergency.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-1003, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1003 For purposes of the Tax Equity and Educational Opportunities
4 Support Act:

5 (1) Adjusted general fund operating expenditures means (a) for
6 school fiscal years 2013-14 through 2015-16, the difference of the
7 general fund operating expenditures as calculated pursuant to subdivision
8 (23) of this section increased by the cost growth factor calculated
9 pursuant to section 79-1007.10, minus the transportation allowance,
10 special receipts allowance, poverty allowance, limited English
11 proficiency allowance, distance education and telecommunications
12 allowance, elementary site allowance, summer school allowance,
13 instructional time allowance, teacher education allowance, and focus
14 school and program allowance, (b) for school fiscal years 2016-17 through
15 2018-19, the difference of the general fund operating expenditures as
16 calculated pursuant to subdivision (23) of this section increased by the
17 cost growth factor calculated pursuant to section 79-1007.10, minus the
18 transportation allowance, special receipts allowance, poverty allowance,
19 limited English proficiency allowance, distance education and
20 telecommunications allowance, elementary site allowance, summer school
21 allowance, best practices allowance, and focus school and program
22 allowance, and (c) for school fiscal year 2019-20 and each school fiscal
23 year thereafter, the difference of the general fund operating
24 expenditures as calculated pursuant to subdivision (23) of this section
25 increased by the cost growth factor calculated pursuant to section
26 79-1007.10, minus the transportation allowance, special receipts
27 allowance, poverty allowance, limited English proficiency allowance,
28 distance education and telecommunications allowance, elementary site
29 allowance, summer school allowance, best practices allowance, community
30 achievement plan allowance, and focus school and program allowance;

31 (2) Adjusted valuation means the assessed valuation of taxable

1 property of each local system in the state, adjusted pursuant to the
2 adjustment factors described in section 79-1016. Adjusted valuation means
3 the adjusted valuation for the property tax year ending during the school
4 fiscal year immediately preceding the school fiscal year in which the aid
5 based upon that value is to be paid. For purposes of determining the
6 local effort rate yield pursuant to section 79-1015.01, adjusted
7 valuation does not include the value of any property which a court, by a
8 final judgment from which no appeal is taken, has declared to be
9 nontaxable or exempt from taxation;

10 (3) Allocated income tax funds means the amount of assistance paid
11 to a local system pursuant to section 79-1005.01 as adjusted, for school
12 fiscal years prior to school fiscal year 2017-18, by the minimum levy
13 adjustment pursuant to section 79-1008.02;

14 (4) Average daily membership means the average daily membership for
15 grades kindergarten through twelve attributable to the local system, as
16 provided in each district's annual statistical summary, and includes the
17 proportionate share of students enrolled in a public school instructional
18 program on less than a full-time basis;

19 (5) Base fiscal year means the first school fiscal year following
20 the school fiscal year in which the reorganization or unification
21 occurred;

22 (6) Board means the school board of each school district;

23 (7) Categorical funds means funds limited to a specific purpose by
24 federal or state law, including, but not limited to, Title I funds, Title
25 VI funds, federal vocational education funds, federal school lunch funds,
26 Indian education funds, Head Start funds, and funds from the Education
27 Innovation Fund;

28 (8) Consolidate means to voluntarily reduce the number of school
29 districts providing education to a grade group and does not include
30 dissolution pursuant to section 79-498;

31 (9) Converted contract means an expired contract that was in effect

1 for at least fifteen school years beginning prior to school year 2012-13
2 for the education of students in a nonresident district in exchange for
3 tuition from the resident district when the expiration of such contract
4 results in the nonresident district educating students, who would have
5 been covered by the contract if the contract were still in effect, as
6 option students pursuant to the enrollment option program established in
7 section 79-234;

8 (10) Converted contract option student means a student who will be
9 an option student pursuant to the enrollment option program established
10 in section 79-234 for the school fiscal year for which aid is being
11 calculated and who would have been covered by a converted contract if the
12 contract were still in effect and such school fiscal year is the first
13 school fiscal year for which such contract is not in effect;

14 (11) Department means the State Department of Education;

15 (12) District means any Class I, II, III, IV, V, or VI school
16 district and, beginning with the calculation of state aid for school
17 fiscal year 2011-12 and each school fiscal year thereafter, a unified
18 system as defined in section 79-4,108;

19 (13) Ensuing school fiscal year means the school fiscal year
20 following the current school fiscal year;

21 (14) Equalization aid means the amount of assistance calculated to
22 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
23 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

24 (15) Fall membership means the total membership in kindergarten
25 through grade twelve attributable to the local system as reported on the
26 fall school district membership reports for each district pursuant to
27 section 79-528;

28 (16) Fiscal year means the state fiscal year which is the period
29 from July 1 to the following June 30;

30 (17) Formula students means:

31 (a) For state aid certified pursuant to section 79-1022, the sum of

1 the product of fall membership from the school fiscal year immediately
2 preceding the school fiscal year in which the aid is to be paid
3 multiplied by the average ratio of average daily membership to fall
4 membership for the second school fiscal year immediately preceding the
5 school fiscal year in which the aid is to be paid and the prior two
6 school fiscal years plus sixty percent of the qualified early childhood
7 education fall membership plus tuitioned students from the school fiscal
8 year immediately preceding the school fiscal year in which aid is to be
9 paid minus the product of the number of students enrolled in kindergarten
10 that is not full-day kindergarten from the fall membership multiplied by
11 0.5; and

12 (b) For the final calculation of state aid pursuant to section
13 79-1065, the sum of average daily membership plus sixty percent of the
14 qualified early childhood education average daily membership plus
15 tuitioned students minus the product of the number of students enrolled
16 in kindergarten that is not full-day kindergarten from the average daily
17 membership multiplied by 0.5 from the school fiscal year immediately
18 preceding the school fiscal year in which aid was paid;

19 (18) Free lunch and free milk calculated students means, using the
20 most recent data available on November 1 of the school fiscal year
21 immediately preceding the school fiscal year in which aid is to be paid,
22 (a) for schools that did not provide free meals to all students pursuant
23 to the community eligibility provision, students who individually
24 qualified for free lunches or free milk pursuant to the federal Richard
25 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
26 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
27 and sections existed on January 1, 2015, and rules and regulations
28 adopted thereunder, plus (b) for schools that provided free meals to all
29 students pursuant to the community eligibility provision, (i) for school
30 fiscal year 2016-17, the product of the students who attended such school
31 multiplied by the identified student percentage calculated pursuant to

1 such federal provision or (ii) for school fiscal year 2017-18 and each
2 school fiscal year thereafter, the greater of the number of students in
3 such school who individually qualified for free lunch or free milk using
4 the most recent school fiscal year for which the school did not provide
5 free meals to all students pursuant to the community eligibility
6 provision or one hundred ten percent of the product of the students who
7 qualified for free meals at such school pursuant to the community
8 eligibility provision multiplied by the identified student percentage
9 calculated pursuant to such federal provision, except that the free lunch
10 and free milk students calculated for any school pursuant to subdivision
11 (18)(b)(ii) of this section shall not exceed one hundred percent of the
12 students qualified for free meals at such school pursuant to the
13 community eligibility provision;

14 (19) Free lunch and free milk student means, for school fiscal years
15 prior to school fiscal year 2016-17, a student who qualified for free
16 lunches or free milk from the most recent data available on November 1 of
17 the school fiscal year immediately preceding the school fiscal year in
18 which aid is to be paid;

19 (20) Full-day kindergarten means kindergarten offered by a district
20 for at least one thousand thirty-two instructional hours;

21 (21) General fund budget of expenditures means the total budget of
22 disbursements and transfers for general fund purposes as certified in the
23 budget statement adopted pursuant to the Nebraska Budget Act, except that
24 for purposes of the limitation imposed in section 79-1023 and the
25 calculation pursuant to subdivision (2) of section 79-1027.01, the
26 general fund budget of expenditures does not include any special grant
27 funds, exclusive of local matching funds, received by a district;

28 (22) General fund expenditures means all expenditures from the
29 general fund;

30 (23) General fund operating expenditures means for state aid
31 calculated for school fiscal years 2012-13 and each school fiscal year

1 thereafter, as reported on the annual financial report for the second
2 school fiscal year immediately preceding the school fiscal year in which
3 aid is to be paid, the total general fund expenditures minus (a) the
4 amount of all receipts to the general fund, to the extent that such
5 receipts are not included in local system formula resources, from early
6 childhood education tuition, summer school tuition, educational entities
7 as defined in section 79-1201.01 for providing distance education courses
8 through the Educational Service Unit Coordinating Council to such
9 educational entities, private foundations, individuals, associations,
10 charitable organizations, the textbook loan program authorized by section
11 79-734, federal impact aid, and levy override elections pursuant to
12 section 77-3444, (b) the amount of expenditures for categorical funds,
13 tuition paid, transportation fees paid to other districts, adult
14 education, community services, redemption of the principal portion of
15 general fund debt service, retirement incentive plans authorized by
16 section 79-855, and staff development assistance authorized by section
17 79-856, (c) the amount of any transfers from the general fund to any bond
18 fund and transfers from other funds into the general fund, (d) any legal
19 expenses in excess of fifteen-hundredths of one percent of the formula
20 need for the school fiscal year in which the expenses occurred, (e)
21 expenditures to pay for sums agreed to be paid by a school district to
22 certificated employees in exchange for a voluntary termination occurring
23 prior to July 1, 2009, occurring on or after the last day of the 2010-11
24 school year and prior to the first day of the 2013-14 school year, or, to
25 the extent that a district has demonstrated to the State Board of
26 Education pursuant to section 79-1028.01 that the agreement will result
27 in a net savings in salary and benefit costs to the school district over
28 a five-year period, occurring on or after the first day of the 2013-14
29 school year, (f)(i) expenditures to pay for employer contributions
30 pursuant to subsection (2) of section 79-958 to the School Employees
31 Retirement System of the State of Nebraska to the extent that such

1 expenditures exceed the employer contributions under such subsection that
2 would have been made at a contribution rate of seven and thirty-five
3 hundredths percent or (ii) expenditures to pay for school district
4 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
5 the retirement system established pursuant to the Class V School
6 Employees Retirement Act to the extent that such expenditures exceed the
7 school district contributions under such subdivision that would have been
8 made at a contribution rate of seven and thirty-seven hundredths percent,
9 and (g) any amounts paid by the district for lobbyist fees and expenses
10 reported to the Clerk of the Legislature pursuant to section 49-1483.

11 For purposes of this subdivision (23) of this section, receipts from
12 levy override elections shall equal ninety-nine percent of the difference
13 of the total general fund levy minus a levy of one dollar and five cents
14 per one hundred dollars of taxable valuation multiplied by the assessed
15 valuation for school districts that have voted pursuant to section
16 77-3444 to override the maximum levy provided pursuant to section
17 77-3442;

18 (24) High school district means a school district providing
19 instruction in at least grades nine through twelve;

20 (25) Income tax liability means the amount of the reported income
21 tax liability for resident individuals pursuant to the Nebraska Revenue
22 Act of 1967 less all nonrefundable credits earned and refunds made;

23 (26) Income tax receipts means the amount of income tax collected
24 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
25 credits earned and refunds made;

26 (27) Limited English proficiency students means the number of
27 students with limited English proficiency in a district from the most
28 recent data available on November 1 of the school fiscal year preceding
29 the school fiscal year in which aid is to be paid plus the difference of
30 such students with limited English proficiency minus the average number
31 of limited English proficiency students for such district, prior to such

1 addition, for the three immediately preceding school fiscal years if such
2 difference is greater than zero;

3 (28) Local system means a learning community for purposes of
4 calculation of state aid for each school fiscal year prior to school
5 fiscal year 2017-18, a unified system, a Class VI district and the
6 associated Class I districts, or a Class II, III, IV, or V district and
7 any affiliated Class I districts or portions of Class I districts. The
8 membership, expenditures, and resources of Class I districts that are
9 affiliated with multiple high school districts will be attributed to
10 local systems based on the percent of the Class I valuation that is
11 affiliated with each high school district;

12 (29) Low-income child means (a) for school fiscal years prior to
13 2016-17, a child under nineteen years of age living in a household having
14 an annual adjusted gross income for the second calendar year preceding
15 the beginning of the school fiscal year for which aid is being calculated
16 equal to or less than the maximum household income that would allow a
17 student from a family of four people to be a free lunch and free milk
18 student during the school fiscal year immediately preceding the school
19 fiscal year for which aid is being calculated and (b) for school fiscal
20 year 2016-17 and each school fiscal year thereafter, a child under
21 nineteen years of age living in a household having an annual adjusted
22 gross income for the second calendar year preceding the beginning of the
23 school fiscal year for which aid is being calculated equal to or less
24 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
25 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
26 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
27 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
28 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
29 existed on January 1, 2015, for a household of that size that would have
30 allowed the child to meet the income qualifications for free meals during
31 the school fiscal year immediately preceding the school fiscal year for

1 which aid is being calculated;

2 (30) Low-income students means the number of low-income children
3 within the district multiplied by the ratio of the formula students in
4 the district divided by the total children under nineteen years of age
5 residing in the district as derived from income tax information;

6 (31) Most recently available complete data year means the most
7 recent single school fiscal year for which the annual financial report,
8 fall school district membership report, annual statistical summary,
9 Nebraska income tax liability by school district for the calendar year in
10 which the majority of the school fiscal year falls, and adjusted
11 valuation data are available;

12 (32) Poverty students means (a) for school fiscal years prior to
13 2016-17, the number of low-income students or the number of students who
14 are free lunch and free milk students in a district plus the difference
15 of the number of low-income students or the number of students who are
16 free lunch and free milk students in a district, whichever is greater,
17 minus the average number of poverty students for such district, prior to
18 such addition, for the three immediately preceding school fiscal years if
19 such difference is greater than zero and (b) for school fiscal year
20 2016-17 and each school fiscal year thereafter, the unadjusted poverty
21 students plus the difference of such unadjusted poverty students minus
22 the average number of poverty students for such district, prior to such
23 addition, for the three immediately preceding school fiscal years if such
24 difference is greater than zero;

25 (33) Qualified early childhood education average daily membership
26 means the product of the average daily membership for school fiscal year
27 2006-07 and each school fiscal year thereafter of students who will be
28 eligible to attend kindergarten the following school year and are
29 enrolled in an early childhood education program approved by the
30 department pursuant to section 79-1103 for such school district for such
31 school year multiplied by the ratio of the actual instructional hours of

1 the program divided by one thousand thirty-two if: (a) The program is
2 receiving a grant pursuant to such section for the third year; (b) the
3 program has already received grants pursuant to such section for three
4 years; or (c) the program has been approved pursuant to subsection (5) of
5 section 79-1103 for such school year and the two preceding school years,
6 including any such students in portions of any of such programs receiving
7 an expansion grant;

8 (34) Qualified early childhood education fall membership means the
9 product of membership on the last Friday in September 2006 and each year
10 thereafter of students who will be eligible to attend kindergarten the
11 following school year and are enrolled in an early childhood education
12 program approved by the department pursuant to section 79-1103 for such
13 school district for such school year multiplied by the ratio of the
14 planned instructional hours of the program divided by one thousand
15 thirty-two if: (a) The program is receiving a grant pursuant to such
16 section for the third year; (b) the program has already received grants
17 pursuant to such section for three years; or (c) the program has been
18 approved pursuant to subsection (5) of section 79-1103 for such school
19 year and the two preceding school years, including any such students in
20 portions of any of such programs receiving an expansion grant;

21 (35) Regular route transportation means the transportation of
22 students on regularly scheduled daily routes to and from the attendance
23 center;

24 (36) Reorganized district means any district involved in a
25 consolidation and currently educating students following consolidation;

26 (37) School year or school fiscal year means the fiscal year of a
27 school district as defined in section 79-1091;

28 (38) Sparse local system means a local system that is not a very
29 sparse local system but which meets the following criteria:

30 (a)(i) Less than two students per square mile in the county in which
31 each high school is located, based on the school district census, (ii)

1 less than one formula student per square mile in the local system, and
2 (iii) more than ten miles between each high school attendance center and
3 the next closest high school attendance center on paved roads;

4 (b)(i) Less than one and one-half formula students per square mile
5 in the local system and (ii) more than fifteen miles between each high
6 school attendance center and the next closest high school attendance
7 center on paved roads;

8 (c)(i) Less than one and one-half formula students per square mile
9 in the local system and (ii) more than two hundred seventy-five square
10 miles in the local system; or

11 (d)(i) Less than two formula students per square mile in the local
12 system and (ii) the local system includes an area equal to ninety-five
13 percent or more of the square miles in the largest county in which a high
14 school attendance center is located in the local system;

15 (39) Special education means specially designed kindergarten through
16 grade twelve instruction pursuant to section 79-1125, and includes
17 special education transportation;

18 (40) Special grant funds means the budgeted receipts for grants,
19 including, but not limited to, categorical funds, reimbursements for
20 wards of the court, short-term borrowings including, but not limited to,
21 registered warrants and tax anticipation notes, interfund loans,
22 insurance settlements, and reimbursements to county government for
23 previous overpayment. The state board shall approve a listing of grants
24 that qualify as special grant funds;

25 (41) State aid means the amount of assistance paid to a district
26 pursuant to the Tax Equity and Educational Opportunities Support Act;

27 (42) State board means the State Board of Education;

28 (43) State support means all funds provided to districts by the
29 State of Nebraska for the general fund support of elementary and
30 secondary education;

31 (44) Statewide average basic funding per formula student means the

1 statewide total basic funding for all districts divided by the statewide
2 total formula students for all districts;

3 (45) Statewide average general fund operating expenditures per
4 formula student means the statewide total general fund operating
5 expenditures for all districts divided by the statewide total formula
6 students for all districts;

7 (46) Teacher has the definition found in section 79-101;

8 (47) Temporary aid adjustment factor means, for school fiscal years
9 2017-18 and 2018-19, an amount equal to XX percent of the preliminary
10 formula need of each school district as determined pursuant to section
11 79-1007.11 (a) for school fiscal years before school fiscal year 2007-08,
12 one and one-fourth percent of the sum of the local system's
13 transportation allowance, the local system's special receipts allowance,
14 and the product of the local system's adjusted formula students
15 multiplied by the average formula cost per student in the local system's
16 cost grouping and (b) for school fiscal year 2007-08, one and one-fourth
17 percent of the sum of the local system's transportation allowance,
18 special receipts allowance, and distance education and telecommunications
19 allowance and the product of the local system's adjusted formula students
20 multiplied by the average formula cost per student in the local system's
21 cost grouping;

22 (48) Tuition receipts from converted contracts means tuition
23 receipts received by a district from another district in the most
24 recently available complete data year pursuant to a converted contract
25 prior to the expiration of the contract;

26 (49) Tuitioned students means students in kindergarten through grade
27 twelve of the district whose tuition is paid by the district to some
28 other district or education agency;

29 (50) Unadjusted poverty students means, for school fiscal year
30 2016-17 and each school fiscal year thereafter, the greater of the number
31 of low-income students or the free lunch and free milk calculated

1 students in a district; and

2 (51) Very sparse local system means a local system that has:

3 (a)(i) Less than one-half student per square mile in each county in
4 which each high school attendance center is located based on the school
5 district census, (ii) less than one formula student per square mile in
6 the local system, and (iii) more than fifteen miles between the high
7 school attendance center and the next closest high school attendance
8 center on paved roads; or

9 (b)(i) More than four hundred fifty square miles in the local
10 system, (ii) less than one-half student per square mile in the local
11 system, and (iii) more than fifteen miles between each high school
12 attendance center and the next closest high school attendance center on
13 paved roads.

14 Sec. 2. Section 79-1005.01, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 79-1005.01 (1) Not later than November 15 of each year, the Tax
17 Commissioner shall certify to the department for the preceding tax year
18 the income tax liability of resident individuals for each local system.

19 (2)(a) ~~(2)~~ For school fiscal years prior to 2017-18, one hundred two
20 million two hundred eighty-nine thousand eight hundred seventeen dollars
21 which is equal to the amount appropriated to the School District Income
22 Tax Fund for distribution in school fiscal year 1992-93 shall be
23 disbursed as option payments as determined under section 79-1009 and as
24 allocated income tax funds as determined in this section and sections
25 79-1008.01, 79-1015.01, 79-1017.01, and 79-1018.01, except as provided in
26 section 79-1008.02 for school fiscal years prior to school fiscal year
27 2017-18. For school fiscal years prior to school fiscal year 2017-18,
28 funds not distributed as allocated income tax funds due to minimum levy
29 adjustments shall not increase the amount available to local systems for
30 distribution as allocated income tax funds.

31 (b) ~~(3)~~ Using the data certified by the Tax Commissioner pursuant to

1 subsection (1) of this section, the department shall calculate the
2 allocation percentage and each local system's allocated income tax funds.
3 The allocation percentage shall be the amount stated in subsection (2)(a)
4 ~~(2)~~ of this section minus the total amount paid for option students
5 pursuant to section 79-1009, with the difference divided by the aggregate
6 statewide income tax liability of all resident individuals certified
7 pursuant to subsection (1) of this section. Each local system's allocated
8 income tax funds shall be calculated by multiplying the allocation
9 percentage times the local system's income tax liability certified
10 pursuant to subsection (1) of this section.

11 (3) For school fiscal years 2017-18 and 2018-19, using the data
12 certified by the Tax Commissioner pursuant to subsection (1) of this
13 section, the department shall calculate the preliminary allocated income
14 tax funds for each local system by multiplying such local system's income
15 tax liability by two and twenty-three hundredths percent. The allocated
16 income tax funds distributed to each local system for such school fiscal
17 years shall equal the preliminary allocated income tax funds minus the
18 difference of the temporary aid adjustment factor for all school
19 districts in the local system minus the reduction in net option funding
20 for all school districts in the local system due to the temporary aid
21 adjustment factor, except that the allocated income tax funds shall not
22 be less than zero for any local system.

23 (4) For school fiscal year 2019-20 ~~2017-18~~ and each school fiscal
24 year thereafter, each local system's allocated income tax funds shall be
25 calculated by multiplying the local system's income tax liability
26 certified pursuant to subsection (1) of this section by two and twenty-
27 three hundredths percent.

28 Sec. 3. Section 79-1007.11, Revised Statutes Cumulative Supplement,
29 2016, is amended to read:

30 79-1007.11 (1) Except as otherwise provided in this section, for
31 school fiscal years 2013-14 through 2015-16, each school district's

1 formula need shall equal the difference of the sum of the school
2 district's basic funding, poverty allowance, limited English proficiency
3 allowance, focus school and program allowance, summer school allowance,
4 special receipts allowance, transportation allowance, elementary site
5 allowance, instructional time allowance, teacher education allowance,
6 distance education and telecommunications allowance, averaging
7 adjustment, new learning community transportation adjustment, student
8 growth adjustment, any positive student growth adjustment correction, and
9 new school adjustment, minus the sum of the limited English proficiency
10 allowance correction, poverty allowance correction, and any negative
11 student growth adjustment correction.

12 (2) Except as otherwise provided in this section, for school fiscal
13 year 2016-17, each school district's formula need shall equal the
14 difference of the sum of the school district's basic funding, poverty
15 allowance, limited English proficiency allowance, focus school and
16 program allowance, summer school allowance, special receipts allowance,
17 transportation allowance, elementary site allowance, best practices
18 allowance, distance education and telecommunications allowance, averaging
19 adjustment, new learning community transportation adjustment, student
20 growth adjustment, any positive student growth adjustment correction, and
21 new school adjustment, minus the sum of the limited English proficiency
22 allowance correction, poverty allowance correction, and any negative
23 student growth adjustment correction.

24 (3) Except as otherwise provided in this section, for school fiscal
25 years 2017-18 and 2018-19, each school district's preliminary formula
26 need shall equal the difference of the sum of the school district's basic
27 funding, poverty allowance, poverty allowance adjustment, limited English
28 proficiency allowance, focus school and program allowance, summer school
29 allowance, special receipts allowance, transportation allowance,
30 elementary site allowance, best practices allowance, distance education
31 and telecommunications allowance, averaging adjustment, new community

1 achievement plan adjustment, student growth adjustment, any positive
2 student growth adjustment correction, and new school adjustment minus the
3 sum of the limited English proficiency allowance correction, poverty
4 allowance correction, and any negative student growth adjustment
5 correction. Each school district's formula need for such school fiscal
6 year shall equal the preliminary formula need minus the temporary aid
7 adjustment factor, except that the temporary aid adjustment factor shall
8 not reduce formula need for any district by more than the sum of the
9 preliminary allocated income tax calculated pursuant to section
10 79-1005.01 plus the preliminary net option funding calculated pursuant to
11 section 79-1009.

12 (4) Except as otherwise provided in this section, for school fiscal
13 year 2019-20 and each school fiscal year thereafter, each school
14 district's formula need shall equal the difference of the sum of the
15 school district's basic funding, poverty allowance, limited English
16 proficiency allowance, focus school and program allowance, summer school
17 allowance, special receipts allowance, transportation allowance,
18 elementary site allowance, best practices allowance, distance education
19 and telecommunications allowance, community achievement plan allowance,
20 averaging adjustment, new community achievement plan adjustment, student
21 growth adjustment, any positive student growth adjustment correction, and
22 new school adjustment minus the sum of the limited English proficiency
23 allowance correction, poverty allowance correction, and any negative
24 student growth adjustment correction.

25 (5) If the formula need calculated for a school district pursuant to
26 subsections (1) through (4) of this section is less than one hundred
27 percent of the formula need for such district for the school fiscal year
28 immediately preceding the school fiscal year for which aid is being
29 calculated, the formula need for such district shall equal one hundred
30 percent of the formula need for such district for the school fiscal year
31 immediately preceding the school fiscal year for which aid is being

1 calculated.

2 (6) If the formula need calculated for a school district pursuant to
3 subsections (1) through (4) of this section is more than one hundred
4 twelve percent of the formula need for such district for the school
5 fiscal year immediately preceding the school fiscal year for which aid is
6 being calculated, the formula need for such district shall equal one
7 hundred twelve percent of the formula need for such district for the
8 school fiscal year immediately preceding the school fiscal year for which
9 aid is being calculated, except that the formula need shall not be
10 reduced pursuant to this subsection for any district receiving a student
11 growth adjustment for the school fiscal year for which aid is being
12 calculated.

13 (7) For purposes of subsections (5) and (6) of this section, the
14 formula need for the school fiscal year immediately preceding the school
15 fiscal year for which aid is being calculated shall be the formula need
16 used in the final calculation of aid pursuant to section 79-1065 and for
17 districts that were affected by a reorganization with an effective date
18 in the calendar year preceding the calendar year in which aid is
19 certified for the school fiscal year for which aid is being calculated,
20 the formula need for the school fiscal year immediately preceding the
21 school fiscal year for which aid is being calculated shall be attributed
22 to the affected school districts based on information provided to the
23 department by the school districts or proportionally based on the
24 adjusted valuation transferred if sufficient information has not been
25 provided to the department.

26 Sec. 4. Section 79-1009, Revised Statutes Cumulative Supplement,
27 2016, is amended to read:

28 79-1009 (1)(a) A district shall receive net option funding if (i)
29 option students as defined in section 79-233 were actually enrolled in
30 the school year immediately preceding the school year in which the aid is
31 to be paid, (ii) option students as defined in such section will be

1 enrolled in the school year in which the aid is to be paid as converted
2 contract option students, or (iii) for the calculation of aid for school
3 fiscal year 2017-18 for school districts that are members of a learning
4 community, open enrollment students were actually enrolled for school
5 year 2016-17 pursuant to section 79-2110.

6 (b) The determination of the net number of option students shall be
7 based on (i) the number of students enrolled in the district as option
8 students and the number of students residing in the district but enrolled
9 in another district as option students as of the day of the fall
10 membership count pursuant to section 79-528, for the school fiscal year
11 immediately preceding the school fiscal year in which aid is to be paid,
12 (ii) the number of option students that will be enrolled in the district
13 or enrolled in another district as converted contract option students for
14 the fiscal year in which the aid is to be paid, and (iii) for the
15 calculation of aid for school fiscal year 2017-18 for school districts
16 that are members of a learning community, the number of students enrolled
17 in the district as open enrollment students and the number of students
18 residing in the district but enrolled in another district as open
19 enrollment students as of the day of the fall membership count pursuant
20 to section 79-528 for school fiscal year 2016-17.

21 (c) Except as otherwise provided in this subsection, net number of
22 option students means the difference of the number of option students
23 enrolled in the district minus the number of students residing in the
24 district but enrolled in another district as option students. For
25 purposes of the calculation of aid for school fiscal year 2017-18 for
26 school districts that are members of a learning community, net number of
27 option students means the difference of the number of students residing
28 in another school district who are option students or open enrollment
29 students enrolled in the district minus the number of students residing
30 in the district but enrolled in another district as option students or
31 open enrollment students.

1 (2) Except as provided in subsection (3) For purposes of this
2 section, net option funding shall be the sum of the product of the net
3 number of option students multiplied by the statewide average basic
4 funding per formula student.~~(3)~~ A district's net option funding shall be
5 zero if the calculation produces a negative result.

6 (3) For school fiscal years 2017-18 and 2018-19, the department
7 shall calculate the preliminary net option funding for each school
8 district by multiplying the net number of option students by the
9 statewide average basic funding per formula student. The net option
10 funding to be distributed to each school district for such school fiscal
11 years shall equal the preliminary net option funding minus the temporary
12 aid adjustment factor, except that the net option funding shall not be
13 less than zero for any school district.

14 (4) Payments made under this section for school fiscal years prior
15 to school fiscal year 2017-18 shall be made from the funds to be
16 disbursed under section 79-1005.01.

17 (5) Such payments shall go directly to the option school district
18 but shall count as a formula resource for the local system.

19 Sec. 5. Original sections 79-1003, 79-1005.01, 79-1007.11, and
20 79-1009, Revised Statutes Cumulative Supplement, 2016, are repealed.

21 Sec. 6. Since an emergency exists, this act takes effect when
22 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 552

Introduced by Walz, 15; Bolz, 29; Hansen, 26.

Read first time January 18, 2017

Committee: Health and Human Services

- 1 A BILL FOR AN ACT relating to public health and welfare; to state intent;
- 2 to provide for a Children's Connection program; to provide duties
- 3 for the Division of Behavioral Health of the Department of Health
- 4 and Human Services and the behavioral health regions; and to state
- 5 intent relating to appropriations.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. The Legislature finds that:

2 (1) Early intervention is essential to developing life-long well-
3 being for children facing mental health needs;

4 (2) Mental health challenges are frequently identified in the school
5 setting;

6 (3) The findings of the Adverse Childhood Experiences Study
7 conducted by the federal Centers for Disease Control and Prevention make
8 it clear that childhood experiences have a tremendous impact on life-long
9 health and opportunity;

10 (4) Best practices are available for children and families to
11 promote health, stability, and well-being through treatment and therapy,
12 prevention, and early intervention. Such best practices can prevent entry
13 into the child welfare and juvenile justice systems as well as promote
14 mental health; and

15 (5) Creation of Children's Connection program initiatives in each of
16 the behavioral health regions established pursuant to section 71-807 will
17 provide the best practices described in subdivision (4) of this section.

18 Sec. 2. A Children's Connection program shall be created in each of
19 the behavioral health regions established pursuant to section 71-807.
20 Each program shall be a partnership between the behavioral health region
21 and Nebraska schools serving children in kindergarten through grade
22 eight.

23 The goals of the programs are to identify children with social and
24 emotional difficulties and to work with parents, schools, and health care
25 providers to provide timely, effective, and family-centered services in
26 order to prevent child welfare or juvenile justice system involvement.

27 Sec. 3. The Division of Behavioral Health of the Department of
28 Health and Human Services shall administer the Children's Connection
29 program. The division shall:

30 (1) Solicit annual program plans from each behavioral health region
31 and ensure that the plans meet initiative requirements;

1 (2) Identify evidence-based best practices in interventions for
2 children and provide evidence-based training to mental health
3 coordinators and community mental health providers on at least a biannual
4 basis; and

5 (3) Complete an annual evaluation of the program in each region
6 based on number of children referred and assessed, number of children
7 served, implementation of evidence-based practices, and improved health
8 and academic outcomes for children.

9 Sec. 4. Each behavioral health region shall develop a Children's
10 Connection program initiative with the following components:

11 (1) Formal agreements with specific referral sources, including, but
12 not limited to, public and private schools as well as the Nebraska Help
13 Line;

14 (2) Training for referral sources to recognize and refer children
15 who could benefit from the program;

16 (3) Formal agreements with community mental health providers to
17 serve children referred to the program with evidence-based strategies;

18 (4) Implementation of strategies to utilize available health
19 insurance or the medical assistance program;

20 (5) At least one mental health coordinator who shall meet with
21 families, assess needs, identify barriers to accessing services, and
22 assist with making connections to the health care provider;

23 (6) Funding specifically allocated for children who are assessed to
24 require treatment but do not have the means to pay for such treatment;

25 (7) Plans for collecting and submitting documentation of outcomes
26 and to participate in evaluation activities as required by the division;
27 and

28 (8) A budget including a local match of at least one-fourth of the
29 total cost of the initiative.

30 Sec. 5. It is the intent of the Legislature to appropriate two
31 million dollars each fiscal year to the Department of Health and Human

- 1 Services for distribution to each of the behavioral health regions to
- 2 establish a Children's Connection program.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 568

Introduced by Erdman, 47; Halloran, 33.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to teachers; to amend sections 79-808 and
- 2 79-814.01, Reissue Revised Statutes of Nebraska; to change
- 3 provisions related to temporary teaching certificates; to harmonize
- 4 provisions; and to repeal the original sections.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-808, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-808 (1) The board shall establish, adopt, and promulgate
4 appropriate rules, regulations, and procedures governing the issuance,
5 renewal, conversion, suspension, and revocation of certificates and
6 permits to teach, provide special services, and administer based upon (a)
7 earned college credit in humanities, social and natural sciences,
8 mathematics, or career and technical education, (b) earned college
9 credit, or its equivalent in professional education, for particular
10 teaching, special services, or administrative assignments, (c) criminal
11 history record information if the applicant has not been a continuous
12 Nebraska resident for five years immediately preceding application for
13 the first issuance of a certificate, (d) human relations training, (e)
14 successful teaching, administration, or provision of special services,
15 and (f) moral, mental, and physical fitness for teaching, all in
16 accordance with sound educational practices. Such rules, regulations, and
17 procedures shall also provide for endorsement requirements to indicate
18 areas of specialization on such certificates and permits.

19 (2)(a) Prior to August 1, 2018, the (2) The board may issue a
20 temporary certificate, valid for a period not to exceed two years, to any
21 applicant for certification who has not completed the human relations
22 training requirement.

23 (b) Beginning August 1, 2018, the board may issue a temporary
24 teaching certificate, valid for a period of five years, to any qualified
25 candidate. To be a qualified candidate, an applicant shall:

26 (i) Be twenty-one years of age or older;

27 (ii) Possess a valid high school diploma;

28 (iii) Complete twenty-four hours of inservice training;

29 (iv) Complete ten hours of classroom observation at each level for
30 (A) elementary school or early childhood education, (B) middle school,
31 and (C) high school for a total of thirty hours;

1 (v) Successfully complete a course and pass an examination
2 administered by the department with a score of at least eighty percent on
3 the Constitution of the United States;

4 (vi) Successfully complete a course and pass an examination
5 administered by the department with a score of at least eighty percent on
6 the Constitution of Nebraska;

7 (vii) Submit fingerprints for purposes of a search for criminal
8 history record information pursuant to section 79-814.01;

9 (viii) Complete an application for a temporary teaching certificate;
10 and

11 (ix) Submit an application fee not to exceed eighty dollars for a
12 resident who has resided within the state for the past two years or one
13 hundred dollars for any other applicant.

14 (3) Members of any advisory committee established by the board to
15 assist the board in teacher education and certification matters shall be
16 reimbursed for their actual and necessary expenses as provided in
17 sections 81-1174 to 81-1177. Each school district which has an employee
18 who serves as a member of such committee and which is required to hire a
19 person to replace such member during the member's attendance at meetings
20 or activities of the committee or any subcommittee thereof shall be
21 reimbursed from the Certification Fund for the expense it incurs from
22 hiring a replacement. School districts may excuse employees who serve on
23 such advisory committees from certain duties which conflict with any
24 advisory committee duties.

25 Sec. 2. Section 79-814.01, Reissue Revised Statutes of Nebraska, is
26 amended to read:

27 79-814.01 (1) Upon request by the commissioner, the Nebraska State
28 Patrol shall undertake a search for criminal history record information
29 relating to an applicant for a certificate pursuant to subdivision (1)(c)
30 or (2)(b) of section 79-808, including transmittal of the applicant's
31 fingerprints to the Federal Bureau of Investigation for a national

1 criminal history record information check. The criminal history record
2 information check shall include information concerning the applicant from
3 federal repositories of such information and repositories of such
4 information in other states if authorized by federal law. The Nebraska
5 State Patrol shall issue a report to the commissioner that shall include
6 the criminal history record information concerning the applicant.

7 (2) The commissioner may deny issuance of a certificate or permit to
8 any applicant who has a felony conviction or who has any misdemeanor
9 conviction involving abuse, neglect, or sexual misconduct. In reviewing
10 an applicant's criminal history record information, the commissioner
11 shall take into consideration any information, including information
12 submitted by the applicant, regarding (a) the facts and circumstances
13 surrounding a conviction, (b) the type of offense and the sentence
14 imposed, (c) whether the conduct resulting in a conviction would
15 constitute a crime in Nebraska, (d) the date of the offense, (e) the age
16 of the applicant at the time of the offense, and (f) the applicant's
17 conduct and positive social contributions since the offense.

18 (3) The board shall determine and set the costs for processing
19 criminal history record information checks pursuant to this section and
20 section 79-808 which shall be borne by the applicant for a certificate or
21 permit. The costs shall be limited to the actual direct costs arising
22 from the processing of the criminal history record information checks.

23 (4) Criminal history record information subject to federal
24 confidentiality requirements shall remain confidential and may be
25 released only upon the written authorization by the applicant, except
26 that if the applicant appeals the denial of a certificate or permit by
27 the commissioner, the filing of an administrative appeal shall constitute
28 a release of the information for the limited purpose of the appeal. If
29 the applicant requests a closed hearing, such request shall be subject to
30 the Open Meetings Act.

31 Sec. 3. Original sections 79-808 and 79-814.01, Reissue Revised

1 Statutes of Nebraska, are repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 575

Introduced by Kolowski, 31.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to education; to provide for legislative
- 2 findings; to define terms; to provide funding for schools
- 3 implementing and offering programs as prescribed; and to state
- 4 intent related to funding.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. The Legislature finds that:

2 (1) In order for Nebraska's students to adequately prepare for
3 postsecondary education and careers, public schools in conjunction with
4 educational service units in Nebraska should offer programs of
5 excellence;

6 (2) The startup costs of implementing and the ongoing costs of
7 offering such programs, including, but not limited to, curricula,
8 textbooks, testing fees, technology, equipment, staffing, staff training,
9 and other related expenses, can often exceed the resources available to a
10 school district or an educational service unit; and

11 (3) It is in the best interests of the state to provide a dedicated
12 source of funding to public schools in Nebraska through educational
13 service units for such programs.

14 Sec. 2. For purposes of sections 1 to 7 of this act, program of
15 excellence means a nationally recognized program offered in the high
16 school grades that includes a curriculum and pedagogy, professional
17 development for teachers, and a rigorous assessment external to the
18 school system.

19 Sec. 3. (1) Educational service units shall apply on behalf of
20 member school districts to the State Department of Education for
21 reimbursement calculated pursuant to section 4 of this act. School
22 districts seeking reimbursement pursuant to such section shall provide
23 documentation to the appropriate educational service unit of the number
24 of students in each program of excellence for which reimbursement is
25 requested and the number of students successfully completing such program
26 of excellence.

27 (2) Reimbursement shall be available based on students who
28 successfully complete a program of excellence. Applications shall be
29 submitted based on completions during the immediately preceding fiscal
30 year not later than August 1, 2018, and on or before August 1 of each
31 year thereafter. The department shall award the reimbursements provided

1 for in this section and distribute such reimbursements after September 1
2 and no later than October 1 of every year beginning in 2018.

3 Sec. 4. (1) For each student who successfully completes a program
4 of excellence, the department shall approve and reimburse the school
5 district through its educational service unit as provided in this section
6 if the school district through its educational service unit has applied
7 pursuant to section 3 of this act.

8 (2) The reimbursement for each qualifying school district shall be
9 determined by (a) dividing the statewide aggregate number of approved
10 students completing programs of excellence into the total funds
11 appropriated for such purpose and (b) multiplying the result by the
12 number of such approved students for such district.

13 (3) For purposes of the general fund budget of expenditures as
14 defined in section 79-1003, funds received pursuant to this section shall
15 be considered special grant funds.

16 Sec. 5. On or before January 1, 2019, and on or before each January
17 1 thereafter, the Commissioner of Education shall report to the
18 Legislature, with respect to the reimbursements distributed in the most
19 recent distribution period, the number of students in each qualifying
20 district for which reimbursement was made, the total reimbursement to
21 each qualifying district, and the total reimbursement for all qualifying
22 districts. The report shall be filed electronically.

23 Sec. 6. The State Board of Education shall adopt and promulgate
24 rules and regulations to carry out sections 1 to 5 of this act. Such
25 rules and regulations shall include, but not be limited to, mechanisms to
26 determine successful student completion of a program of excellence for
27 purposes of reimbursement authorized by section 4 of this act.

28 Sec. 7. It is the intent of the Legislature to appropriate from the
29 General Fund two million dollars for each fiscal year beginning with
30 fiscal year 2018-19 through fiscal year 2020-21 to carry out the purposes
31 of section 4 of this act.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 576

Introduced by Brewer, 43.

Read first time January 18, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to revenue and taxation; to limit increases in
- 2 property tax bills as prescribed.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. (1) For purposes of this section:

2 (a) Owner means an owner of real property in this state; and

3 (b) Property tax bill means the total amount owed to all political

4 subdivisions in this state for real property taxes as shown on the

5 owner's property tax statement.

6 (2) Notwithstanding any other provision of law to the contrary, an

7 owner's property tax bill for 2017 and 2018 shall not exceed such owner's

8 property tax bill for 2016.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 595

Introduced by Groene, 42.

Read first time January 18, 2017

Committee: Judiciary

- 1 A BILL FOR AN ACT relating to the Student Discipline Act; to amend
- 2 section 79-254, Reissue Revised Statutes of Nebraska; to provide for
- 3 use of physical force or physical restraint or removal from a class
- 4 in response to student behavior; to harmonize provisions; and to
- 5 repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-254, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-254 Sections 79-254 to 79-294 and sections 2 and 3 of this act
4 shall be known and may be cited as the Student Discipline Act.

5 Sec. 2. (1) If a student becomes physically violent toward himself
6 or herself, a teacher, an administrator, or another student, a teacher or
7 administrator may use necessary physical force or physical restraint to
8 subdue such student until such student no longer presents a danger to
9 himself or herself, the teacher, the administrator, or the other student.

10 (2) If a student exhibits destructive behavior toward school
11 property, a teacher or administrator may use physical restraint to subdue
12 such student until such student ceases the destructive behavior or the
13 student is removed from the classroom.

14 (3) Any action by a teacher or administrator pursuant to subsection
15 (1) or (2) of this section shall not be considered corporal punishment
16 pursuant to section 79-295.

17 (4) Any teacher or administrator defending himself or herself,
18 another teacher or administrator, or a student pursuant to subsection (1)
19 of this section or protecting school property pursuant to subsection (2)
20 of this section shall not be subject to legal action or administrative
21 discipline.

22 Sec. 3. (1) A teacher may remove a student from a class if the
23 teacher:

24 (a) Has documented that such student has repeatedly interfered with
25 such teacher's ability to communicate effectively with the students in
26 such class or with the ability of students in such class to learn;

27 (b) Determines such student's behavior is so unruly, disruptive, or
28 abusive that it seriously interferes with such teacher's ability to
29 communicate effectively with the students in the class or with the
30 ability of the students in the class to learn; or

31 (c) Determines such student has committed other disruptive acts that

1 merit discipline under the Student Discipline Act.

2 (2) If a teacher removes a student from a class pursuant to this
3 section, the principal of the school may place such student into another
4 appropriate classroom, into in-school suspension, or into an alternative
5 education program. The principal may not return such student to a class
6 taught by such teacher without the teacher's consent.

7 (3) A principal or other administrator shall not coerce a teacher to
8 consent to the return of a student to a class from which such student was
9 removed pursuant to this section.

10 (4) A teacher shall not be subject to legal action or administrative
11 discipline for removing a student from a class pursuant to subsection (1)
12 of this section.

13 Sec. 4. Original section 79-254, Reissue Revised Statutes of
14 Nebraska, is repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 608

Introduced by Linehan, 39.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to education; to adopt the Parental Choice
- 2 Scholarship Program Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known and may be
2 cited as the Parental Choice Scholarship Program Act.

3 Sec. 2. For purposes of the Parental Choice Scholarship Program
4 Act:

5 (1) Department means the State Department of Education;

6 (2) Eligible student means any student who has at least reached the
7 age of eligibility for kindergarten and has not reached the age of
8 twenty-one who resides in the attendance area of a school at the lowest
9 performance level established by the State Board of Education pursuant to
10 section 79-760.06;

11 (3) Participating school means a private school that provides
12 education to elementary, middle, or high school students and (a) has
13 notified the department of its intention to participate in the Parental
14 Choice Scholarship Program and (b) is in compliance with the requirements
15 of the act; and

16 (4) Resident school district means the school district in which the
17 student resides.

18 Sec. 3. (1) Beginning with the 2018-19 school year, any eligible
19 student shall qualify for a scholarship to enroll in and attend a
20 participating school and may attend such participating school until his
21 or her graduation from high school or his or her twenty-first birthday,
22 whichever comes first.

23 (2) A participating school that has more eligible students applying
24 than spaces available shall fill the available spaces by a random
25 selection process, except that participating schools may give preference
26 to siblings of enrolled and previously enrolled scholarship students.

27 (3) If a student is denied admission to a participating school
28 because it does not have available spaces, the eligible student may
29 transfer his or her scholarship to a participating school that has
30 available spaces.

31 Sec. 4. (1) Each participating student shall be counted in the

1 enrollment figures for his or her resident school district for the
2 purposes of calculating aid pursuant to the Tax Equity and Educational
3 Opportunities Support Act and for calculations pursuant to this section.

4 (2) Each school district shall divide the sum of state aid certified
5 pursuant to section 79-1022 and all anticipated local receipts for each
6 school fiscal year by the formula students as defined in section 79-1003
7 for such school fiscal year to calculate the anticipated revenue per
8 student.

9 (3) Each resident school district shall pay an amount equal to the
10 lesser of (a) seventy-five percent of the anticipated revenue per student
11 for such school fiscal year or (b) the cost of regular tuition, books,
12 and uniforms, if any, to the participating school on behalf of each
13 participating student residing in such school district.

14 (4) Such amount shall be paid in two payments each year on or before
15 the first Friday in September of such school fiscal year and on or before
16 the first Friday in January of such school fiscal year.

17 Sec. 5. (1) Each resident school district shall establish a
18 property tax relief fund that shall be used only to lower property taxes
19 for the following school fiscal year. Money in the fund shall be applied
20 to reduce the property tax request after the budget for the school
21 district has been adopted.

22 (2) Each resident school district shall transfer an amount equal to
23 twenty-five percent of the sum of the anticipated revenue per student
24 calculated pursuant to section 4 of this act for such school fiscal year
25 for each participating student to such district's property tax relief
26 fund.

27 Sec. 6. Each participating school shall submit financial
28 information, audited by a certified public accountant, and academic
29 accountability information to the department in the time and manner
30 prescribed in the rules and regulations adopted and promulgated pursuant
31 to section 9 of this act.

1 Sec. 7. The department shall ensure that all eligible students and
2 their parents are informed annually regarding the schools that will be
3 participating in the Parental Choice Scholarship Program and shall
4 develop a standard application.

5 Sec. 8. The resident school district shall remain responsible for
6 transportation as if the participating school was a school operated by
7 the school district to which the student was assigned.

8 Sec. 9. The department shall adopt and promulgate rules and
9 regulations to carry out the Parental Choice Scholarship Program Act and
10 shall revoke eligibility for any participating school district not in
11 compliance with the act or the rules and regulations adopted and
12 promulgated pursuant to this section. Such rules and regulations shall
13 contain, at a minimum, standards for financial and academic
14 accountability for participating schools.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 630

Introduced by Larson, 40; Linehan, 39.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend sections 13-903,
- 2 79-1007.12, 79-1065, and 79-1065.02, Reissue Revised Statutes of
- 3 Nebraska, and sections 48-801, 79-902, 79-978, 79-1001, and 79-1022,
- 4 Revised Statutes Cumulative Supplement, 2016; to adopt the
- 5 Independent Public Schools Act; to provide funding; to harmonize
- 6 provisions; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 19 of this act shall be known and may be
2 cited as the Independent Public Schools Act.

3 Sec. 2. The Legislature finds that independent public schools: (1)
4 Improve student learning by creating more high-performing schools with
5 high standards for student performance; (2) encourage the use of
6 different, high-quality models of teaching, governing, scheduling, or
7 other aspects of schooling that meet a variety of student needs; (3)
8 close achievement gaps between high-performing and low-performing groups
9 of public school students; (4) allow schools freedom and flexibility in
10 exchange for exceptional levels of results-driven accountability; (5)
11 increase high-quality educational opportunities within the public
12 education system for all students, especially those at risk of academic
13 failure; and (6) provide students, parents, community members, and local
14 entities with expanded opportunities for involvement in the public
15 education system.

16 Sec. 3. For purposes of the Independent Public Schools Act:
17 (1) Authorizer means the commission or the school district granting
18 the compact for an independent public school;

19 (2) Commission means the Independent Public School Authorizing and
20 Accountability Commission; and

21 (3) Independent public school means a public school operating under
22 a compact granted by an authorizer independently of any school board and
23 managed by a board of trustees.

24 Sec. 4. There is hereby established the Independent Public School
25 Authorizing and Accountability Commission.

26 (1) The commission shall be composed as follows:

27 (a) One member residing in each congressional district, appointed by
28 the Governor from a list for each congressional district of five
29 individuals residing in such congressional district submitted by the
30 Executive Board of the Legislative Council;

31 (b) One member residing in each congressional district, appointed by

1 the Governor from the citizenry of the state; and

2 (c) Two members of the State Board of Education chosen by the board.

3 (2) Members of the commission shall not be on a board of trustees of
4 an independent public school, have any financial interest in an
5 independent public school, serve as a member of a school board, or be
6 employed by an organization representing the interests of teachers,
7 school districts, or independent public schools.

8 (3)(a) Initial appointments by the Governor pursuant to subdivision
9 (1)(a) of this section for odd-numbered congressional districts shall be
10 for two-year terms and subsequent appointments and reappointments by the
11 Governor pursuant to subdivision (1)(a) of this section for such
12 congressional districts shall be for four-year terms.

13 (b) Appointments and reappointments by the Governor pursuant to
14 subdivision (1)(a) of this section for even-numbered congressional
15 districts shall be for four-year terms.

16 (c) Initial appointments by the Governor pursuant to subdivision (1)
17 (b) of this section for even-numbered congressional districts shall be
18 for two-year terms and subsequent appointments and reappointments by the
19 Governor pursuant to subdivision (1)(b) of this section for such
20 congressional districts shall be for four-year terms.

21 (d) Appointments and reappointments by the Governor pursuant to
22 subdivision (1)(b) of this section for odd-numbered congressional
23 districts shall be for five-year terms.

24 (e) Members of the State Board of Education chosen to serve on the
25 commission shall serve two-year terms.

26 (f) Members of the commission may be reappointed.

27 (4) Members of the commission appointed by the Governor, whether for
28 an initial appointment or a subsequent appointment, shall be subject to
29 the approval of a majority of the members of the Legislature, if the
30 Legislature is in session. If the Legislature is not in session, any
31 appointment shall be temporary until the next session of the Legislature,

1 at which time a majority of the members of the Legislature may approve or
2 disapprove such appointment.

3 (5) A vacancy on the commission shall occur upon the resignation or
4 death of a member, the ceasing to be a resident of the congressional
5 district for members appointed on the basis of their residence in a
6 congressional district, the termination of membership on the State Board
7 of Education for commission members chosen by such board, or the case
8 absence by a member from more than two consecutive meetings of the
9 commission, unless excused by a majority of the remaining members of the
10 commission.

11 (6) The commission shall hire an executive director and such other
12 staff as necessary to carry out the Independent Public Schools Act within
13 the funds appropriated by the Legislature.

14 Sec. 5. Persons or entities eligible to submit an application to
15 establish an independent public school include, but are not limited to,
16 teachers, parents, school administrators, community residents, public
17 organizations, or nonprofit organizations or a combination thereof. The
18 application may be filed in conjunction with a college, a university, a
19 museum, or another similar entity. School districts, denominational and
20 parochial schools, and schools which elect pursuant to section 79-1601
21 not to meet accreditation or approval requirements are not eligible to
22 submit an application to establish an independent public school.

23 Sec. 6. The commission shall adopt and promulgate rules and
24 regulations to carry out the Independent Public Schools Act for both
25 independent public schools operating pursuant to a compact granted by the
26 commission and for independent public schools operating pursuant to a
27 compact granted by a school district. Such rules and regulations shall
28 include, but not be limited to, the following:

29 (1) Authorization for the commission to grant and administer
30 compacts consistent with the act for (a) one or more independent public
31 schools to operate within the boundaries of any school district with at

1 least one school at the lowest performance level established by the State
2 Board of Education pursuant to section 79-760.06 and (b) any independent
3 public school for which the school board of the school district within
4 which the independent public school will or does operate has chosen to
5 entrust the commission with the duties of an authorizer for such
6 application or compact;

7 (2) Authorization for each school district to grant and administer
8 compacts consistent with the act for one or more independent public
9 schools to operate within the boundaries of such school district; and

10 (3) Such other rules and regulations as the commission deems
11 necessary.

12 Sec. 7. (1) Each independent public school shall be open to all
13 students on a space-available basis and shall not discriminate on the
14 basis of race, color, national origin, creed, sex, ethnicity, sexual
15 orientation, mental or physical disability, age, ancestry, athletic
16 performance, special needs, proficiency in the English language, or
17 academic achievement.

18 (2) Any independent public school may limit enrollment to specific
19 grade levels or areas of focus of the school, such as mathematics,
20 science, or the arts.

21 (3) No admission fee or tuition shall be charged to apply to or
22 attend an independent public school.

23 Sec. 8. (1)(a) Applications to establish independent public schools
24 shall be submitted no later than November 1 of each year for the
25 following school year.

26 (b) Each application shall include, but not be limited to:

27 (i) The name of the applicant or applicants;

28 (ii) A description of the proposed independent public school's
29 organizational structure and governing body;

30 (iii) A financial plan for the first five years of operation;

31 (iv) A description of the independent public school's physical plant

1 and location;

2 (v) A description of the grade levels to be included in the
3 independent public school;

4 (vi) A description of the proposed curriculum;

5 (vii) A mission statement and a vision statement for the school;

6 (viii) The student achievement goals for the school's educational
7 program and the chosen methods of evaluating whether students have
8 attained the skills and knowledge specified for those goals;

9 (ix) The school's plan for using external, internal, and state-
10 required assessments to measure student progress and how the school will
11 use data to drive instruction and continued school improvement;

12 (x) Plans and timelines for student recruitment, enrollment, and
13 lottery policies and procedures for the school;

14 (xi) A draft handbook that outlines the personnel policies of the
15 school, including the criteria to be used in the hiring of qualified
16 teachers, school administrators, and other school employees, a
17 description of staff responsibilities, and the school's plan to evaluate
18 personnel on an annual basis;

19 (xii) A draft of the policies and procedures by which students,
20 including students with disabilities, may be disciplined which shall be
21 consistent with the requirements of due process and with the Special
22 Education Act, other federal and state laws, rules, and regulations
23 relating to the placement of students with disabilities, and the Student
24 Discipline Act;

25 (xiii) A description of the health and food services to be provided
26 to students attending the school;

27 (xiv) Policies, methods, and strategies for serving students with
28 disabilities in compliance with the Special Education Act and all federal
29 laws and regulations relating thereto;

30 (xv) Procedures to be followed in the case of the closure or
31 dissolution of the independent public school, including provisions for

1 the transfer of students and student records to the school district in
2 which the independent public school is located or to another independent
3 public school located within such school district;

4 (xvi) A code of ethics for the independent public school, setting
5 forth for its board of trustees and employees the standards of conduct
6 expected of them;

7 (xvii) Plans for recruiting and developing staff;

8 (xviii) A staffing chart for the school's first year and a staffing
9 chart for the term of the compact;

10 (xix) Opportunities for parental and community involvement in the
11 school, including the role of parents in the administration and
12 governance of the school;

13 (xx) The school's plan for identifying and successfully serving
14 students with disabilities, students who are English language learners,
15 bilingual students, students who are academically behind grade level, and
16 students who are learners with high ability as defined in section
17 79-1107, including, but not limited to, the school's plan for compliance
18 with all applicable federal and state laws, rules, and regulations; and

19 (xxi) A detailed start-up plan, including tasks, timelines, and
20 individuals responsible for carrying out the plan.

21 (2)(a) In deciding whether to approve an application, an authorizer
22 shall: (i) Approve only applications submitted by applicants that have
23 demonstrated competence in all elements of the application requirements;
24 (ii) base decisions on documented evidence collected through the
25 application review process; and (iii) follow policies and practices that
26 are transparent, based on merit, and avoid conflicts of interest.

27 (b) An authorizer shall review the application and make the final
28 determination on granting or denying a compact no later than sixty days
29 after receiving the application. The application review process shall
30 include a thorough evaluation of each application, an in-person interview
31 with the applicant group, and an opportunity in a public forum for local

1 residents to provide input and learn about the application. An initial
2 compact shall be for a term of five years and may be renewed for
3 successive five-year periods. An authorizer may condition the grant of a
4 compact on the school's taking certain actions or maintaining certain
5 conditions. The authorizer shall make the decision to approve or deny the
6 application in an open meeting.

7 Sec. 9. (1) Application for renewal of a compact shall be submitted
8 to the authorizer by the board of trustees of an independent public
9 school no later than twelve months prior to the expiration of the compact
10 unless a different date is agreed upon by the authorizer and board. A
11 renewal application shall include:

12 (a) A report of the progress of the school in achieving the
13 educational objectives set forth in the application;

14 (b) A report of the progress of the school in meeting the goals of
15 the academic performance framework in the application;

16 (c) A detailed financial statement that discloses the costs of
17 administration, instruction, and other spending categories for the school
18 that will allow a comparison of the costs to other schools. The financial
19 statement shall be in the form prescribed by the authorizer;

20 (d) Copies of each of the annual reports of the school; and

21 (e) Indicators of parent and student satisfaction.

22 (2) In making a renewal decision, the authorizer shall base its
23 decision on evidence of the performance of the school over the term of
24 the compact and shall ensure that data used in making the decision is
25 available to the school and the public.

26 Sec. 10. The authorizer may, after notice and a hearing, place an
27 independent public school on probation based upon performance-based data
28 and evidence. An independent public school placed on probation may submit
29 a remedial action plan to the authorizer describing the actions the
30 school and its board of trustees will implement to correct the problems
31 described in the notice and at the hearing. If, after one calendar year

1 following submission, the remedial action plan has not been implemented
2 or in the opinion of the authorizer has not succeeded in solving such
3 problems, the authorizer may summarily revoke the compact. The commission
4 shall develop procedures and guidelines for revocation and renewal of an
5 independent public school's compact.

6 Sec. 11. Upon receiving a compact from an authorizer, an
7 independent public school shall be deemed a political subdivision and its
8 board of trustees authorized to supervise and control the independent
9 public school. An independent public school shall also be a body politic
10 and corporate with all powers necessary or desirable for carrying out its
11 compact, including, but not limited to, the following:

12 (1) To adopt a name and corporate seal, except that any name
13 selected must include the words independent public school;

14 (2) To sue and be sued as provided in the Political Subdivisions
15 Tort Claims Act;

16 (3) To acquire real property from public or private sources by
17 lease, lease with an option to purchase, or by gift for use as a school
18 facility;

19 (4) To receive and disburse funds for school purposes;

20 (5) To make contracts and leases for the procurement of services,
21 equipment, and supplies, except that if the board of trustees intends to
22 procure substantially all educational services under contract with
23 another person, the terms of such a contract shall be approved by the
24 authorizer, either as part of the original compact or by way of an
25 amendment thereto. The authorizer shall not approve any such contract
26 terms, the purpose or effect of which is to avoid the prohibition of the
27 Independent Public Schools Act against operation of an independent public
28 school by a denominational or parochial school or a school which elects
29 pursuant to section 79-1601 not to meet accreditation or approval
30 requirements;

31 (6) To incur temporary debt in anticipation of receipt of funds;

1 (7) To solicit and accept any grants or gifts for school purposes;
2 and

3 (8) To have such other powers available to a corporation formed
4 under the Nebraska Nonprofit Corporation Act that are not inconsistent
5 with the Independent Public Schools Act.

6 Sec. 12. Pursuant to the Public Elementary and Secondary Student
7 Fee Authorization Act, no tuition and no fees shall be charged for any
8 student attending an independent public school. Preference for enrollment
9 in an independent public school shall be given to students who reside in
10 the school district in which the school is located. If the total number
11 of students who are eligible to apply to and attend an independent public
12 school plus siblings of students already attending the school is greater
13 than the number of spaces available, the independent public school shall
14 conduct an admission lottery to fill all of the spaces in that school
15 from among such students.

16 Sec. 13. A student may withdraw from an independent public school
17 at any time and enroll (a) in the school district in which the student
18 resides, (b) in an option school district pursuant to the enrollment
19 option program established under sections 79-232 to 79-246, or (c) in a
20 private, denominational, or parochial school or a school which elects
21 pursuant to section 79-1601 not to meet accreditation or approval
22 requirements. A student may be expelled from an independent public school
23 in accordance with the Student Discipline Act.

24 Sec. 14. An independent public school may be located in all or part
25 of an existing public school building, in space provided on a private
26 work site, in a public building, or in any other suitable location. An
27 independent public school may own, lease, or rent its space.

28 Sec. 15. (1) An independent public school shall operate in
29 accordance with its compact, the fire and life safety provisions of law
30 applicable to public schools in Nebraska, and the performance, testing,
31 and assessment requirements of the Quality Education Accountability Act.

1 (2) Employees of an independent public school shall be considered
2 employees of a political subdivision for purposes of the Political
3 Subdivisions Tort Claims Act. A board of trustees of an independent
4 public school shall be considered a governing body for purposes of the
5 Political Subdivisions Tort Claims Act.

6 (3) The Class V School Employees Retirement Act shall apply to
7 employees of an independent public school authorized by the school board
8 of a Class V school district. The School Employees Retirement Act shall
9 apply to employees of all other independent public schools.

10 (4) Each school board shall grant a leave of absence to any teacher
11 employed by the school district requesting such leave in order to teach
12 in an independent public school. A teacher may request a leave of absence
13 for such purpose for a maximum of two years. At the end of the two-year
14 period, the teacher may (a) make a request to the school board or board
15 of education of the school district that such leave be extended for an
16 additional two years, which approval shall not be unreasonably withheld,
17 or (b) he or she may return to his or her employment with such school
18 district and be entitled to all retirement and other benefits earned
19 during his or her previous employment with such district. If such request
20 is granted, at the end of the fourth year the teacher may either return
21 to employment with such school district or, if he or she chooses to
22 continue teaching at the independent public school, resign from the
23 school district.

24 Sec. 16. The board of trustees of an independent public school
25 shall oversee implementation of the school's curriculum as described in
26 the application and develop the school's annual budget.

27 Sec. 17. The school district in which an independent public school
28 is located shall provide transportation to the independent public school
29 for students living in such school district who attend the independent
30 public school, on the same terms and conditions as transportation is
31 provided to students attending schools operated by such school district.

1 Students attending the independent public school who do not reside in the
2 school district in which the school is located shall be eligible for
3 transportation as provided for students pursuant to the option enrollment
4 program established under sections 79-232 to 79-246.

5 Sec. 18. (1) Each independent public school shall submit an annual
6 report to the authorizer, State Board of Education, each parent or
7 guardian of its enrolled students, and any other person on request. The
8 annual report shall be issued no later than November 1 of each year for
9 the preceding school year. The annual report shall be in such form as may
10 be prescribed by the authorizer and shall include at least the following
11 components:

12 (a) A discussion of progress made toward the achievement of the
13 goals set forth in the compact; and

14 (b) A financial statement setting forth by appropriate categories
15 the revenue and expenditures for the year just ended.

16 (2) The State Department of Education shall post each independent
17 public school's annual report on the department's web site.

18 Sec. 19. An individual or a group may file a complaint with an
19 independent public school's board of trustees concerning any claimed
20 violation of the Independent Public Schools Act by an independent public
21 school. If, after presenting such complaint to the trustees, the
22 individual or group believes the complaint has not been adequately
23 addressed, the individual or group may submit the complaint to the
24 authorizer who shall investigate such complaint and make a formal
25 response.

26 Sec. 20. An independent public school is part of the state's system
27 of public education, except that it is exempt from all statutes, rules,
28 and regulations applicable to schools as defined in section 79-101 unless
29 specifically provided otherwise in the Independent Public Schools Act.
30 The board of trustees of an independent public school may voluntarily
31 elect to have the school comply with such statutes, rules, and

1 regulations.

2 Sec. 21. Section 13-903, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 13-903 For purposes of the Political Subdivisions Tort Claims Act
5 and sections 16-727, 16-728, 23-175, 39-809, and 79-610, unless the
6 context otherwise requires:

7 (1) Political subdivision shall include villages, cities of all
8 classes, counties, school districts, learning communities, independent
9 public schools, public power districts, and all other units of local
10 government, including entities created pursuant to the Interlocal
11 Cooperation Act or Joint Public Agency Act. Political subdivision shall
12 not be construed to include any contractor with a political subdivision;

13 (2) Governing body shall mean the village board of a village, the
14 city council of a city, the board of commissioners or board of
15 supervisors of a county, the board of directors of a public power
16 district, the governing board or other governing body of an entity
17 created pursuant to the Interlocal Cooperation Act or Joint Public Agency
18 Act, the board of trustees of an independent public school, and any duly
19 elected or appointed body holding the power and authority to determine
20 the appropriations and expenditures of any other unit of local
21 government;

22 (3) Employee of a political subdivision shall mean any one or more
23 officers or employees of the political subdivision or any agency of the
24 subdivision and shall include members of the governing body, duly
25 appointed members of boards or commissions when they are acting in their
26 official capacity, volunteer firefighters, and volunteer rescue squad
27 personnel. Employee shall not be construed to include any contractor with
28 a political subdivision; and

29 (4) Tort claim shall mean any claim against a political subdivision
30 for money only on account of damage to or loss of property or on account
31 of personal injury or death, caused by the negligent or wrongful act or

1 omission of any employee of the political subdivision, while acting
2 within the scope of his or her office or employment, under circumstances
3 in which the political subdivision, if a private person, would be liable
4 to the claimant for such damage, loss, injury, or death but shall not
5 include any claim accruing before January 1, 1970.

6 Sec. 22. Section 48-801, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 48-801 As used in the Industrial Relations Act, unless the context
9 otherwise requires:

10 (1) Certificated employee has the same meaning as in section 79-824;

11 (2) Commission means the Commission of Industrial Relations;

12 (3) Commissioner means a member of the commission;

13 (4) Governmental service means all services performed under
14 employment by the State of Nebraska or any political or governmental
15 subdivision thereof, including public corporations, municipalities, and
16 public utilities;

17 (5) Industrial dispute includes any controversy between public
18 employers and public employees concerning terms, tenure, or conditions of
19 employment; the association or representation of persons in negotiating,
20 fixing, maintaining, changing, or seeking to arrange terms or conditions
21 of employment; or refusal to discuss terms or conditions of employment;

22 (6) Instructional employee means an employee of a community college
23 who provides direct instruction to students;

24 (7) Labor organization means any organization of any kind or any
25 agency or employee representation committee or plan, in which public
26 employees participate and which exists for the purpose, in whole or in
27 part, of dealing with public employers concerning grievances, labor
28 disputes, wages, rates of pay, hours of employment, or conditions of
29 work;

30 (8) Metropolitan statistical area means a metropolitan statistical
31 area as defined by the United States Office of Management and Budget;

1 (9) Municipality means any city or village in Nebraska;

2 (10) Noncertificated and noninstructional school employee means a
3 school district, educational service unit, or community college employee
4 who is not a certificated or instructional employee;

5 (11) Public employee includes any person employed by a public
6 employer;

7 (12) Public employer means the State of Nebraska or any political or
8 governmental subdivision of the State of Nebraska except the Nebraska
9 National Guard or state militia or any independent public school;

10 (13) Public utility includes any person or governmental entity,
11 including any public corporation, public power district, or public power
12 and irrigation district, which carries on an intrastate business in this
13 state and over which the government of the United States has not assumed
14 exclusive regulation and control, that furnishes transportation for hire,
15 telephone service, telegraph service, electric light, heat, or power
16 service, gas for heating or illuminating, whether natural or artificial,
17 or water service, or any one or more thereof; and

18 (14) Supervisor means any public employee having authority, in the
19 interest of the public employer, to hire, transfer, suspend, lay off,
20 recall, promote, discharge, assign, reward, or discipline other public
21 employees, or responsibility to direct them, to adjust their grievances,
22 or effectively to recommend such action, if in connection with such
23 action the exercise of such authority is not of a merely routine or
24 clerical nature but requires the use of independent judgment.

25 Sec. 23. Section 79-902, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 79-902 For purposes of the School Employees Retirement Act, unless
28 the context otherwise requires:

29 (1) Accumulated contributions means the sum of all amounts deducted
30 from the compensation of a member and credited to his or her individual
31 account in the School Retirement Fund together with regular interest

1 thereon, compounded monthly, quarterly, semiannually, or annually;

2 (2) Actuarial equivalent means the equality in value of the
3 aggregate amounts expected to be received under different forms of
4 payment. The determinations shall be based on the 1994 Group Annuity
5 Mortality Table reflecting sex-distinct factors blended using twenty-five
6 percent of the male table and seventy-five percent of the female table.
7 An interest rate of eight percent per annum shall be reflected in making
8 these determinations except when a lump-sum settlement is made to an
9 estate. If the lump-sum settlement is made to an estate, the interest
10 rate will be determined by the Moody's Triple A Bond Index as of the
11 prior June 30, rounded to the next lower quarter percent;

12 (3) Beneficiary means any person in receipt of a school retirement
13 allowance or other benefit provided by the act;

14 (4)(a) Compensation means gross wages or salaries payable to the
15 member for personal services performed during the plan year and includes
16 (i) overtime pay, (ii) member retirement contributions, (iii) retroactive
17 salary payments paid pursuant to court order, arbitration, or litigation
18 and grievance settlements, and (iv) amounts contributed by the member to
19 plans under sections 125, 403(b), and 457 of the Internal Revenue Code as
20 defined in section 49-801.01 or any other section of the code which
21 defers or excludes such amounts from income.

22 (b) Compensation does not include (i) fraudulently obtained amounts
23 as determined by the retirement board, (ii) amounts for unused sick leave
24 or unused vacation leave converted to cash payments, (iii) insurance
25 premiums converted into cash payments, (iv) reimbursement for expenses
26 incurred, (v) fringe benefits, (vi) per diems paid as expenses, (vii)
27 bonuses for services not actually rendered, including, but not limited
28 to, early retirement inducements, cash awards, and severance pay, or
29 (viii) beginning on September 4, 2005, employer contributions made for
30 the purposes of separation payments made at retirement and early
31 retirement inducements as provided for in section 79-514.

1 (c) Compensation in excess of the limitations set forth in section
2 401(a)(17) of the Internal Revenue Code as defined in section 49-801.01
3 shall be disregarded. For an employee who was a member of the retirement
4 system before the first plan year beginning after December 31, 1995, the
5 limitation on compensation shall not be less than the amount which was
6 allowed to be taken into account under the retirement system as in effect
7 on July 1, 1993;

8 (5) County school official means (a) until July 1, 2000, the county
9 superintendent or district superintendent and any person serving in his
10 or her office who is required by law to have a teacher's certificate and
11 (b) on or after July 1, 2000, the county superintendent, county school
12 administrator, or district superintendent and any person serving in his
13 or her office who is required by law to have a teacher's certificate;

14 (6) Creditable service means prior service for which credit is
15 granted under sections 79-926 to 79-929, service credit purchased under
16 sections 79-933.03 to 79-933.06 and 79-933.08, and all service rendered
17 while a contributing member of the retirement system. Creditable service
18 includes working days, sick days, vacation days, holidays, and any other
19 leave days for which the employee is paid regular wages as part of the
20 employee's agreement with the employer. Creditable service does not
21 include lump-sum payments to the employee upon termination or retirement
22 in lieu of accrued benefits for such days, eligibility and vesting
23 credit, nor service years for which member contributions are withdrawn
24 and not repaid. Creditable service also does not include service rendered
25 by a member for which the retirement board determines that the member was
26 paid less in compensation than the minimum wage as provided in the Wage
27 and Hour Act or service which the board determines was rendered with the
28 intent to defraud the retirement system;

29 (7) Current benefit means the initial benefit increased by all
30 adjustments made pursuant to the School Employees Retirement Act;

31 (8) Disability means an inability to engage in a substantially

1 gainful activity by reason of any medically determinable physical or
2 mental impairment which can be expected to result in death or be of a
3 long and indefinite duration;

4 (9) Disability retirement allowance means the annuity paid to a
5 person upon retirement for disability under section 79-952;

6 (10) Disability retirement date means the first day of the month
7 following the date upon which a member's request for disability
8 retirement is received on a retirement application provided by the
9 retirement system if the member has terminated employment in the school
10 system and has complied with sections 79-951 to 79-954 as such sections
11 refer to disability retirement;

12 (11) Eligibility and vesting credit means credit for years, or a
13 fraction of a year, of participation in a Nebraska government plan for
14 purposes of determining eligibility for benefits under the School
15 Employees Retirement Act. Such credit shall not be included as years of
16 creditable service in the benefit calculation;

17 (12) Emeritus member means a person (a) who has entered retirement
18 under the provisions of the act, including those persons who have retired
19 since July 1, 1945, under any other regularly established retirement or
20 pension system as contemplated by section 79-916, (b) who has thereafter
21 been reemployed in any capacity by a public school, a Class V school
22 district, or a school under the control and management of the Board of
23 Trustees of the Nebraska State Colleges, the Board of Regents of the
24 University of Nebraska, or a community college board of governors or has
25 become a state school official or county school official subsequent to
26 such retirement, and (c) who has applied to the board for emeritus
27 membership in the retirement system. The school district or agency shall
28 certify to the retirement board on forms prescribed by the retirement
29 board that the annuitant was reemployed, rendered a service, and was paid
30 by the district or agency for such services;

31 (13) Employer means the State of Nebraska or any subdivision thereof

1 or agency of the state or subdivision authorized by law to hire school
2 employees or to pay their compensation;

3 (14)(a) Final average compensation means:

4 (i) Except as provided in subdivision (ii) of this subdivision:

5 (A) The sum of the member's total compensation during the three
6 twelve-month periods of service as a school employee in which such
7 compensation was the greatest divided by thirty-six; or

8 (B) If a member has such compensation for less than thirty-six
9 months, the sum of the member's total compensation in all months divided
10 by the total number of months of his or her creditable service therefor;
11 and

12 (ii) For an employee who became a member on or after July 1, 2013:

13 (A) The sum of the member's total compensation during the five
14 twelve-month periods of service as a school employee in which such
15 compensation was the greatest divided by sixty; or

16 (B) If a member has such compensation for less than sixty months,
17 the sum of the member's total compensation in all months divided by the
18 total number of months of his or her creditable service therefor.

19 (b) Payments under the Retirement Incentive Plan pursuant to section
20 79-855 and Staff Development Assistance pursuant to section 79-856 shall
21 not be included in the determination of final average compensation;

22 (15) Fiscal year means any year beginning July 1 and ending June 30
23 next following;

24 (16) Initial benefit means the retirement benefit calculated at the
25 time of retirement;

26 (17) Member means any person who has an account in the School
27 Retirement Fund;

28 (18) Participation means qualifying for and making required deposits
29 to the retirement system during the course of a plan year;

30 (19) Plan year means the twelve-month period beginning on July 1 and
31 ending on June 30 of the following year;

1 (20) Prior service means service rendered as a school employee in
2 the public schools of the State of Nebraska prior to July 1, 1945;

3 (21) Public school means any and all schools offering instruction in
4 elementary or high school grades, as defined in section 79-101, which
5 schools are supported by public funds and are wholly under the control
6 and management of the State of Nebraska or any subdivision thereof,
7 including (a) schools or other entities established, maintained, and
8 controlled by the school boards of local school districts, except Class V
9 school districts, (b) any independent public school, (c) any educational
10 service unit, and (d) ~~(e)~~ any other educational institution wholly
11 supported by public funds, except schools under the control and
12 management of the Board of Trustees of the Nebraska State Colleges, the
13 Board of Regents of the University of Nebraska, or the community college
14 boards of governors for any community college areas;

15 (22) Regular employee means an employee hired by a public school or
16 under contract in a regular full-time or part-time position who works a
17 full-time or part-time schedule on an ongoing basis for twenty or more
18 hours per week. An employee hired as described in this subdivision to
19 provide service for less than twenty hours per week but who provides
20 service for an average of twenty hours or more per week in each calendar
21 month of any three calendar months of a plan year shall, beginning with
22 the next full payroll period, commence contributions and shall be deemed
23 a regular employee for all future employment with the same employer;

24 (23) Regular interest means interest fixed at a rate equal to the
25 daily treasury yield curve for one-year treasury securities, as published
26 by the Secretary of the Treasury of the United States, that applies on
27 July 1 of each year, which may be credited monthly, quarterly,
28 semiannually, or annually as the board may direct;

29 (24) Relinquished creditable service means, with respect to a member
30 who has withdrawn his or her accumulated contributions under section
31 79-955, the total amount of creditable service which such member has

1 given up as a result of his or her election not to remain a member of the
2 retirement system;

3 (25) Required deposit means the deduction from a member's
4 compensation as provided for in section 79-958 which shall be deposited
5 in the School Retirement Fund;

6 (26) Retirement means qualifying for and accepting a school or
7 disability retirement allowance granted under the School Employees
8 Retirement Act;

9 (27) Retirement application means the form approved and provided by
10 the retirement system for acceptance of a member's request for either
11 regular or disability retirement;

12 (28) Retirement board or board means the Public Employees Retirement
13 Board;

14 (29) Retirement date means (a) if the member has terminated
15 employment, the first day of the month following the date upon which a
16 member's request for retirement is received on a retirement application
17 provided by the retirement system or (b) if the member has filed a
18 retirement application but has not yet terminated employment, the first
19 day of the month following the date on which the member terminates
20 employment. An application may be filed no more than one hundred twenty
21 days prior to the effective date of the member's initial benefit;

22 (30) Retirement system means the School Employees Retirement System
23 of the State of Nebraska;

24 (31) Savings annuity means payments for life, made in equal monthly
25 payments, derived from the accumulated contributions of a member;

26 (32) School employee means a contributing member who earns service
27 credit pursuant to section 79-927. For purposes of this section,
28 contributing member means the following persons who receive compensation
29 from a public school: (a) Regular employees; (b) regular employees having
30 retired pursuant to the School Employees Retirement Act who subsequently
31 provide compensated service on a regular basis in any capacity; and (c)

1 regular employees hired by a public school on an ongoing basis to assume
2 the duties of other regular employees who are temporarily absent.
3 Substitute employees, temporary employees, and employees who have not
4 attained the age of eighteen years shall not be considered school
5 employees;

6 (33) School year means one fiscal year which includes not less than
7 one thousand instructional hours or, in the case of service in the State
8 of Nebraska prior to July 1, 1945, not less than seventy-five percent of
9 the then legal school year;

10 (34) School retirement allowance means the total of the savings
11 annuity and the service annuity or formula annuity paid a person who has
12 retired under sections 79-931 to 79-935. The monthly payments shall be
13 payable at the end of each calendar month during the life of a retired
14 member. The first payment shall include all amounts accrued since the
15 effective date of the award of annuity. The last payment shall be at the
16 end of the calendar month in which such member dies or in accordance with
17 the payment option chosen by the member;

18 (35) Service means employment as a school employee and shall not be
19 deemed interrupted by (a) termination at the end of the school year of
20 the contract of employment of an employee in a public school if the
21 employee enters into a contract of employment in any public school,
22 except a school in a Class V school district, for the following school
23 year, (b) temporary or seasonal suspension of service that does not
24 terminate the employee's employment, (c) leave of absence authorized by
25 the employer for a period not exceeding twelve months, (d) leave of
26 absence because of disability, or (e) military service when properly
27 authorized by the retirement board. Service does not include any period
28 of disability for which disability retirement benefits are received under
29 sections 79-951 to 79-953;

30 (36) Service annuity means payments for life, made in equal monthly
31 installments, derived from appropriations made by the State of Nebraska

1 to the retirement system;

2 (37) State deposit means the deposit by the state in the retirement
3 system on behalf of any member;

4 (38) State school official means the Commissioner of Education and
5 his or her professional staff who are required by law or by the State
6 Department of Education to hold a certificate as such term is defined in
7 section 79-807;

8 (39) Substitute employee means a person hired by a public school as
9 a temporary employee to assume the duties of regular employees due to a
10 temporary absence of any regular employees. Substitute employee does not
11 mean a person hired as a regular employee on an ongoing basis to assume
12 the duties of other regular employees who are temporarily absent;

13 (40) Surviving spouse means (a) the spouse married to the member on
14 the date of the member's death or (b) the spouse or former spouse of the
15 member if survivorship rights are provided under a qualified domestic
16 relations order filed with the board pursuant to the Spousal Pension
17 Rights Act. The spouse or former spouse shall supersede the spouse
18 married to the member on the date of the member's death as provided under
19 a qualified domestic relations order. If the benefits payable to the
20 spouse or former spouse under a qualified domestic relations order are
21 less than the value of benefits entitled to the surviving spouse, the
22 spouse married to the member on the date of the member's death shall be
23 the surviving spouse for the balance of the benefits;

24 (41) Temporary employee means an employee hired by a public school
25 who is not a regular employee and who is hired to provide service for a
26 limited period of time to accomplish a specific purpose or task. When
27 such specific purpose or task is complete, the employment of such
28 temporary employee shall terminate and in no case shall the temporary
29 employment period exceed one year in duration; and

30 (42) Termination of employment occurs on the date on which the
31 member experiences a bona fide separation from service of employment with

1 the member's employer, the date of which separation is determined by the
2 end of the member's contractual agreement or, if there is no contract or
3 only partial fulfillment of a contract, by the employer. A member shall
4 not be deemed to have terminated employment if the member subsequently
5 provides service to any employer participating in the retirement system
6 provided for in the School Employees Retirement Act within one hundred
7 eighty days after ceasing employment unless such service:

8 (a) Is bona fide unpaid voluntary service or substitute service,
9 provided on an intermittent basis; or

10 (b) Is as provided in subsection (2) of section 79-920.

11 Nothing in this subdivision precludes an employer from adopting a
12 policy which limits or denies employees who have terminated employment
13 from providing voluntary or substitute service within one hundred eighty
14 days after termination.

15 A member shall not be deemed to have terminated employment if the
16 board determines that a claimed termination was not a bona fide
17 separation from service with the employer or that a member was
18 compensated for a full contractual period when the member terminated
19 prior to the end date of the contract.

20 Sec. 24. Section 79-978, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 79-978 For purposes of the Class V School Employees Retirement Act,
23 unless the context otherwise requires:

24 (1) Accumulated contributions means the sum of amounts contributed
25 by a member of the system together with regular interest credited
26 thereon;

27 (2) Actuarial equivalent means the equality in value of the
28 retirement allowance for early retirement or the retirement allowance for
29 an optional form of annuity, or both, with the normal form of the annuity
30 to be paid, as determined by the application of the appropriate actuarial
31 table, except that use of such actuarial tables shall not effect a

1 reduction in benefits accrued prior to September 1, 1985, as determined
2 by the actuarial tables in use prior to such date;

3 (3) Actuarial tables means:

4 (a) For determining the actuarial equivalent of any annuities other
5 than joint and survivorship annuities, a unisex mortality table using
6 twenty-five percent of the male mortality and seventy-five percent of the
7 female mortality from the 1994 Group Annuity Mortality Table with a One
8 Year Setback and using an interest rate of eight percent compounded
9 annually; and

10 (b) For joint and survivorship annuities, a unisex retiree mortality
11 table using sixty-five percent of the male mortality and thirty-five
12 percent of the female mortality from the 1994 Group Annuity Mortality
13 Table with a One Year Setback and using an interest rate of eight percent
14 compounded annually and a unisex joint annuitant mortality table using
15 thirty-five percent of the male mortality and sixty-five percent of the
16 female mortality from the 1994 Group Annuity Mortality Table with a One
17 Year Setback and using an interest rate of eight percent compounded
18 annually;

19 (4) Annuitant means any member receiving an allowance;

20 (5) Annuity means annual payments, for both prior service and
21 membership service, for life as provided in the Class V School Employees
22 Retirement Act;

23 (6) Audit year means the period beginning January 1 in any year and
24 ending on December 31 of that same year except for the initial audit year
25 which will begin September 1, 2016, and end on December 31, 2016.
26 Beginning September 1, 2016, the audit year will be the period of time
27 used in the preparation of the annual actuarial analysis and valuation
28 and a financial audit of the investments of the retirement system;

29 (7) Beneficiary means any person entitled to receive or receiving a
30 benefit by reason of the death of a member;

31 (8) Board of education means the board of education of the school

1 district;

2 (9)(a) Compensation means gross wages or salaries payable to the
3 member during a fiscal year and includes (i) overtime pay, (ii) member
4 contributions to the retirement system that are picked up under section
5 414(h) of the Internal Revenue Code, as defined in section 49-801.01,
6 (iii) retroactive salary payments paid pursuant to court order,
7 arbitration, or litigation and grievance settlements, and (iv) amounts
8 contributed by the member to plans under sections 125, 403(b), and 457 of
9 the Internal Revenue Code, as defined in section 49-801.01, or any other
10 section of the code which defers or excludes such amounts from income.

11 (b) Compensation does not include (i) fraudulently obtained amounts
12 as determined by the board, (ii) amounts for unused sick leave or unused
13 vacation leave converted to cash payments, (iii) insurance premiums
14 converted into cash payments, (iv) reimbursement for expenses incurred,
15 (v) fringe benefits, (vi) per diems paid as expenses, (vii) bonuses for
16 services not actually rendered, including, but not limited to, early
17 retirement inducements, cash awards, and severance pay, or (viii)
18 employer contributions made for the purposes of separation payments made
19 at retirement and early retirement inducements as provided for in section
20 79-514.

21 (c) Compensation in excess of the limitations set forth in section
22 401(a)(17) of the Internal Revenue Code, as defined in section 49-801.01,
23 shall be disregarded;

24 (10) Council means the Nebraska Investment Council created and
25 acting pursuant to section 72-1237;

26 (11) Creditable service means the sum of the membership service and
27 the prior service, measured in one-tenth-year increments;

28 (12) Early retirement date means, for members hired prior to July 1,
29 2016, who have attained age fifty-five, that month and year selected by a
30 member having at least ten years of creditable service which includes a
31 minimum of five years of membership service. Early retirement date means,

1 for members hired on or after July 1, 2016, that month and year selected
2 by a member having at least five years of creditable service and who has
3 attained age sixty;

4 (13) Employee means the following enumerated persons receiving
5 compensation from the school district: (a) Regular teachers and
6 administrators employed on a written contract basis; ~~and~~ (b) regular
7 employees, not included in subdivision (13)(a) of this section, hired
8 upon a full-time basis, which basis shall contemplate a workweek of not
9 less than thirty hours; and (c) employees of an independent public
10 school;

11 (14) Fiscal year means the period beginning September 1 in any year
12 and ending on August 31 of the next succeeding year;

13 (15) Interest means, for the purchase of service credit, the
14 purchase of prior service credit, restored refunds, and delayed payments,
15 the investment return assumption used in the most recent actuarial
16 valuation;

17 (16) Member means any employee included in the membership of the
18 retirement system or any former employee who has made contributions to
19 the system and has not received a refund;

20 (17) Membership service means service on or after September 1, 1951,
21 as an employee of the school district and a member of the system for
22 which compensation is paid by the school district. Credit for more than
23 one year of membership service shall not be allowed for service rendered
24 in any fiscal year. Beginning September 1, 2005, a member shall be
25 credited with a year of membership service for each fiscal year in which
26 the member performs one thousand or more hours of compensated service as
27 an employee of the school district. An hour of compensated service shall
28 include any hour for which the member is compensated by the school
29 district during periods where no service is performed due to vacation or
30 approved leave. If a member performs less than one thousand hours of
31 compensated service during a fiscal year, one-tenth of a year of

1 membership service shall be credited for each one hundred hours of
2 compensated service by the member in such fiscal year. In determining a
3 member's total membership service, all periods of membership service,
4 including fractional years of membership service in one-tenth-year
5 increments, shall be aggregated;

6 (18) Military service means service in the uniformed services as
7 defined in 38 U.S.C. 4301 et seq., as such provision existed on March 27,
8 1997;

9 (19) Normal retirement date means the end of the month during which
10 the member attains age sixty-five and has completed at least five years
11 of membership service;

12 (20) Primary beneficiary means the person or persons entitled to
13 receive or receiving a benefit by reason of the death of a member;

14 (21) Prior service means service rendered prior to September 1,
15 1951, for which credit is allowed under section 79-999, service rendered
16 by retired employees receiving benefits under preexisting systems, and
17 service for which credit is allowed under sections 79-990, 79-991,
18 79-994, 79-995, and 79-997;

19 (22) Regular interest means interest (a) on the total contributions
20 of the member prior to the close of the last preceding fiscal year, (b)
21 compounded annually, and (c)(i) beginning September 1, 2016, at a rate
22 equal to the daily treasury yield curve for one-year treasury securities,
23 as published by the Secretary of the Treasury of the United States, that
24 applies on September 1 of each year and (ii) prior to September 1, 2016,
25 at rates to be determined annually by the board, which shall have the
26 sole, absolute, and final discretionary authority to make such
27 determination, except that the rate for any given year in no event shall
28 exceed the actual percentage of net earnings of the system during the
29 last preceding fiscal year;

30 (23) Retirement allowance means the total annual retirement benefit
31 payable to a member for service or disability;

1 (24) Retirement date means the date of retirement of a member for
2 service or disability as fixed by the board of trustees;

3 (25) Retirement system or system means the School Employees'
4 Retirement System of (corporate name of the school district as described
5 in section 79-405) as provided for by the act;

6 (26) Secondary beneficiary means the person or persons entitled to
7 receive or receiving a benefit by reason of the death of all primary
8 beneficiaries prior to the death of the member. If no primary beneficiary
9 survives the member, secondary beneficiaries shall be treated in the same
10 manner as primary beneficiaries;

11 (27) State investment officer means the state investment officer
12 appointed pursuant to section 72-1240 and acting pursuant to the Nebraska
13 State Funds Investment Act; and

14 (28) Trustee means a trustee provided for in section 79-980.

15 Sec. 25. Section 79-1001, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 79-1001 Sections 79-1001 to 79-1033 and section 27 of this act shall
18 be known and may be cited as the Tax Equity and Educational Opportunities
19 Support Act.

20 Sec. 26. Section 79-1007.12, Reissue Revised Statutes of Nebraska,
21 is amended to read:

22 79-1007.12 (1) The department shall calculate a transportation
23 allowance for each district equal to the lesser of:

24 (a) ~~(1)~~ Each local system's general fund expenditures for regular
25 route transportation and in lieu of transportation expenditures pursuant
26 to section 79-611 in the second school fiscal year immediately preceding
27 the school fiscal year in which aid is to be paid, but not including
28 special education transportation expenditures or other expenditures
29 previously excluded from general fund operating expenditures; or

30 (b) ~~(2)~~ The number of miles traveled in the second school fiscal
31 year immediately preceding the school fiscal year in which aid is to be

1 paid by vehicles owned, leased, or contracted by the district or the
2 districts in the local system for the purpose of regular route
3 transportation multiplied by four hundred percent of the mileage rate
4 established by the Department of Administrative Services pursuant to
5 section 81-1176 as of January 1 of the most recently available complete
6 data year added to in lieu of transportation expenditures pursuant to
7 section 79-611 from the same data year.

8 (2) Regular route transportation includes transportation provided to
9 students enrolled in independent public schools located within the
10 boundaries of the school district.

11 Sec. 27. (1) Independent public school funding shall be paid to
12 each independent public school pursuant to this section.

13 (2) The independent public school aid for each independent public
14 school shall equal the enrolled students for such independent public
15 school multiplied by the statewide average basic funding per formula
16 student.

17 (3) For purposes of this section:

18 (a) For independent public school aid certified pursuant to section
19 79-1022 for the first two school years a school is operating as an
20 independent public school, enrolled students means the estimated full-
21 time-equivalent count of students to be enrolled in the independent
22 public school on the last Friday in September of the school year for
23 which independent public school aid is being calculated as submitted by
24 the authorizer in the manner and at such time as required by the
25 department.

26 (b) For independent public school aid certified pursuant to section
27 79-1022 for school years after the first two school years a school is
28 operating as an independent public school, enrolled students means the
29 full-time-equivalent count of students enrolled in the independent public
30 school on the last Friday in September of the school year prior to the
31 school year for which independent public school aid is being calculated;

1 and

2 (c) For the final calculation of independent public school aid
3 pursuant to section 79-1065, enrolled students means the full-time-
4 equivalent average daily membership of students enrolled in the
5 independent public school for the school year immediately preceding the
6 school year for which independent public school aid was paid.

7 (4) Each independent public school shall submit audited enrollment
8 numbers to the department in the manner and at such time as required by
9 the department.

10 Sec. 28. Section 79-1022, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 79-1022 (1) On or before March 1 of each year for each ensuing
13 fiscal year, the department shall determine the amounts to be distributed
14 to each local system and each district for the ensuing school fiscal year
15 pursuant to the Tax Equity and Educational Opportunities Support Act and
16 shall certify the amounts to the Director of Administrative Services, the
17 Auditor of Public Accounts, each learning community for school fiscal
18 years prior to school fiscal year 2017-18, and each district. Except as
19 otherwise provided in this section, the amount to be distributed to each
20 district from the amount certified for a local system shall be
21 proportional based on the formula students attributed to each district in
22 the local system. For school fiscal years prior to school fiscal year
23 2017-18, the amount to be distributed to each district that is a member
24 of a learning community from the amount certified for the local system
25 shall be proportional based on the formula needs calculated for each
26 district in the local system. ~~On or before March 1 of each year for each~~
27 ~~ensuing fiscal year, the department shall report the necessary funding~~
28 ~~level for the ensuing school fiscal year to the Governor, the~~
29 ~~Appropriations Committee of the Legislature, and the Education Committee~~
30 ~~of the Legislature. The report submitted to the committees of the~~
31 ~~Legislature shall be submitted electronically.~~ Except as otherwise

1 provided in this subsection, certified state aid amounts, including
2 adjustments pursuant to section 79-1065.02, shall be shown as budgeted
3 non-property-tax receipts and deducted prior to calculating the property
4 tax request in the district's general fund budget statement as provided
5 to the Auditor of Public Accounts pursuant to section 79-1024.

6 ~~(2)~~ Except as provided in this subsection, subsection (8) of section
7 79-1016, and sections 79-1005, 79-1033, and 79-1065.02, the amounts
8 certified pursuant to this subsection ~~(1) of this section~~ shall be
9 distributed in ten as nearly as possible equal payments on the last
10 business day of each month beginning in September of each ensuing school
11 fiscal year and ending in June of the following year, except that when a
12 school district is to receive a monthly payment of less than one thousand
13 dollars, such payment shall be one lump-sum payment on the last business
14 day of December during the ensuing school fiscal year.

15 (2) On or before March 1 of each year for each ensuing fiscal year,
16 the department shall determine the amount of independent public school
17 aid to be distributed to each independent public school for the ensuing
18 fiscal year pursuant to section 26 of this act and shall certify the
19 amount to the Director of Administrative Services, the Auditor of Public
20 Accounts, and each independent public school. The amounts certified
21 pursuant to this subsection shall be distributed in ten as nearly as
22 possible equal payments on the last business day of each month beginning
23 in July for each ensuing school year and ending in April of the following
24 year.

25 (3) On or before March 1 of each year for each ensuing fiscal year,
26 the department shall report the necessary funding levels certified
27 pursuant to subsections (1) and (2) of this section for the ensuing
28 school fiscal year to the Governor, the Appropriations Committee of the
29 Legislature, and the Education Committee of the Legislature. The report
30 submitted to the committees of the Legislature shall be submitted
31 electronically.

1 Sec. 29. Section 79-1065, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 79-1065 The State Department of Education shall adjust payments
4 provided under Chapter 79 to school districts and independent public
5 schools which, after final determination, received funds not equal to the
6 appropriate allocation for the previous school fiscal year such that the
7 district or independent public school will receive the funds to which it
8 was finally determined to be entitled. If the total adjustment cannot be
9 made from the funds to be provided in the current ~~school~~ fiscal year, the
10 adjustment shall be prorated, with additional adjustments made to
11 payments for future ~~school~~ fiscal years. The department shall maintain an
12 accurate account and a record of the reasons the adjustments were made
13 and the amount of such adjustments.

14 Sec. 30. Section 79-1065.02, Reissue Revised Statutes of Nebraska,
15 is amended to read:

16 79-1065.02 (1) State aid payments shall be adjusted to reflect
17 transfers of property due to annexation, to any dissolution of a Class I
18 school district, and to any reorganization involving one or more Class I
19 school districts.

20 (2) This section applies whenever:

21 (a) A Class I school district dissolves or reorganizes in such a
22 manner that the parcels of property making up the Class I district prior
23 to the dissolution or reorganization which were affiliated with a Class
24 II, III, IV, or V school district do not become part of the Class II,
25 III, IV, or V school district with which such parcels of property were
26 affiliated; or

27 (b) Property within the boundaries of a Class II, III, IV, V, or VI
28 school district is transferred to another school district due to a change
29 in the school district boundaries in response to annexation of the
30 transferred property by a city or village.

31 (3) To qualify for additional state aid pursuant to this section,

1 the school district from which property is being transferred shall apply
2 on a form prescribed by the State Department of Education on or before
3 August 20 preceding the first school fiscal year for which the property
4 will not be available for taxation for the school district's general fund
5 levy. On or before such deadline, the applicant school district shall
6 send copies of the application to the high school districts of the local
7 systems receiving valuation in the transfer. For purposes of this
8 section, property is deemed transferred from the school district whether
9 the property was within the boundaries of the school district or the
10 property was affiliated with the school district.

11 (4) Upon receipt of the application, the department, with the
12 assistance of the Property Tax Administrator, shall calculate the amount
13 of additional state aid, if any, that the local system, as defined in
14 section 79-1003, for the applicant school district would have received
15 for such school fiscal year if the adjusted valuation for the transferred
16 property had not been included in the adjusted valuation of such local
17 system for the calculation of state aid for such school fiscal year. On
18 or before September 20 of such school fiscal year, the department shall
19 certify to the applicant school district the amount of additional state
20 aid, if any, the district will receive. Except as otherwise provided in
21 this subsection, if such applicant school district receives a lump-sum
22 payment pursuant to ~~subsection (2) of~~ section 79-1022, such lump-sum
23 payment shall be increased by the amount of additional state aid. Except
24 as otherwise provided in this subsection, if such applicant school
25 district does not receive a lump-sum payment pursuant to such subsection,
26 state aid payments shall be increased by one-tenth of the amount of
27 additional state aid for each of the ten state aid payments for such
28 school fiscal year. If a portion of the total reduction calculated
29 pursuant to subsection (5) of this section for local systems receiving
30 valuation in the transfer of property that is the subject of the
31 application is delayed until future years, the additional state aid to be

1 paid in the school fiscal year described in subsection (3) of this
2 section shall be reduced by the amount of the total reduction that is
3 delayed until future years. The amount of the reduction shall be paid as
4 additional aid in the next school fiscal year.

5 (5) The state aid payments shall be reduced for the high school
6 district of each receiving local system. An amount equal to the
7 additional state aid calculated pursuant to subsection (4) of this
8 section for the local system of an applicant school district shall be
9 attributed to the local systems receiving valuation in such transfer
10 based upon the ratio of the adjusted valuation received by each local
11 system divided by the total adjusted valuation transferred from the
12 applicant school district. If such high school district receives a lump-
13 sum payment pursuant to ~~subsection (2) of~~ section 79-1022, such lump-sum
14 payment shall be reduced by the amount attributed to the receiving local
15 system. If the high school district of a receiving local system does not
16 receive a lump-sum payment pursuant to such subsection, state aid
17 payments shall be reduced by one-tenth of the amount attributed to such
18 receiving local system for each of the ten state aid payments for such
19 school fiscal year. If the total reduction is greater than the total
20 state aid payments for such school fiscal year, the remainder shall be
21 subtracted from state aid payments in future school fiscal years until
22 the total reduction has been subtracted from state aid payments. On or
23 before September 20 of such school fiscal year, the department shall
24 certify to the high school district of the receiving local system the
25 amount of the reduction in state aid.

26 (6) For purposes of the final calculation of state aid pursuant to
27 section 79-1065, the adjusted valuation of the property that was
28 transferred shall also be transferred for purposes of adjusted valuation
29 for the final calculation of state aid. For determining adjustments in
30 state aid pursuant to section 79-1065, the final calculation of state aid
31 shall be compared to the state aid certified for such school fiscal year

1 combined with any adjustments in state aid payments and transfers from
2 other districts pursuant to this section.

3 Sec. 31. Original sections 13-903, 79-1007.12, 79-1065, and
4 79-1065.02, Reissue Revised Statutes of Nebraska, and sections 48-801,
5 79-902, 79-978, 79-1001, and 79-1022, Revised Statutes Cumulative
6 Supplement, 2016, are repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 633

Introduced by Kolowski, 31.

Read first time January 18, 2017

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Tax Equity and Educational
- 2 Opportunities Support Act; to amend sections 77-3442, 79-1003, and
- 3 79-1028.01, Revised Statutes Cumulative Supplement, 2016; to
- 4 authorize school districts to levy for school security measures and
- 5 student technology as prescribed; to redefine a term; to authorize
- 6 school districts to exceed budget limitations as prescribed; to
- 7 authorize the creation of school funds; to repeal the original
- 8 sections; and to declare an emergency.
- 9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-3442, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 77-3442 (1) Property tax levies for the support of local governments
4 for fiscal years beginning on or after July 1, 1998, shall be limited to
5 the amounts set forth in this section except as provided in section
6 77-3444.

7 (2)(a) Except as provided in subdivisions (2)(b) and (2)(e) of this
8 section, school districts and multiple-district school systems may levy a
9 maximum levy of one dollar and five cents per one hundred dollars of
10 taxable valuation of property subject to the levy.

11 (b) For each fiscal year prior to fiscal year 2017-18, learning
12 communities may levy a maximum levy for the general fund budgets of
13 member school districts of ninety-five cents per one hundred dollars of
14 taxable valuation of property subject to the levy. The proceeds from the
15 levy pursuant to this subdivision shall be distributed pursuant to
16 section 79-1073.

17 (c) Except as provided in subdivision (2)(e) of this section, for
18 each fiscal year prior to fiscal year 2017-18, school districts that are
19 members of learning communities may levy for purposes of such districts'
20 general fund budget and special building funds a maximum combined levy of
21 the difference of one dollar and five cents on each one hundred dollars
22 of taxable property subject to the levy minus the learning community levy
23 pursuant to subdivision (2)(b) of this section for such learning
24 community.

25 (d) Excluded from the limitations in subdivisions (2)(a) and (2)(c)
26 of this section are amounts levied to pay for sums agreed to be paid by a
27 school district to certificated employees in exchange for a voluntary
28 termination of employment, amounts levied in compliance with sections
29 79-10,110 and 79-10,110.02, and amounts levied to pay for special
30 building funds and sinking funds established for projects commenced prior
31 to April 1, 1996, for construction, expansion, or alteration of school

1 district buildings. For purposes of this subdivision subsection,
2 commenced means any action taken by the school board on the record which
3 commits the board to expend district funds in planning, constructing, or
4 carrying out the project.

5 (e) Federal aid school districts may exceed the maximum levy
6 prescribed by subdivision (2)(a) or (2)(c) of this section only to the
7 extent necessary to qualify to receive federal aid pursuant to Title VIII
8 of Public Law 103-382, as such title existed on September 1, 2001. For
9 purposes of this subdivision, federal aid school district means any
10 school district which receives ten percent or more of the revenue for its
11 general fund budget from federal government sources pursuant to Title
12 VIII of Public Law 103-382, as such title existed on September 1, 2001.

13 (f) For each fiscal year, learning communities may levy a maximum
14 levy of one-half cent on each one hundred dollars of taxable property
15 subject to the levy for elementary learning center facility leases, for
16 remodeling of leased elementary learning center facilities, and for up to
17 fifty percent of the estimated cost for focus school or program capital
18 projects approved by the learning community coordinating council pursuant
19 to section 79-2111.

20 (g) For each fiscal year, learning communities may levy a maximum
21 levy of one and one-half cents on each one hundred dollars of taxable
22 property subject to the levy for early childhood education programs for
23 children in poverty, for elementary learning center employees, for
24 contracts with other entities or individuals who are not employees of the
25 learning community for elementary learning center programs and services,
26 and for pilot projects, except that no more than ten percent of such levy
27 may be used for elementary learning center employees.

28 (h) For each fiscal year, school districts may, upon a two-thirds
29 majority vote of the school board of the school district, levy a maximum
30 levy of one cent on each one hundred dollars of taxable property subject
31 to the levy for school security measures. The levy authorized in this

1 subdivision shall be excluded from the limitations in subdivision (2)(a)
2 of this section. The proceeds of such levy shall be deposited by the
3 school district into a fund created pursuant to section 4 of this act.

4 (i) For each fiscal year, school districts may, upon a two-thirds
5 majority vote of the school board of the school district, levy a maximum
6 levy of one cent on each one hundred dollars of taxable property subject
7 to the levy for student technology expenditures. The levy authorized in
8 this subdivision shall be excluded from the limitations in subdivision
9 (2)(a) of this section. The proceeds of such levy shall be deposited by
10 the school district into a fund created pursuant to section 5 of this
11 act.

12 (3) For each fiscal year, community college areas may levy the
13 levies provided in subdivisions (2)(a) through (c) of section 85-1517, in
14 accordance with the provisions of such subdivisions. A community college
15 area may exceed the levy provided in subdivision (2)(b) of section
16 85-1517 by the amount necessary to retire general obligation bonds
17 assumed by the community college area or issued pursuant to section
18 85-1515 according to the terms of such bonds or for any obligation
19 pursuant to section 85-1535 entered into prior to January 1, 1997.

20 (4)(a) Natural resources districts may levy a maximum levy of four
21 and one-half cents per one hundred dollars of taxable valuation of
22 property subject to the levy.

23 (b) Natural resources districts shall also have the power and
24 authority to levy a tax equal to the dollar amount by which their
25 restricted funds budgeted to administer and implement ground water
26 management activities and integrated management activities under the
27 Nebraska Ground Water Management and Protection Act exceed their
28 restricted funds budgeted to administer and implement ground water
29 management activities and integrated management activities for FY2003-04,
30 not to exceed one cent on each one hundred dollars of taxable valuation
31 annually on all of the taxable property within the district.

1 (c) In addition, natural resources districts located in a river
2 basin, subbasin, or reach that has been determined to be fully
3 appropriated pursuant to section 46-714 or designated as overappropriated
4 pursuant to section 46-713 by the Department of Natural Resources shall
5 also have the power and authority to levy a tax equal to the dollar
6 amount by which their restricted funds budgeted to administer and
7 implement ground water management activities and integrated management
8 activities under the Nebraska Ground Water Management and Protection Act
9 exceed their restricted funds budgeted to administer and implement ground
10 water management activities and integrated management activities for
11 FY2005-06, not to exceed three cents on each one hundred dollars of
12 taxable valuation on all of the taxable property within the district for
13 fiscal year 2006-07 and each fiscal year thereafter through fiscal year
14 2017-18.

15 (5) Any educational service unit authorized to levy a property tax
16 pursuant to section 79-1225 may levy a maximum levy of one and one-half
17 cents per one hundred dollars of taxable valuation of property subject to
18 the levy.

19 (6)(a) Incorporated cities and villages which are not within the
20 boundaries of a municipal county may levy a maximum levy of forty-five
21 cents per one hundred dollars of taxable valuation of property subject to
22 the levy plus an additional five cents per one hundred dollars of taxable
23 valuation to provide financing for the municipality's share of revenue
24 required under an agreement or agreements executed pursuant to the
25 Interlocal Cooperation Act or the Joint Public Agency Act. The maximum
26 levy shall include amounts levied to pay for sums to support a library
27 pursuant to section 51-201, museum pursuant to section 51-501, visiting
28 community nurse, home health nurse, or home health agency pursuant to
29 section 71-1637, or statue, memorial, or monument pursuant to section
30 80-202.

31 (b) Incorporated cities and villages which are within the boundaries

1 of a municipal county may levy a maximum levy of ninety cents per one
2 hundred dollars of taxable valuation of property subject to the levy. The
3 maximum levy shall include amounts paid to a municipal county for county
4 services, amounts levied to pay for sums to support a library pursuant to
5 section 51-201, a museum pursuant to section 51-501, a visiting community
6 nurse, home health nurse, or home health agency pursuant to section
7 71-1637, or a statue, memorial, or monument pursuant to section 80-202.

8 (7) Sanitary and improvement districts which have been in existence
9 for more than five years may levy a maximum levy of forty cents per one
10 hundred dollars of taxable valuation of property subject to the levy, and
11 sanitary and improvement districts which have been in existence for five
12 years or less shall not have a maximum levy. Unconsolidated sanitary and
13 improvement districts which have been in existence for more than five
14 years and are located in a municipal county may levy a maximum of eighty-
15 five cents per hundred dollars of taxable valuation of property subject
16 to the levy.

17 (8) Counties may levy or authorize a maximum levy of fifty cents per
18 one hundred dollars of taxable valuation of property subject to the levy,
19 except that five cents per one hundred dollars of taxable valuation of
20 property subject to the levy may only be levied to provide financing for
21 the county's share of revenue required under an agreement or agreements
22 executed pursuant to the Interlocal Cooperation Act or the Joint Public
23 Agency Act. The maximum levy shall include amounts levied to pay for sums
24 to support a library pursuant to section 51-201 or museum pursuant to
25 section 51-501. The county may allocate up to fifteen cents of its
26 authority to other political subdivisions subject to allocation of
27 property tax authority under subsection (1) of section 77-3443 and not
28 specifically covered in this section to levy taxes as authorized by law
29 which do not collectively exceed fifteen cents per one hundred dollars of
30 taxable valuation on any parcel or item of taxable property. The county
31 may allocate to one or more other political subdivisions subject to

1 allocation of property tax authority by the county under subsection (1)
2 of section 77-3443 some or all of the county's five cents per one hundred
3 dollars of valuation authorized for support of an agreement or agreements
4 to be levied by the political subdivision for the purpose of supporting
5 that political subdivision's share of revenue required under an agreement
6 or agreements executed pursuant to the Interlocal Cooperation Act or the
7 Joint Public Agency Act. If an allocation by a county would cause another
8 county to exceed its levy authority under this section, the second county
9 may exceed the levy authority in order to levy the amount allocated.

10 (9) Municipal counties may levy or authorize a maximum levy of one
11 dollar per one hundred dollars of taxable valuation of property subject
12 to the levy. The municipal county may allocate levy authority to any
13 political subdivision or entity subject to allocation under section
14 77-3443.

15 (10) Beginning July 1, 2016, rural and suburban fire protection
16 districts may levy a maximum levy of ten and one-half cents per one
17 hundred dollars of taxable valuation of property subject to the levy if
18 (a) such district is located in a county that had a levy pursuant to
19 subsection (8) of this section in the previous year of at least forty
20 cents per one hundred dollars of taxable valuation of property subject to
21 the levy or (b) for any rural or suburban fire protection district that
22 had a levy request pursuant to section 77-3443 in the previous year, the
23 county board of the county in which the greatest portion of the valuation
24 of such district is located did not authorize any levy authority to such
25 district in the previous year.

26 (11) Property tax levies (a) for judgments, except judgments or
27 orders from the Commission of Industrial Relations, obtained against a
28 political subdivision which require or obligate a political subdivision
29 to pay such judgment, to the extent such judgment is not paid by
30 liability insurance coverage of a political subdivision, (b) for
31 preexisting lease-purchase contracts approved prior to July 1, 1998, (c)

1 for bonds as defined in section 10-134 approved according to law and
2 secured by a levy on property except as provided in section 44-4317 for
3 bonded indebtedness issued by educational service units and school
4 districts, and (d) for payments by a public airport to retire interest-
5 free loans from the Department of Aeronautics in lieu of bonded
6 indebtedness at a lower cost to the public airport are not included in
7 the levy limits established by this section.

8 (12) The limitations on tax levies provided in this section are to
9 include all other general or special levies provided by law.
10 Notwithstanding other provisions of law, the only exceptions to the
11 limits in this section are those provided by or authorized by sections
12 77-3442 to 77-3444.

13 (13) Tax levies in excess of the limitations in this section shall
14 be considered unauthorized levies under section 77-1606 unless approved
15 under section 77-3444.

16 (14) For purposes of sections 77-3442 to 77-3444, political
17 subdivision means a political subdivision of this state and a county
18 agricultural society.

19 (15) For school districts that file a binding resolution on or
20 before May 9, 2008, with the county assessors, county clerks, and county
21 treasurers for all counties in which the school district has territory
22 pursuant to subsection (7) of section 79-458, if the combined levies,
23 except levies for bonded indebtedness approved by the voters of the
24 school district and levies for the refinancing of such bonded
25 indebtedness, are in excess of the greater of (a) one dollar and twenty
26 cents per one hundred dollars of taxable valuation of property subject to
27 the levy or (b) the maximum levy authorized by a vote pursuant to section
28 77-3444, all school district levies, except levies for bonded
29 indebtedness approved by the voters of the school district and levies for
30 the refinancing of such bonded indebtedness, shall be considered
31 unauthorized levies under section 77-1606.

1 Sec. 2. Section 79-1003, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-1003 For purposes of the Tax Equity and Educational Opportunities
4 Support Act:

5 (1) Adjusted general fund operating expenditures means (a) for
6 school fiscal years 2013-14 through 2015-16, the difference of the
7 general fund operating expenditures as calculated pursuant to subdivision
8 (23) of this section increased by the cost growth factor calculated
9 pursuant to section 79-1007.10, minus the transportation allowance,
10 special receipts allowance, poverty allowance, limited English
11 proficiency allowance, distance education and telecommunications
12 allowance, elementary site allowance, summer school allowance,
13 instructional time allowance, teacher education allowance, and focus
14 school and program allowance, (b) for school fiscal years 2016-17 through
15 2018-19, the difference of the general fund operating expenditures as
16 calculated pursuant to subdivision (23) of this section increased by the
17 cost growth factor calculated pursuant to section 79-1007.10, minus the
18 transportation allowance, special receipts allowance, poverty allowance,
19 limited English proficiency allowance, distance education and
20 telecommunications allowance, elementary site allowance, summer school
21 allowance, best practices allowance, and focus school and program
22 allowance, and (c) for school fiscal year 2019-20 and each school fiscal
23 year thereafter, the difference of the general fund operating
24 expenditures as calculated pursuant to subdivision (23) of this section
25 increased by the cost growth factor calculated pursuant to section
26 79-1007.10, minus the transportation allowance, special receipts
27 allowance, poverty allowance, limited English proficiency allowance,
28 distance education and telecommunications allowance, elementary site
29 allowance, summer school allowance, best practices allowance, community
30 achievement plan allowance, and focus school and program allowance;

31 (2) Adjusted valuation means the assessed valuation of taxable

1 property of each local system in the state, adjusted pursuant to the
2 adjustment factors described in section 79-1016. Adjusted valuation means
3 the adjusted valuation for the property tax year ending during the school
4 fiscal year immediately preceding the school fiscal year in which the aid
5 based upon that value is to be paid. For purposes of determining the
6 local effort rate yield pursuant to section 79-1015.01, adjusted
7 valuation does not include the value of any property which a court, by a
8 final judgment from which no appeal is taken, has declared to be
9 nontaxable or exempt from taxation;

10 (3) Allocated income tax funds means the amount of assistance paid
11 to a local system pursuant to section 79-1005.01 as adjusted, for school
12 fiscal years prior to school fiscal year 2017-18, by the minimum levy
13 adjustment pursuant to section 79-1008.02;

14 (4) Average daily membership means the average daily membership for
15 grades kindergarten through twelve attributable to the local system, as
16 provided in each district's annual statistical summary, and includes the
17 proportionate share of students enrolled in a public school instructional
18 program on less than a full-time basis;

19 (5) Base fiscal year means the first school fiscal year following
20 the school fiscal year in which the reorganization or unification
21 occurred;

22 (6) Board means the school board of each school district;

23 (7) Categorical funds means funds limited to a specific purpose by
24 federal or state law, including, but not limited to, Title I funds, Title
25 VI funds, federal vocational education funds, federal school lunch funds,
26 Indian education funds, Head Start funds, and funds from the Education
27 Innovation Fund;

28 (8) Consolidate means to voluntarily reduce the number of school
29 districts providing education to a grade group and does not include
30 dissolution pursuant to section 79-498;

31 (9) Converted contract means an expired contract that was in effect

1 for at least fifteen school years beginning prior to school year 2012-13
2 for the education of students in a nonresident district in exchange for
3 tuition from the resident district when the expiration of such contract
4 results in the nonresident district educating students, who would have
5 been covered by the contract if the contract were still in effect, as
6 option students pursuant to the enrollment option program established in
7 section 79-234;

8 (10) Converted contract option student means a student who will be
9 an option student pursuant to the enrollment option program established
10 in section 79-234 for the school fiscal year for which aid is being
11 calculated and who would have been covered by a converted contract if the
12 contract were still in effect and such school fiscal year is the first
13 school fiscal year for which such contract is not in effect;

14 (11) Department means the State Department of Education;

15 (12) District means any Class I, II, III, IV, V, or VI school
16 district and, beginning with the calculation of state aid for school
17 fiscal year 2011-12 and each school fiscal year thereafter, a unified
18 system as defined in section 79-4,108;

19 (13) Ensuing school fiscal year means the school fiscal year
20 following the current school fiscal year;

21 (14) Equalization aid means the amount of assistance calculated to
22 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
23 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

24 (15) Fall membership means the total membership in kindergarten
25 through grade twelve attributable to the local system as reported on the
26 fall school district membership reports for each district pursuant to
27 section 79-528;

28 (16) Fiscal year means the state fiscal year which is the period
29 from July 1 to the following June 30;

30 (17) Formula students means:

31 (a) For state aid certified pursuant to section 79-1022, the sum of

1 the product of fall membership from the school fiscal year immediately
2 preceding the school fiscal year in which the aid is to be paid
3 multiplied by the average ratio of average daily membership to fall
4 membership for the second school fiscal year immediately preceding the
5 school fiscal year in which the aid is to be paid and the prior two
6 school fiscal years plus sixty percent of the qualified early childhood
7 education fall membership plus tuitioned students from the school fiscal
8 year immediately preceding the school fiscal year in which aid is to be
9 paid minus the product of the number of students enrolled in kindergarten
10 that is not full-day kindergarten from the fall membership multiplied by
11 0.5; and

12 (b) For the final calculation of state aid pursuant to section
13 79-1065, the sum of average daily membership plus sixty percent of the
14 qualified early childhood education average daily membership plus
15 tuitioned students minus the product of the number of students enrolled
16 in kindergarten that is not full-day kindergarten from the average daily
17 membership multiplied by 0.5 from the school fiscal year immediately
18 preceding the school fiscal year in which aid was paid;

19 (18) Free lunch and free milk calculated students means, using the
20 most recent data available on November 1 of the school fiscal year
21 immediately preceding the school fiscal year in which aid is to be paid,
22 (a) for schools that did not provide free meals to all students pursuant
23 to the community eligibility provision, students who individually
24 qualified for free lunches or free milk pursuant to the federal Richard
25 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the
26 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
27 and sections existed on January 1, 2015, and rules and regulations
28 adopted thereunder, plus (b) for schools that provided free meals to all
29 students pursuant to the community eligibility provision, (i) for school
30 fiscal year 2016-17, the product of the students who attended such school
31 multiplied by the identified student percentage calculated pursuant to

1 such federal provision or (ii) for school fiscal year 2017-18 and each
2 school fiscal year thereafter, the greater of the number of students in
3 such school who individually qualified for free lunch or free milk using
4 the most recent school fiscal year for which the school did not provide
5 free meals to all students pursuant to the community eligibility
6 provision or one hundred ten percent of the product of the students who
7 qualified for free meals at such school pursuant to the community
8 eligibility provision multiplied by the identified student percentage
9 calculated pursuant to such federal provision, except that the free lunch
10 and free milk students calculated for any school pursuant to subdivision
11 (18)(b)(ii) of this section shall not exceed one hundred percent of the
12 students qualified for free meals at such school pursuant to the
13 community eligibility provision;

14 (19) Free lunch and free milk student means, for school fiscal years
15 prior to school fiscal year 2016-17, a student who qualified for free
16 lunches or free milk from the most recent data available on November 1 of
17 the school fiscal year immediately preceding the school fiscal year in
18 which aid is to be paid;

19 (20) Full-day kindergarten means kindergarten offered by a district
20 for at least one thousand thirty-two instructional hours;

21 (21) General fund budget of expenditures means the total budget of
22 disbursements and transfers for general fund purposes as certified in the
23 budget statement adopted pursuant to the Nebraska Budget Act, except that
24 for purposes of the limitation imposed in section 79-1023 and the
25 calculation pursuant to subdivision (2) of section 79-1027.01, the
26 general fund budget of expenditures does not include any special grant
27 funds, exclusive of local matching funds, received by a district;

28 (22) General fund expenditures means all expenditures from the
29 general fund;

30 (23) General fund operating expenditures means for state aid
31 calculated for school fiscal years 2012-13 and each school fiscal year

1 thereafter, as reported on the annual financial report for the second
2 school fiscal year immediately preceding the school fiscal year in which
3 aid is to be paid, the total general fund expenditures minus (a) the
4 amount of all receipts to the general fund, to the extent that such
5 receipts are not included in local system formula resources, from early
6 childhood education tuition, summer school tuition, educational entities
7 as defined in section 79-1201.01 for providing distance education courses
8 through the Educational Service Unit Coordinating Council to such
9 educational entities, private foundations, individuals, associations,
10 charitable organizations, the textbook loan program authorized by section
11 79-734, federal impact aid, and levy override elections pursuant to
12 section 77-3444, (b) the amount of expenditures for categorical funds,
13 tuition paid, transportation fees paid to other districts, adult
14 education, community services, redemption of the principal portion of
15 general fund debt service, retirement incentive plans authorized by
16 section 79-855, and staff development assistance authorized by section
17 79-856, (c) the amount of any transfers from the general fund to any bond
18 fund and transfers from other funds into the general fund, (d) any legal
19 expenses in excess of fifteen-hundredths of one percent of the formula
20 need for the school fiscal year in which the expenses occurred, (e)
21 expenditures to pay for sums agreed to be paid by a school district to
22 certificated employees in exchange for a voluntary termination occurring
23 prior to July 1, 2009, occurring on or after the last day of the 2010-11
24 school year and prior to the first day of the 2013-14 school year, or, to
25 the extent that a district has demonstrated to the State Board of
26 Education pursuant to section 79-1028.01 that the agreement will result
27 in a net savings in salary and benefit costs to the school district over
28 a five-year period, occurring on or after the first day of the 2013-14
29 school year, (f)(i) expenditures to pay for employer contributions
30 pursuant to subsection (2) of section 79-958 to the School Employees
31 Retirement System of the State of Nebraska to the extent that such

1 expenditures exceed the employer contributions under such subsection that
2 would have been made at a contribution rate of seven and thirty-five
3 hundredths percent or (ii) expenditures to pay for school district
4 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
5 the retirement system established pursuant to the Class V School
6 Employees Retirement Act to the extent that such expenditures exceed the
7 school district contributions under such subdivision that would have been
8 made at a contribution rate of seven and thirty-seven hundredths percent,
9 ~~and~~ (g) any amounts paid by the district for lobbyist fees and expenses
10 reported to the Clerk of the Legislature pursuant to section 49-1483, and
11 (h) expenditures of funds received from the levies authorized in
12 subdivisions (2)(h) and (i) of section 77-3442 for school security
13 measures and student technology.

14 For purposes of this subdivision (23) of this section, receipts from
15 levy override elections shall equal ninety-nine percent of the difference
16 of the total general fund levy minus a levy of one dollar and five cents
17 per one hundred dollars of taxable valuation multiplied by the assessed
18 valuation for school districts that have voted pursuant to section
19 77-3444 to override the maximum levy provided pursuant to section
20 77-3442;

21 (24) High school district means a school district providing
22 instruction in at least grades nine through twelve;

23 (25) Income tax liability means the amount of the reported income
24 tax liability for resident individuals pursuant to the Nebraska Revenue
25 Act of 1967 less all nonrefundable credits earned and refunds made;

26 (26) Income tax receipts means the amount of income tax collected
27 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
28 credits earned and refunds made;

29 (27) Limited English proficiency students means the number of
30 students with limited English proficiency in a district from the most
31 recent data available on November 1 of the school fiscal year preceding

1 the school fiscal year in which aid is to be paid plus the difference of
2 such students with limited English proficiency minus the average number
3 of limited English proficiency students for such district, prior to such
4 addition, for the three immediately preceding school fiscal years if such
5 difference is greater than zero;

6 (28) Local system means a learning community for purposes of
7 calculation of state aid for each school fiscal year prior to school
8 fiscal year 2017-18, a unified system, a Class VI district and the
9 associated Class I districts, or a Class II, III, IV, or V district and
10 any affiliated Class I districts or portions of Class I districts. The
11 membership, expenditures, and resources of Class I districts that are
12 affiliated with multiple high school districts will be attributed to
13 local systems based on the percent of the Class I valuation that is
14 affiliated with each high school district;

15 (29) Low-income child means (a) for school fiscal years prior to
16 2016-17, a child under nineteen years of age living in a household having
17 an annual adjusted gross income for the second calendar year preceding
18 the beginning of the school fiscal year for which aid is being calculated
19 equal to or less than the maximum household income that would allow a
20 student from a family of four people to be a free lunch and free milk
21 student during the school fiscal year immediately preceding the school
22 fiscal year for which aid is being calculated and (b) for school fiscal
23 year 2016-17 and each school fiscal year thereafter, a child under
24 nineteen years of age living in a household having an annual adjusted
25 gross income for the second calendar year preceding the beginning of the
26 school fiscal year for which aid is being calculated equal to or less
27 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
28 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.
29 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
30 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
31 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections

1 existed on January 1, 2015, for a household of that size that would have
2 allowed the child to meet the income qualifications for free meals during
3 the school fiscal year immediately preceding the school fiscal year for
4 which aid is being calculated;

5 (30) Low-income students means the number of low-income children
6 within the district multiplied by the ratio of the formula students in
7 the district divided by the total children under nineteen years of age
8 residing in the district as derived from income tax information;

9 (31) Most recently available complete data year means the most
10 recent single school fiscal year for which the annual financial report,
11 fall school district membership report, annual statistical summary,
12 Nebraska income tax liability by school district for the calendar year in
13 which the majority of the school fiscal year falls, and adjusted
14 valuation data are available;

15 (32) Poverty students means (a) for school fiscal years prior to
16 2016-17, the number of low-income students or the number of students who
17 are free lunch and free milk students in a district plus the difference
18 of the number of low-income students or the number of students who are
19 free lunch and free milk students in a district, whichever is greater,
20 minus the average number of poverty students for such district, prior to
21 such addition, for the three immediately preceding school fiscal years if
22 such difference is greater than zero and (b) for school fiscal year
23 2016-17 and each school fiscal year thereafter, the unadjusted poverty
24 students plus the difference of such unadjusted poverty students minus
25 the average number of poverty students for such district, prior to such
26 addition, for the three immediately preceding school fiscal years if such
27 difference is greater than zero;

28 (33) Qualified early childhood education average daily membership
29 means the product of the average daily membership for school fiscal year
30 2006-07 and each school fiscal year thereafter of students who will be
31 eligible to attend kindergarten the following school year and are

1 enrolled in an early childhood education program approved by the
2 department pursuant to section 79-1103 for such school district for such
3 school year multiplied by the ratio of the actual instructional hours of
4 the program divided by one thousand thirty-two if: (a) The program is
5 receiving a grant pursuant to such section for the third year; (b) the
6 program has already received grants pursuant to such section for three
7 years; or (c) the program has been approved pursuant to subsection (5) of
8 section 79-1103 for such school year and the two preceding school years,
9 including any such students in portions of any of such programs receiving
10 an expansion grant;

11 (34) Qualified early childhood education fall membership means the
12 product of membership on the last Friday in September 2006 and each year
13 thereafter of students who will be eligible to attend kindergarten the
14 following school year and are enrolled in an early childhood education
15 program approved by the department pursuant to section 79-1103 for such
16 school district for such school year multiplied by the ratio of the
17 planned instructional hours of the program divided by one thousand
18 thirty-two if: (a) The program is receiving a grant pursuant to such
19 section for the third year; (b) the program has already received grants
20 pursuant to such section for three years; or (c) the program has been
21 approved pursuant to subsection (5) of section 79-1103 for such school
22 year and the two preceding school years, including any such students in
23 portions of any of such programs receiving an expansion grant;

24 (35) Regular route transportation means the transportation of
25 students on regularly scheduled daily routes to and from the attendance
26 center;

27 (36) Reorganized district means any district involved in a
28 consolidation and currently educating students following consolidation;

29 (37) School year or school fiscal year means the fiscal year of a
30 school district as defined in section 79-1091;

31 (38) Sparse local system means a local system that is not a very

1 sparse local system but which meets the following criteria:

2 (a)(i) Less than two students per square mile in the county in which
3 each high school is located, based on the school district census, (ii)
4 less than one formula student per square mile in the local system, and
5 (iii) more than ten miles between each high school attendance center and
6 the next closest high school attendance center on paved roads;

7 (b)(i) Less than one and one-half formula students per square mile
8 in the local system and (ii) more than fifteen miles between each high
9 school attendance center and the next closest high school attendance
10 center on paved roads;

11 (c)(i) Less than one and one-half formula students per square mile
12 in the local system and (ii) more than two hundred seventy-five square
13 miles in the local system; or

14 (d)(i) Less than two formula students per square mile in the local
15 system and (ii) the local system includes an area equal to ninety-five
16 percent or more of the square miles in the largest county in which a high
17 school attendance center is located in the local system;

18 (39) Special education means specially designed kindergarten through
19 grade twelve instruction pursuant to section 79-1125, and includes
20 special education transportation;

21 (40) Special grant funds means the budgeted receipts for grants,
22 including, but not limited to, categorical funds, reimbursements for
23 wards of the court, short-term borrowings including, but not limited to,
24 registered warrants and tax anticipation notes, interfund loans,
25 insurance settlements, and reimbursements to county government for
26 previous overpayment. The state board shall approve a listing of grants
27 that qualify as special grant funds;

28 (41) State aid means the amount of assistance paid to a district
29 pursuant to the Tax Equity and Educational Opportunities Support Act;

30 (42) State board means the State Board of Education;

31 (43) State support means all funds provided to districts by the

1 State of Nebraska for the general fund support of elementary and
2 secondary education;

3 (44) Statewide average basic funding per formula student means the
4 statewide total basic funding for all districts divided by the statewide
5 total formula students for all districts;

6 (45) Statewide average general fund operating expenditures per
7 formula student means the statewide total general fund operating
8 expenditures for all districts divided by the statewide total formula
9 students for all districts;

10 (46) Teacher has the definition found in section 79-101;

11 (47) Temporary aid adjustment factor means (a) for school fiscal
12 years before school fiscal year 2007-08, one and one-fourth percent of
13 the sum of the local system's transportation allowance, the local
14 system's special receipts allowance, and the product of the local
15 system's adjusted formula students multiplied by the average formula cost
16 per student in the local system's cost grouping and (b) for school fiscal
17 year 2007-08, one and one-fourth percent of the sum of the local system's
18 transportation allowance, special receipts allowance, and distance
19 education and telecommunications allowance and the product of the local
20 system's adjusted formula students multiplied by the average formula cost
21 per student in the local system's cost grouping;

22 (48) Tuition receipts from converted contracts means tuition
23 receipts received by a district from another district in the most
24 recently available complete data year pursuant to a converted contract
25 prior to the expiration of the contract;

26 (49) Tuitioned students means students in kindergarten through grade
27 twelve of the district whose tuition is paid by the district to some
28 other district or education agency;

29 (50) Unadjusted poverty students means, for school fiscal year
30 2016-17 and each school fiscal year thereafter, the greater of the number
31 of low-income students or the free lunch and free milk calculated

1 students in a district; and

2 (51) Very sparse local system means a local system that has:

3 (a)(i) Less than one-half student per square mile in each county in
4 which each high school attendance center is located based on the school
5 district census, (ii) less than one formula student per square mile in
6 the local system, and (iii) more than fifteen miles between the high
7 school attendance center and the next closest high school attendance
8 center on paved roads; or

9 (b)(i) More than four hundred fifty square miles in the local
10 system, (ii) less than one-half student per square mile in the local
11 system, and (iii) more than fifteen miles between each high school
12 attendance center and the next closest high school attendance center on
13 paved roads.

14 Sec. 3. Section 79-1028.01, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 79-1028.01 (1) For each school fiscal year, a school district may
17 exceed its budget authority for the general fund budget of expenditures
18 as calculated pursuant to section 79-1023 for such school fiscal year by
19 a specific dollar amount for the following exclusions:

20 (a) Expenditures for repairs to infrastructure damaged by a natural
21 disaster which is declared a disaster emergency pursuant to the Emergency
22 Management Act;

23 (b) Expenditures for judgments, except judgments or orders from the
24 Commission of Industrial Relations, obtained against a school district
25 which require or obligate a school district to pay such judgment, to the
26 extent such judgment is not paid by liability insurance coverage of a
27 school district;

28 (c) Expenditures pursuant to the Retirement Incentive Plan
29 authorized in section 79-855 or the Staff Development Assistance
30 authorized in section 79-856;

31 (d) Expenditures of amounts received from educational entities as

1 defined in section 79-1201.01 for providing distance education courses
2 through the Educational Service Unit Coordinating Council to such
3 educational entities;

4 (e) Expenditures to pay for employer contributions pursuant to
5 subsection (2) of section 79-958 to the School Employees Retirement
6 System of the State of Nebraska to the extent that such expenditures
7 exceed the employer contributions under such subsection that would have
8 been made at a contribution rate of seven and thirty-five hundredths
9 percent;

10 (f) Expenditures to pay for school district contributions pursuant
11 to subdivision (1)(c)(i) of section 79-9,113 to the retirement system
12 established pursuant to the Class V School Employees Retirement Act to
13 the extent that such expenditures exceed the school district
14 contributions under such subdivision that would have been made at a
15 contribution rate of seven and thirty-seven hundredths percent;

16 (g) Expenditures for sums agreed to be paid by a school district to
17 certificated employees in exchange for a voluntary termination occurring
18 prior to July 1, 2009, occurring on or after the last day of the 2010-11
19 school year and prior to the first day of the 2013-14 school year, or, to
20 the extent that a district demonstrates to the State Board of Education
21 pursuant to subsection (3) of this section that the agreement will result
22 in a net savings in salary and benefit costs to the school district over
23 a five-year period, occurring on or after the first day of the 2013-14
24 school year;

25 (h) The special education budget of expenditures;

26 (i) Expenditures of special grant funds;~~and~~

27 (j) Expenditures of funds received as federal impact aid pursuant to
28 20 U.S.C. 7701 to 7714, as such sections existed on January 1, 2016, due
29 to a district having land within its boundaries that is federal property
30 classified as Indian lands under 20 U.S.C. 7713(7), as such section
31 existed on January 1, 2016, and funds received as impact aid due to

1 children in attendance who resided on Indian lands in accordance with 20
2 U.S.C. 7703(a)(1)(C), as such section existed on January 1, 2016; and -

3 (k) Expenditures of funds received from the levies authorized in
4 subdivisions (2)(h) and (i) of section 77-3442 for school security
5 measures and student technology.

6 (2) For each school fiscal year, a school district may exceed its
7 budget authority for the general fund budget of expenditures as
8 calculated pursuant to section 79-1023 for such school fiscal year by a
9 specific dollar amount and include such dollar amount in the budget of
10 expenditures used to calculate budget authority for the general fund
11 budget of expenditures pursuant to section 79-1023 for future years for
12 the following exclusions:

13 (a) The first school fiscal year the district will be participating
14 in Network Nebraska for the full school fiscal year, for the difference
15 of the estimated expenditures for such school fiscal year for
16 telecommunications services, access to data transmission networks that
17 transmit data to and from the school district, and the transmission of
18 data on such networks as such expenditures are defined by the department
19 for purposes of the distance education and telecommunications allowance
20 minus the dollar amount of such expenditures for the second school fiscal
21 year preceding the first full school fiscal year the district
22 participates in Network Nebraska;

23 (b) Expenditures for new elementary attendance sites in the first
24 year of operation or the first year of operation after being closed for
25 at least one school year if such elementary attendance site will most
26 likely qualify for the elementary site allowance in the immediately
27 following school fiscal year as determined by the state board;

28 (c) For the first school fiscal year for which early childhood
29 education membership is included in formula students for the calculation
30 of state aid, expenditures for early childhood education equal to the
31 amount the school district received in early childhood education grants

1 pursuant to section 79-1103 for the prior school fiscal year, increased
2 by the basic allowable growth rate; and

3 (d) For school fiscal year 2013-14, an amount not to exceed two
4 percent over the previous school year if such increase is approved by a
5 seventy-five percent majority vote of the school board of such district.

6 (3) The state board shall approve, deny, or modify the amount
7 allowed for any exclusions to the budget authority for the general fund
8 budget of expenditures pursuant to this section.

9 Sec. 4. If a school district makes a levy for school security
10 measures pursuant to subdivision (2)(h) of section 77-3442, the school
11 board or board of education of such school district shall establish a
12 school security fund for the proceeds of such levy. Such funds shall be
13 used only for school security measures.

14 Sec. 5. If a school district makes a levy for school technology
15 pursuant to subdivision (2)(i) of section 77-3442, the school board or
16 board of education of such school district shall establish a student
17 technology fund for the proceeds of such levy. Such funds shall be used
18 only for student technology expenditures.

19 Sec. 6. Original sections 77-3442, 79-1003, and 79-1028.01, Revised
20 Statutes Cumulative Supplement, 2016, are repealed.

21 Sec. 7. Since an emergency exists, this act takes effect when
22 passed and approved according to law.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 634

Introduced by Wayne, 13.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend sections 79-528 and
- 2 79-1003, Revised Statutes Cumulative Supplement, 2016; to change
- 3 reporting requirements; to define and redefine terms; to include
- 4 virtual school students in the calculation of aid under the Tax
- 5 Equity and Educational Opportunities Support Act; to harmonize
- 6 provisions; and to repeal the original sections.
- 7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-528, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 79-528 (1)(a) On or before July 20 in all school districts, the
4 superintendent shall file with the State Department of Education a report
5 showing the number of children from five through eighteen years of age
6 belonging to the school district according to the census taken as
7 provided in sections 79-524 and 79-578. On or before August 31, the
8 department shall issue to each learning community coordinating council a
9 report showing the number of children from five through eighteen years of
10 age belonging to the learning community based on the member school
11 districts according to the school district reports filed with the
12 department.

13 (b) Each Class I school district which is part of a Class VI school
14 district offering instruction (i) in grades kindergarten through five
15 shall report children from five through ten years of age, (ii) in grades
16 kindergarten through six shall report children from five through eleven
17 years of age, and (iii) in grades kindergarten through eight shall report
18 children from five through thirteen years of age.

19 (c) Each Class VI school district offering instruction (i) in grades
20 six through twelve shall report children who are eleven through eighteen
21 years of age, (ii) in grades seven through twelve shall report children
22 who are twelve through eighteen years of age, and (iii) in grades nine
23 through twelve children who are fourteen through eighteen years of age.

24 (d) Each Class I district which has affiliated in whole or in part
25 shall report children from five through thirteen years of age.

26 (e) Each Class II, III, IV, or V district shall report children who
27 are fourteen through eighteen years of age residing in Class I districts
28 or portions thereof which have affiliated with such district.

29 (f) The board of any district neglecting to take and report the
30 enumeration shall be liable to the school district for all school money
31 which such district may lose by such neglect.

1 (2)(a) ~~(2)~~ On or before June 30 the superintendent of each school
2 district shall file with the Commissioner of Education a report described
3 as an end-of-the-school-year annual statistical summary showing (i) ~~(a)~~
4 the number of children attending school during the school year under five
5 years of age, (ii) ~~(b)~~ the length of time the school has been taught
6 during the school year by a qualified teacher, (iii) ~~(c)~~ the length of
7 time taught by each substitute teacher, (iv) the number of classes a
8 student is required to enroll in for full-time enrollment in the district
9 at each grade level for the school year, (v) the definition of a class
10 used by the district for the purpose of determining full-time and part-
11 time enrollment at each grade level for the school year, (vi) the number
12 of classes completed by each virtual school student as defined in section
13 79-1003 for the school year, and (vii) and ~~(d)~~ such other information as
14 the Commissioner of Education directs.

15 (b) On or before July 31, the commissioner shall issue to each
16 learning community coordinating council an end-of-the-school-year annual
17 statistical summary for the learning community based on the member school
18 districts according to the school district reports filed with the
19 commissioner.

20 (3)(a) On or before November 1 the superintendent of each school
21 district shall submit to the Commissioner of Education a report described
22 as the annual financial report showing (i) the amount of money received
23 from all sources during the year and the amount of money expended by the
24 school district during the year, (ii) the amount of bonded indebtedness,
25 (iii) such other information as shall be necessary to fulfill the
26 requirements of the Tax Equity and Educational Opportunities Support Act
27 and section 79-1114, and (iv) such other information as the Commissioner
28 of Education directs.

29 (b) On or before December 15, the commissioner shall issue to each
30 learning community coordinating council an annual financial report for
31 the learning community based on the member school districts according to

1 the annual financial reports filed with the commissioner, showing (i) the
2 aggregate amount of money received from all sources during the year for
3 all member school districts and the aggregate amount of money expended by
4 member school districts during the year, (ii) the aggregate amount of
5 bonded indebtedness for all member school districts, (iii) such other
6 aggregate information as shall be necessary to fulfill the requirements
7 of the Tax Equity and Educational Opportunities Support Act and section
8 79-1114 for all member school districts, and (iv) such other aggregate
9 information as the Commissioner of Education directs for all member
10 school districts.

11 (4)(a) On or before October 15 of each year, the superintendent of
12 each school district shall file with the commissioner the fall school
13 district membership report, which report shall include the number of
14 children from birth through twenty years of age enrolled in the district
15 on the last Friday in September of a given school year. The report shall
16 also include ~~enumerate~~ (i) students by grade level, (ii) school district
17 levies and total assessed valuation for the current fiscal year, (iii)
18 students enrolled in the district as option students, (iv) resident
19 students enrolled in another district as option students, (v) students
20 enrolled in the district as open enrollment students, (vi) ~~and~~ resident
21 students enrolled in another district as open enrollment students, (vii)
22 the number of classes a student is required to enroll in for full-time
23 enrollment in the district at each grade level for such school year,
24 (viii) the definition of a class used by the district for the purpose of
25 determining full-time and part-time enrollment at each grade level for
26 such school year, (ix) the number of classes in which each virtual school
27 student as defined in section 79-1003 is enrolled on the last Friday in
28 September of such school year, and (x) ~~and (iv)~~ such other information as
29 the Commissioner of Education directs.

30 (b) On or before October 15 of each year prior to 2017, each
31 learning community coordinating council shall issue to the department a

1 report which enumerates the learning community levies pursuant to
2 subdivision (2)(b) of section 77-3442 and total assessed valuation for
3 the current fiscal year.

4 (c) On or before November 15 of each year, the department shall
5 issue to each learning community coordinating council the fall learning
6 community membership report, which report shall include the aggregate
7 number of children from birth through twenty years of age enrolled in the
8 member school districts on the last Friday in September of a given school
9 year for all member school districts. The report shall also include
10 ~~enumerate~~ (i) the aggregate students by grade level for all member school
11 districts, (ii) school district levies and total assessed valuation for
12 the current fiscal year, (iii) students enrolled in the district as
13 option students, (iv) resident students enrolled in another district as
14 option students, (v) students enrolled in the district as open enrollment
15 students, (vi) ~~and~~ resident students enrolled in another district as open
16 enrollment students, (vii) the number of classes a student is required to
17 enroll in for full-time enrollment in the district at each grade level
18 for such school year, (viii) the definition of a class used by the
19 district for the purpose of determining full-time and part-time
20 enrollment at each grade level for such school year, (ix) the number of
21 classes in which each virtual school student as defined in section
22 79-1003 is enrolled on the last Friday in September of such school year,
23 and (x) and ~~(iv)~~ such other information as the Commissioner of Education
24 directs for all member school districts.

25 (d) When any school district fails to submit its fall membership
26 report by November 1, the commissioner shall, after notice to the
27 district and an opportunity to be heard, direct that any state aid
28 granted pursuant to the Tax Equity and Educational Opportunities Support
29 Act be withheld until such time as the report is received by the
30 department. In addition, the commissioner shall direct the county
31 treasurer to withhold all school money belonging to the school district

1 until such time as the commissioner notifies the county treasurer of
2 receipt of such report. The county treasurer shall withhold such money.

3 Sec. 2. Section 79-1003, Revised Statutes Cumulative Supplement,
4 2016, is amended to read:

5 79-1003 For purposes of the Tax Equity and Educational Opportunities
6 Support Act:

7 (1) Adjusted general fund operating expenditures means (a) for
8 school fiscal years 2013-14 through 2015-16, the difference of the
9 general fund operating expenditures as calculated pursuant to subdivision
10 (23) of this section increased by the cost growth factor calculated
11 pursuant to section 79-1007.10, minus the transportation allowance,
12 special receipts allowance, poverty allowance, limited English
13 proficiency allowance, distance education and telecommunications
14 allowance, elementary site allowance, summer school allowance,
15 instructional time allowance, teacher education allowance, and focus
16 school and program allowance, (b) for school fiscal years 2016-17 through
17 2018-19, the difference of the general fund operating expenditures as
18 calculated pursuant to subdivision (23) of this section increased by the
19 cost growth factor calculated pursuant to section 79-1007.10, minus the
20 transportation allowance, special receipts allowance, poverty allowance,
21 limited English proficiency allowance, distance education and
22 telecommunications allowance, elementary site allowance, summer school
23 allowance, best practices allowance, and focus school and program
24 allowance, and (c) for school fiscal year 2019-20 and each school fiscal
25 year thereafter, the difference of the general fund operating
26 expenditures as calculated pursuant to subdivision (23) of this section
27 increased by the cost growth factor calculated pursuant to section
28 79-1007.10, minus the transportation allowance, special receipts
29 allowance, poverty allowance, limited English proficiency allowance,
30 distance education and telecommunications allowance, elementary site
31 allowance, summer school allowance, best practices allowance, community

1 achievement plan allowance, and focus school and program allowance;

2 (2) Adjusted valuation means the assessed valuation of taxable
3 property of each local system in the state, adjusted pursuant to the
4 adjustment factors described in section 79-1016. Adjusted valuation means
5 the adjusted valuation for the property tax year ending during the school
6 fiscal year immediately preceding the school fiscal year in which the aid
7 based upon that value is to be paid. For purposes of determining the
8 local effort rate yield pursuant to section 79-1015.01, adjusted
9 valuation does not include the value of any property which a court, by a
10 final judgment from which no appeal is taken, has declared to be
11 nontaxable or exempt from taxation;

12 (3) Allocated income tax funds means the amount of assistance paid
13 to a local system pursuant to section 79-1005.01 as adjusted, for school
14 fiscal years prior to school fiscal year 2017-18, by the minimum levy
15 adjustment pursuant to section 79-1008.02;

16 (4) Average daily membership means, as provided in each district's
17 annual statistical summary, the average daily membership for grades
18 kindergarten through twelve attributable to the local system, including
19 ~~as provided in each district's annual statistical summary, and includes~~
20 the proportionate share of students enrolled in a public school
21 instructional program on less than a full-time basis;

22 (5) Base fiscal year means the first school fiscal year following
23 the school fiscal year in which the reorganization or unification
24 occurred;

25 (6) Board means the school board of each school district;

26 (7) Categorical funds means funds limited to a specific purpose by
27 federal or state law, including, but not limited to, Title I funds, Title
28 VI funds, federal vocational education funds, federal school lunch funds,
29 Indian education funds, Head Start funds, and funds from the Education
30 Innovation Fund;

31 (8) Consolidate means to voluntarily reduce the number of school

1 districts providing education to a grade group and does not include
2 dissolution pursuant to section 79-498;

3 (9) Converted contract means an expired contract that was in effect
4 for at least fifteen school years beginning prior to school year 2012-13
5 for the education of students in a nonresident district in exchange for
6 tuition from the resident district when the expiration of such contract
7 results in the nonresident district educating students, who would have
8 been covered by the contract if the contract were still in effect, as
9 option students pursuant to the enrollment option program established in
10 section 79-234;

11 (10) Converted contract option student means a student who will be
12 an option student pursuant to the enrollment option program established
13 in section 79-234 for the school fiscal year for which aid is being
14 calculated and who would have been covered by a converted contract if the
15 contract were still in effect and such school fiscal year is the first
16 school fiscal year for which such contract is not in effect;

17 (11) Department means the State Department of Education;

18 (12) District means any Class I, II, III, IV, V, or VI school
19 district and, beginning with the calculation of state aid for school
20 fiscal year 2011-12 and each school fiscal year thereafter, a unified
21 system as defined in section 79-4,108;

22 (13) Ensuing school fiscal year means the school fiscal year
23 following the current school fiscal year;

24 (14) Equalization aid means the amount of assistance calculated to
25 be paid to a local system pursuant to sections 79-1007.11 to 79-1007.23,
26 79-1007.25, 79-1008.01 to 79-1022, and 79-1022.02;

27 (15) Fall membership means, ~~the total membership in kindergarten~~
28 ~~through grade twelve attributable to the local system~~ as reported on the
29 fall school district membership reports for each district pursuant to
30 section 79-528, the total membership in kindergarten through grade twelve
31 attributable to the local system, including the proportionate share of

1 students enrolled in a public school instructional program on less than a
2 full-time basis;

3 (16) Fiscal year means the state fiscal year which is the period
4 from July 1 to the following June 30;

5 (17) Formula students means:

6 (a) For state aid certified pursuant to section 79-1022, the sum of
7 the product of fall membership from the school fiscal year immediately
8 preceding the school fiscal year in which the aid is to be paid
9 multiplied by the average ratio of average daily membership to fall
10 membership for the second school fiscal year immediately preceding the
11 school fiscal year in which the aid is to be paid and the prior two
12 school fiscal years plus sixty percent of the qualified early childhood
13 education fall membership plus tuitioned students from the school fiscal
14 year immediately preceding the school fiscal year in which aid is to be
15 paid minus the product of the number of students enrolled in kindergarten
16 that is not full-day kindergarten from the fall membership multiplied by
17 0.5; and

18 (b) For the final calculation of state aid pursuant to section
19 79-1065, the sum of average daily membership plus sixty percent of the
20 qualified early childhood education average daily membership plus
21 tuitioned students minus the product of the number of students enrolled
22 in kindergarten that is not full-day kindergarten from the average daily
23 membership multiplied by 0.5 from the school fiscal year immediately
24 preceding the school fiscal year in which aid was paid;

25 (18) Free lunch and free milk calculated students means, using the
26 most recent data available on November 1 of the school fiscal year
27 immediately preceding the school fiscal year in which aid is to be paid,

28 (a) for schools that did not provide free meals to all students pursuant
29 to the community eligibility provision, students who individually
30 qualified for free lunches or free milk pursuant to the federal Richard
31 B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq., and the

1 federal Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq., as such acts
2 and sections existed on January 1, 2015, and rules and regulations
3 adopted thereunder, plus (b) for schools that provided free meals to all
4 students pursuant to the community eligibility provision, (i) for school
5 fiscal year 2016-17, the product of the students who attended such school
6 multiplied by the identified student percentage calculated pursuant to
7 such federal provision or (ii) for school fiscal year 2017-18 and each
8 school fiscal year thereafter, the greater of the number of students in
9 such school who individually qualified for free lunch or free milk using
10 the most recent school fiscal year for which the school did not provide
11 free meals to all students pursuant to the community eligibility
12 provision or one hundred ten percent of the product of the students who
13 qualified for free meals at such school pursuant to the community
14 eligibility provision multiplied by the identified student percentage
15 calculated pursuant to such federal provision, except that the free lunch
16 and free milk students calculated for any school pursuant to subdivision
17 (18)(b)(ii) of this section shall not exceed one hundred percent of the
18 students qualified for free meals at such school pursuant to the
19 community eligibility provision;

20 (19) Free lunch and free milk student means, for school fiscal years
21 prior to school fiscal year 2016-17, a student who qualified for free
22 lunches or free milk from the most recent data available on November 1 of
23 the school fiscal year immediately preceding the school fiscal year in
24 which aid is to be paid;

25 (20) Full-day kindergarten means kindergarten offered by a district
26 for at least one thousand thirty-two instructional hours;

27 (21) General fund budget of expenditures means the total budget of
28 disbursements and transfers for general fund purposes as certified in the
29 budget statement adopted pursuant to the Nebraska Budget Act, except that
30 for purposes of the limitation imposed in section 79-1023 and the
31 calculation pursuant to subdivision (2) of section 79-1027.01, the

1 general fund budget of expenditures does not include any special grant
2 funds, exclusive of local matching funds, received by a district;

3 (22) General fund expenditures means all expenditures from the
4 general fund;

5 (23) General fund operating expenditures means for state aid
6 calculated for school fiscal years 2012-13 and each school fiscal year
7 thereafter, as reported on the annual financial report for the second
8 school fiscal year immediately preceding the school fiscal year in which
9 aid is to be paid, the total general fund expenditures minus (a) the
10 amount of all receipts to the general fund, to the extent that such
11 receipts are not included in local system formula resources, from early
12 childhood education tuition, summer school tuition, educational entities
13 as defined in section 79-1201.01 for providing distance education courses
14 through the Educational Service Unit Coordinating Council to such
15 educational entities, private foundations, individuals, associations,
16 charitable organizations, the textbook loan program authorized by section
17 79-734, federal impact aid, and levy override elections pursuant to
18 section 77-3444, (b) the amount of expenditures for categorical funds,
19 tuition paid, transportation fees paid to other districts, adult
20 education, community services, redemption of the principal portion of
21 general fund debt service, retirement incentive plans authorized by
22 section 79-855, and staff development assistance authorized by section
23 79-856, (c) the amount of any transfers from the general fund to any bond
24 fund and transfers from other funds into the general fund, (d) any legal
25 expenses in excess of fifteen-hundredths of one percent of the formula
26 need for the school fiscal year in which the expenses occurred, (e)
27 expenditures to pay for sums agreed to be paid by a school district to
28 certificated employees in exchange for a voluntary termination occurring
29 prior to July 1, 2009, occurring on or after the last day of the 2010-11
30 school year and prior to the first day of the 2013-14 school year, or, to
31 the extent that a district has demonstrated to the State Board of

1 Education pursuant to section 79-1028.01 that the agreement will result
2 in a net savings in salary and benefit costs to the school district over
3 a five-year period, occurring on or after the first day of the 2013-14
4 school year, (f)(i) expenditures to pay for employer contributions
5 pursuant to subsection (2) of section 79-958 to the School Employees
6 Retirement System of the State of Nebraska to the extent that such
7 expenditures exceed the employer contributions under such subsection that
8 would have been made at a contribution rate of seven and thirty-five
9 hundredths percent or (ii) expenditures to pay for school district
10 contributions pursuant to subdivision (1)(c)(i) of section 79-9,113 to
11 the retirement system established pursuant to the Class V School
12 Employees Retirement Act to the extent that such expenditures exceed the
13 school district contributions under such subdivision that would have been
14 made at a contribution rate of seven and thirty-seven hundredths percent,
15 and (g) any amounts paid by the district for lobbyist fees and expenses
16 reported to the Clerk of the Legislature pursuant to section 49-1483.

17 For purposes of this subdivision (23) of this section, receipts from
18 levy override elections shall equal ninety-nine percent of the difference
19 of the total general fund levy minus a levy of one dollar and five cents
20 per one hundred dollars of taxable valuation multiplied by the assessed
21 valuation for school districts that have voted pursuant to section
22 77-3444 to override the maximum levy provided pursuant to section
23 77-3442;

24 (24) High school district means a school district providing
25 instruction in at least grades nine through twelve;

26 (25) Income tax liability means the amount of the reported income
27 tax liability for resident individuals pursuant to the Nebraska Revenue
28 Act of 1967 less all nonrefundable credits earned and refunds made;

29 (26) Income tax receipts means the amount of income tax collected
30 pursuant to the Nebraska Revenue Act of 1967 less all nonrefundable
31 credits earned and refunds made;

1 (27) Limited English proficiency students means the number of
2 students with limited English proficiency in a district from the most
3 recent data available on November 1 of the school fiscal year preceding
4 the school fiscal year in which aid is to be paid plus the difference of
5 such students with limited English proficiency minus the average number
6 of limited English proficiency students for such district, prior to such
7 addition, for the three immediately preceding school fiscal years if such
8 difference is greater than zero;

9 (28) Local system means a learning community for purposes of
10 calculation of state aid for each school fiscal year prior to school
11 fiscal year 2017-18, a unified system, a Class VI district and the
12 associated Class I districts, or a Class II, III, IV, or V district and
13 any affiliated Class I districts or portions of Class I districts. The
14 membership, expenditures, and resources of Class I districts that are
15 affiliated with multiple high school districts will be attributed to
16 local systems based on the percent of the Class I valuation that is
17 affiliated with each high school district;

18 (29) Low-income child means (a) for school fiscal years prior to
19 2016-17, a child under nineteen years of age living in a household having
20 an annual adjusted gross income for the second calendar year preceding
21 the beginning of the school fiscal year for which aid is being calculated
22 equal to or less than the maximum household income that would allow a
23 student from a family of four people to be a free lunch and free milk
24 student during the school fiscal year immediately preceding the school
25 fiscal year for which aid is being calculated and (b) for school fiscal
26 year 2016-17 and each school fiscal year thereafter, a child under
27 nineteen years of age living in a household having an annual adjusted
28 gross income for the second calendar year preceding the beginning of the
29 school fiscal year for which aid is being calculated equal to or less
30 than the maximum household income pursuant to sections 9(b)(1) and 17(c)
31 (4) of the Richard B. Russell National School Lunch Act, 42 U.S.C.

1 1758(b)(1) and 42 U.S.C. 1766(c)(4), respectively, and sections 3(a)(6)
2 and 4(e)(1)(A) of the Child Nutrition Act of 1966, 42 U.S.C. 1772(a)(6)
3 and 42 U.S.C. 1773(e)(1)(A), respectively, as such acts and sections
4 existed on January 1, 2015, for a household of that size that would have
5 allowed the child to meet the income qualifications for free meals during
6 the school fiscal year immediately preceding the school fiscal year for
7 which aid is being calculated;

8 (30) Low-income students means the number of low-income children
9 within the district multiplied by the ratio of the formula students in
10 the district divided by the total children under nineteen years of age
11 residing in the district as derived from income tax information;

12 (31) Most recently available complete data year means the most
13 recent single school fiscal year for which the annual financial report,
14 fall school district membership report, annual statistical summary,
15 Nebraska income tax liability by school district for the calendar year in
16 which the majority of the school fiscal year falls, and adjusted
17 valuation data are available;

18 (32) Poverty students means (a) for school fiscal years prior to
19 2016-17, the number of low-income students or the number of students who
20 are free lunch and free milk students in a district plus the difference
21 of the number of low-income students or the number of students who are
22 free lunch and free milk students in a district, whichever is greater,
23 minus the average number of poverty students for such district, prior to
24 such addition, for the three immediately preceding school fiscal years if
25 such difference is greater than zero and (b) for school fiscal year
26 2016-17 and each school fiscal year thereafter, the unadjusted poverty
27 students plus the difference of such unadjusted poverty students minus
28 the average number of poverty students for such district, prior to such
29 addition, for the three immediately preceding school fiscal years if such
30 difference is greater than zero;

31 (33) Proportionate share of students enrolled in a public school

1 instructional program on less than a full-time basis means, for both
2 virtual school students and students who are not virtual school students
3 who are enrolled in a public school instructional program on less than a
4 full-time basis, (a) for the purposes of fall membership, the number of
5 classes for which such students are enrolled in a public school
6 instructional program in the school district on the last Friday in
7 September divided by the number of classes such students would be
8 required to enroll in for full-time enrollment in the district and (b)
9 for the purposes of average daily membership, the number of classes in a
10 public school instructional program in the school district completed by
11 such students during the school year divided by the number of classes
12 such students would have been required to enroll in for full-time
13 enrollment in the district;

14 ~~(34)~~ ~~(33)~~ Qualified early childhood education average daily
15 membership means the product of the average daily membership for school
16 fiscal year 2006-07 and each school fiscal year thereafter of students
17 who will be eligible to attend kindergarten the following school year and
18 are enrolled in an early childhood education program approved by the
19 department pursuant to section 79-1103 for such school district for such
20 school year multiplied by the ratio of the actual instructional hours of
21 the program divided by one thousand thirty-two if: (a) The program is
22 receiving a grant pursuant to such section for the third year; (b) the
23 program has already received grants pursuant to such section for three
24 years; or (c) the program has been approved pursuant to subsection (5) of
25 section 79-1103 for such school year and the two preceding school years,
26 including any such students in portions of any of such programs receiving
27 an expansion grant;

28 ~~(35)~~ ~~(34)~~ Qualified early childhood education fall membership means
29 the product of membership on the last Friday in September 2006 and each
30 year thereafter of students who will be eligible to attend kindergarten
31 the following school year and are enrolled in an early childhood

1 education program approved by the department pursuant to section 79-1103
2 for such school district for such school year multiplied by the ratio of
3 the planned instructional hours of the program divided by one thousand
4 thirty-two if: (a) The program is receiving a grant pursuant to such
5 section for the third year; (b) the program has already received grants
6 pursuant to such section for three years; or (c) the program has been
7 approved pursuant to subsection (5) of section 79-1103 for such school
8 year and the two preceding school years, including any such students in
9 portions of any of such programs receiving an expansion grant;

10 (36) ~~(35)~~ Regular route transportation means the transportation of
11 students on regularly scheduled daily routes to and from the attendance
12 center;

13 (37) ~~(36)~~ Reorganized district means any district involved in a
14 consolidation and currently educating students following consolidation;

15 (38) ~~(37)~~ School year or school fiscal year means the fiscal year of
16 a school district as defined in section 79-1091;

17 (39) ~~(38)~~ Sparse local system means a local system that is not a
18 very sparse local system but which meets the following criteria:

19 (a)(i) Less than two students per square mile in the county in which
20 each high school is located, based on the school district census, (ii)
21 less than one formula student per square mile in the local system, and
22 (iii) more than ten miles between each high school attendance center and
23 the next closest high school attendance center on paved roads;

24 (b)(i) Less than one and one-half formula students per square mile
25 in the local system and (ii) more than fifteen miles between each high
26 school attendance center and the next closest high school attendance
27 center on paved roads;

28 (c)(i) Less than one and one-half formula students per square mile
29 in the local system and (ii) more than two hundred seventy-five square
30 miles in the local system; or

31 (d)(i) Less than two formula students per square mile in the local

1 system and (ii) the local system includes an area equal to ninety-five
2 percent or more of the square miles in the largest county in which a high
3 school attendance center is located in the local system;

4 (40) ~~(39)~~ Special education means specially designed kindergarten
5 through grade twelve instruction pursuant to section 79-1125, and
6 includes special education transportation;

7 (41) ~~(40)~~ Special grant funds means the budgeted receipts for
8 grants, including, but not limited to, categorical funds, reimbursements
9 for wards of the court, short-term borrowings including, but not limited
10 to, registered warrants and tax anticipation notes, interfund loans,
11 insurance settlements, and reimbursements to county government for
12 previous overpayment. The state board shall approve a listing of grants
13 that qualify as special grant funds;

14 (42) ~~(41)~~ State aid means the amount of assistance paid to a
15 district pursuant to the Tax Equity and Educational Opportunities Support
16 Act;

17 (43) ~~(42)~~ State board means the State Board of Education;

18 (44) ~~(43)~~ State support means all funds provided to districts by the
19 State of Nebraska for the general fund support of elementary and
20 secondary education;

21 (45) ~~(44)~~ Statewide average basic funding per formula student means
22 the statewide total basic funding for all districts divided by the
23 statewide total formula students for all districts;

24 (46) ~~(45)~~ Statewide average general fund operating expenditures per
25 formula student means the statewide total general fund operating
26 expenditures for all districts divided by the statewide total formula
27 students for all districts;

28 (47) ~~(46)~~ Teacher has the definition found in section 79-101;

29 (48) ~~(47)~~ Temporary aid adjustment factor means (a) for school
30 fiscal years before school fiscal year 2007-08, one and one-fourth
31 percent of the sum of the local system's transportation allowance, the

1 local system's special receipts allowance, and the product of the local
2 system's adjusted formula students multiplied by the average formula cost
3 per student in the local system's cost grouping and (b) for school fiscal
4 year 2007-08, one and one-fourth percent of the sum of the local system's
5 transportation allowance, special receipts allowance, and distance
6 education and telecommunications allowance and the product of the local
7 system's adjusted formula students multiplied by the average formula cost
8 per student in the local system's cost grouping;

9 (49) ~~(48)~~ Tuition receipts from converted contracts means tuition
10 receipts received by a district from another district in the most
11 recently available complete data year pursuant to a converted contract
12 prior to the expiration of the contract;

13 (50) ~~(49)~~ Tuitioned students means students in kindergarten through
14 grade twelve of the district whose tuition is paid by the district to
15 some other district or education agency;

16 (51) ~~(50)~~ Unadjusted poverty students means, for school fiscal year
17 2016-17 and each school fiscal year thereafter, the greater of the number
18 of low-income students or the free lunch and free milk calculated
19 students in a district; ~~and~~

20 (52) ~~(51)~~ Very sparse local system means a local system that has:

21 (a)(i) Less than one-half student per square mile in each county in
22 which each high school attendance center is located based on the school
23 district census, (ii) less than one formula student per square mile in
24 the local system, and (iii) more than fifteen miles between the high
25 school attendance center and the next closest high school attendance
26 center on paved roads; or

27 (b)(i) More than four hundred fifty square miles in the local
28 system, (ii) less than one-half student per square mile in the local
29 system, and (iii) more than fifteen miles between each high school
30 attendance center and the next closest high school attendance center on
31 paved roads; ~~or~~

1 (53) Virtual school means any school or educational program that:

2 (a) Is operated by a school district;

3 (b) Offers courses for credit;

4 (c) Uses predominately Internet-based methods to deliver

5 instruction;

6 (d) Involves instruction that occurs asynchronously with the teacher

7 and student in separate locations;

8 (e) Requires the student to make academic progress toward the next

9 grade level or high school graduation;

10 (f) Requires the student to demonstrate subject matter competence

11 for each course or subject in which the student is enrolled as part of

12 the virtual school; and

13 (g) Requires the student, when age-appropriate, to complete state

14 assessments; and

15 (54) Virtual school student means a student who is a resident of

16 Nebraska enrolled in and attending a virtual school on at least a part-

17 time basis.

18 Sec. 3. Original sections 79-528 and 79-1003, Revised Statutes

19 Cumulative Supplement, 2016, are repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 662

Introduced by Linehan, 39; Brieese, 41.

Read first time January 18, 2017

Committee: Education

- 1 A BILL FOR AN ACT relating to schools; to amend section 79-760.06,
- 2 Revised Statutes Cumulative Supplement, 2016; to establish a grading
- 3 system for schools and school districts; and to repeal the original
- 4 section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 79-760.06, Revised Statutes Cumulative
2 Supplement, 2016, is amended to read:

3 79-760.06 ~~(1)(a) The (1) On or before August 1, 2012,~~ the State
4 Board of Education shall establish an accountability system to be used
5 pursuant to this subsection until August 1, 2020, to measure the
6 performance of individual public schools and school districts. The
7 accountability system shall combine multiple indicators, including, but
8 not limited to, graduation rates, student growth and student improvement
9 on the assessment instruments provided in section 79-760.03, and other
10 indicators of the performance of public schools and school districts as
11 established by the state board.

12 **(b)** ~~(2)~~ Beginning with the reporting of data from school year
13 2014-15, the indicators selected by the state board for the
14 accountability system shall be combined into a school performance score
15 and district performance score. The state board shall establish levels of
16 performance based upon school performance scores and district performance
17 scores in order to classify the performance of public schools and school
18 districts beginning with the reporting of data from school year 2014-15.
19 The state board shall designate priority schools based on such
20 classification. Schools designated as priority schools shall be at the
21 lowest performance level at the time of the initial priority school
22 designation. Schools designated as priority schools shall remain priority
23 schools until such designation is removed by the state board. No more
24 than three schools may have a priority school designation at one time.
25 Schools designated as priority schools shall be subject to the
26 requirements of section 79-760.07. Progress plans for the initial schools
27 designated as priority schools shall be approved by the state board no
28 later than August 15, 2016. The State Department of Education shall
29 annually report the performance level of individual public schools and
30 school districts as part of the statewide assessment and reporting
31 system.

1 (2) On or before August 1, 2020, the State Board of Education shall
2 establish an accountability system with a scale measuring performance for
3 schools and districts and awarding a grade of an A, B, C, D, or F as
4 follows:

5 (a) Each school shall earn one of the following grades except a
6 school shall not earn a school grade if the percent of students tested is
7 greater than ninety-five percent but the number of students tested is
8 less than ten to ensure accuracy and prevent the unlawful release of
9 personally identifiable student data under 20 U.S.C. 1232g and similar
10 state privacy laws:

11 (i) A school grade of A means the school is producing excellent
12 student achievement and progress;

13 (ii) A school grade of B means the school is producing above average
14 student achievement and progress;

15 (iii) A school grade of C means the school is producing satisfactory
16 student achievement and progress;

17 (iv) A school grade of D means the school is producing less than
18 satisfactory student achievement and progress; and

19 (v) A school grade of F means the school is failing to produce
20 adequate student achievement and progress.

21 (b) A school's grade shall be based on a combination of:

22 (i) The percent of students scoring at proficient or higher on the
23 statewide assessments for all students in English language arts,
24 mathematics, and science;

25 (ii) The percent of students making growth to proficiency, or
26 advanced proficiency for students already proficient, for all students as
27 measured by the statewide assessments in reading and mathematics;

28 (iii) The percent of students making growth to proficiency for the
29 lowest performing twenty-five percent of students in the school on the
30 statewide assessments in reading and mathematics;

31 (iv) For high schools, the percent of students earning a high school

1 diploma in four years; and

2 (v) The department shall assign school grades based on a balance of
3 overall student achievement and growth with growth divided evenly between
4 the growth of all students and the growth of the lowest performing
5 twenty-five percent of students in the school. For high schools, the
6 graduation rate should be a factor of no more than twenty percent of the
7 overall calculation.

8 (c) Student assessment data used in determining school grades shall
9 include:

10 (i) The scores of all students enrolled in the school for a full
11 academic year with scores on the statewide assessments;

12 (ii) The growth scores of all students enrolled in the school for
13 the current full academic year with scores on the statewide assessments
14 in the current and prior years;

15 (iii) The growth scores of the lowest performing twenty-five percent
16 of students based on prior year scores in reading and mathematics
17 enrolled in the school for the current full academic year with scores on
18 the state annual accountability assessment in the current and prior
19 years; and

20 (iv) Students attending an alternative school who are subject to
21 district school board policies for expulsion for repeated or serious
22 offenses or in dropout retrieval programs serving students who have
23 officially been designated as dropouts shall not be included in the
24 school grade determination.

25 (d) Schools that do not test ninety-five percent of their students
26 will have the school grade lowered by one letter.

27 (e) In any year in which sixty-five percent or more of the statewide
28 aggregate of elementary, middle, or high schools earn a grade of A or B,
29 the department shall raise the scale required to earn a school grade for
30 that level of school by five percent.

31 (f) The department shall develop school awards for schools that

1 improve at least one grade level or earn a school grade of A.

2 (g) The annual report shall include a district grade, which follow
3 the same method used for calculating a school grade except at the
4 district level.

5 (h) Each school earning a school grade of an A or having improved at
6 least two grade levels shall have greater authority over the allocation
7 of the school's total budget, state categorical funds, grants, and local
8 funds, as specified by the State Board of Education or the department and
9 such authority shall remain in effect until the school's grade declines.

10 (i) The department shall prepare annual reports of the results of
11 the statewide accountability program to describe student achievement in
12 individual schools and school districts and in the state as a whole. The
13 department, with input from the school districts, parents, and community
14 stakeholders, shall design the reports, which must include, without
15 limitation, the school's grade, an explanation of school performance,
16 descriptions of the performance of all schools participating in the
17 assessment program and all of their major student populations as
18 determined by the department, and any information regarding school
19 improvement. The provisions of Family Educational Rights and Privacy Act,
20 20 U.S.C. 1232g pertaining to student records and any similar state
21 legislation apply to this section. The department, on its web site, shall
22 publish each district and school's report card annually, and the district
23 shall provide the school report card to each parent no later than one
24 month prior to the beginning of the next school year.

25 Sec. 2. Original section 79-760.06, Revised Statutes Cumulative
26 Supplement, 2016, is repealed.

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 664

Introduced by Kuehn, 38.

Read first time January 18, 2017

Committee: Government, Military and Veterans Affairs

- 1 A BILL FOR AN ACT relating to the Nebraska Political Accountability and
- 2 Disclosure Act; to amend section 49-1492, Reissue Revised Statutes
- 3 of Nebraska; to prohibit a political subdivision from compensating a
- 4 lobbyist with revenue from taxes or fees; to provide a penalty; and
- 5 to repeal the original section.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 49-1492, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 49-1492 (1) No person shall be employed as a lobbyist for
4 compensation contingent in any manner upon the outcome of an
5 administrative or legislative action.

6 (2) No person shall instigate the introduction of legislation for
7 the purpose of obtaining employment in opposition thereto.

8 (3) No person shall attempt to influence the vote of the legislators
9 on any matters pending or to be proposed by the promise of financial
10 support or the financing of opposition to his candidacy at any future
11 election.

12 (4) No person shall engage in practices which reflect discredit on
13 the practice of lobbying or on the Legislature.

14 (5) A political subdivision shall not use revenue from any tax or
15 fee imposed by a government body to employ or contract with a lobbyist.

16 (6) (5) Any person violating the provisions of this section shall be
17 guilty of a Class III misdemeanor.

18 Sec. 2. Original section 49-1492, Reissue Revised Statutes of
19 Nebraska, is repealed.

ESUCC: Government Relations Process
David M. Ludwig, ESUCC Executive Director
November 2016

A meeting was scheduled with Curt and Jason Bromm on Wednesday, November 9 at 3:00 p.m. The purpose of the meeting was to discuss an overview of the upcoming legislative session as well as marketing strategy for the ESU Legislative Day scheduled for Thursday, February 23, 2017.

Legislative Overview

- 24 newly elected Senators
- 12 New Senators
- 5 Incumbents not re-elected
 - Senator Schnoor: not re-elected
 - Senator Sullivan: term limited
- Number of Senators
 - 32 Republicans (35 previously)
 - 15 Democrats (12 previously)
 - 1 Independent
 - 1 Libertarian
- Legislative Issues
 - Budget Shortfall
 - Property Tax Relief
 - Corrections System
 - NDE Biennial Budget
 - Charter Schools (?)
- State Revenue
 - May see a greater decline in revenue
 - Economic Forecast Board meets in February and April

ESUCC Marketing

- Governor:
 - Scheduled meeting
 - Develop a detailed agenda with talking points
 - Determine the audience for the meeting
- Individual Senators
 - 12 New Senators
 - Schedule a meeting the first 2 weeks of the session
 - Tell our story regarding purpose and value
 - ESU Meetings at the State Capitol
 - ESU's 13, 15, 16 and 17 January 6, 2016
 - Coordinate with the January ESUCC Meeting to reduce travel
 - Schedule other ESU visits when available
 - ESU Legislative Day (New name needed)
 - Thursday, February 23, 2017
 - 10:00 a.m.-1:30 p.m.
 - State Capitol Room 1023
 - Invited Guests
 - State Senators
 - Legislative Aides
 - Invitation to Senators from each ESU
 - Meal/snacks/finger foods provided

- A list of senators and staff will be by the front door to greet and connect with the appropriate ESU
- Purpose: support for all ESU's
- Topics for presentation:
 - State Statute regarding the origin of ESU's
 - 2003 ESU Study
 - Number of devices using Internet in each ESU
 - i.e.-ESU 3 equivalent to the size of Memorial Stadium on Game Day
 - Technology Innovations
 - Security of Data
 - Have readily available a stakeholder to present from a Zoom connection
 - Video Clip: "A Day in the Life of ESU's"
 - Pictures taken at a specific time within the state and organized into a 3-5 minute video
 - Picture of each ESU
 - K-12 Federation
 - Legislative Bills and the position for ESUCC
- Photographer Available for the day
- Establish a saying or brand
 - (i.e.-We support Public Education)

Cost Savings...

- Nebraska's ESUs support early childhood special education with specialized services, response to intervention, teacher training, accurate identification, and referrals of children who need support. These early services result in substantial savings to school districts.
- Statewide cooperative purchasing saves local school districts millions of dollars on critical purchases such as teaching supplies, copier paper, copiers, building/maintenance projects, scoreboards, furniture, technology hardware, software, custodial supplies, and food.
- Through the ESU Coordinating Council, the 17 ESUs routinely collaborate for both regional and statewide projects to extend the efficiency and effectiveness of limited resources.



Educational Service Units Provide School Districts...

- Cost effective resources
- Research-based instructional learning opportunities
- Opportunities to pilot innovative programs
- Enhanced learning through technology integration
- Facilitation of best practices
- Coordination of distance learning and other BlendEd learning opportunities
- Coordination of efficient and equitable services between local districts and the Nebraska Department of Education (NDE)



402-597-4843
6949 South 110th Street
LaVista, NE 68128
www.esucc.org

ESU

Nebraska Educational Service Units

Serving Nebraska
Public Schools Since
1965



“There are too many requirements, expectations, and competing demands on local districts to overlook the importance of ESUs to Nebraska’s educational system.”

~ Commissioner Matt Blomstedt

In 1965, the Nebraska Legislature created ESUs to...

- Provide training for teachers, administrators, and support staff
- Encourage collaboration across district boundaries to enhance efficiency and equitable opportunities

ESUs support student achievement and leverage limited resources in six areas, many of which are mandated by federal and/or state law:

Teaching and Learning:

- ESUs facilitate trainings annually for educators, informing them of the latest research and teaching methods, and improving the opportunities for achievement of all students including those in poverty and with diverse backgrounds.

Technology Services:

- ESUs often manage the fiber network, purchase bandwidth, subsidize the cost and management tools, obtain lower costs for computer software, provide Internet protection filters, purchase digital collections, promote online and digital learning options, and provide technical support.

Specialized Student Services:

- ESUs provide services to meet the increased needs in special education, vocational education and transition, learning centers, alternative education programs, English Language Acquisition programs, and homeless education programs. Specialized regional supports for autism, assistive technology, and professional development for early childhood providers make it possible for local providers to meet the intense needs of their high needs students.

Early Childhood:

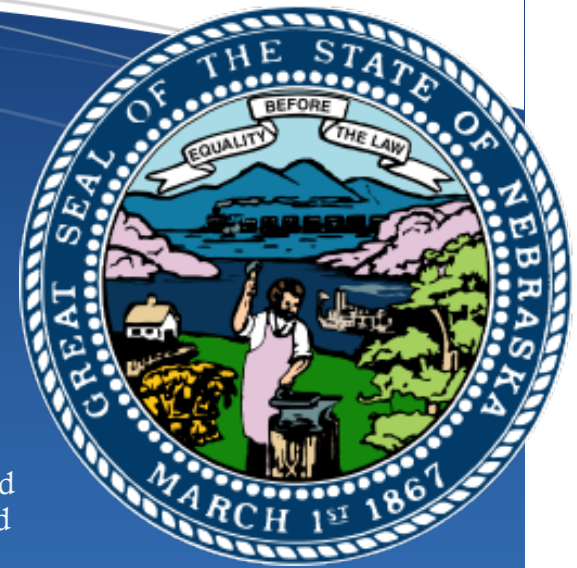
- ESUs provide leadership and support in early childhood education to help ensure every child is safe, healthy and prepared to succeed in school and in life.

Developing Partnerships:

- ESUs are often key partners in local economic development through their community ties with human service agencies, businesses, industries, municipalities, colleges and universities.

Administrative Services:

- ESUs assist school districts through cooperative efforts within the areas of teaching and learning, technology, transportation, business services, teacher training, and purchasing.



ESU

Nebraska Educational Service Units

Serving as educational service providers in the state's system of elementary and secondary education since 1965.

Educational Service Units are highly skilled, technology-rich, and agile providers of cost-effective, instructional, technology, and special services to 245 school districts, 22,000 teachers, 1500 administrators and 307,000 students in Nebraska.

ESUs respond to a wide array of needs as determined by school district data. Today, ESUs continue to fulfill their mission of service by addressing traditional and emerging needs, serving as essential links for learning, and as a liaison between local schools and the Nebraska Department of Education.

ESUs Have a Positive Impact on Student Learning for 307,000 Students in Nebraska

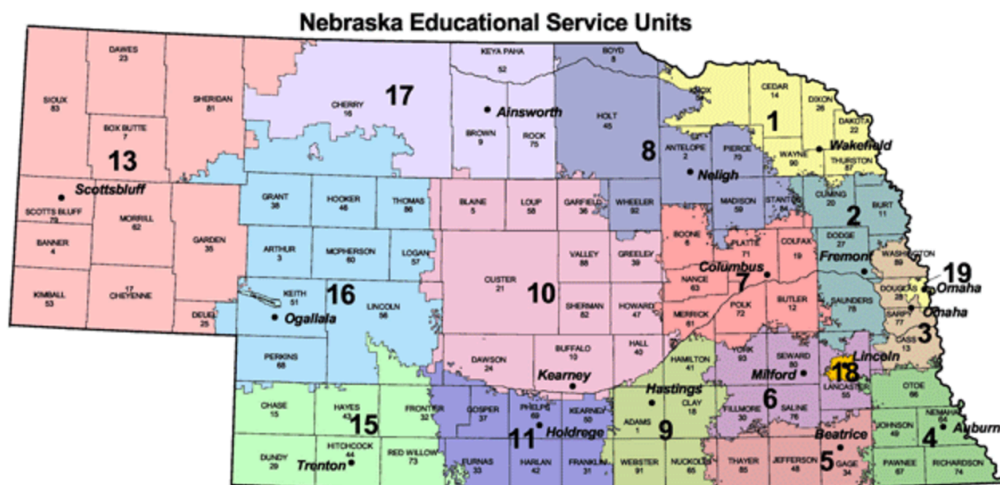
- Services**
 - Teaching & Learning
 - Technology Services
 - Specialized Student Services
 - Early Childhood
 - Develop Partnerships
 - Administrative Services
- Funding**
 - Federal, State & Local dollars
 - Federal & State grants
 - Contracted services
- Legislation**
 - Provide training for teachers, administrators and support staff
 - Encourage collaboration across district boundaries to enhance efficiency and equitable opportunities



Educational Service Units Provide School Districts with...

- Cost effective resources
- Research-based instructional learning opportunities
- Opportunities to pilot innovative programs
- Enhanced learning through technology integration
- Facilitation of best practices
- Coordination of distance learning and other BlendEd learning opportunities
- Coordination of efficient and equitable services between local districts and the Nebraska Department of Education (NDE)

"There are too many requirements, expectations, and competing demands on local districts to overlook the importance of ESUs to Nebraska's educational system." ~ Commissioner Matt Blomstedt



ESU 1

211 10th St
Wakefield, NE 68784
Phone: (402) 287-2061
Fax: (402) 287-2065
<http://www.esu1.org>

ESU 2

2320 N Colorado, PO Box 649
Fremont, NE 68026
Phone: (402) 721-7710
Fax: (402) 721-7712
<http://www.esu2.org>

ESU 3

6949 S 110th St
Omaha, NE 68128
Phone: (402) 597-4800
Fax: (402) 597-4808
<http://www.esu3.org/esu3>

ESU 4

919 16th St, PO Box 310
Auburn, NE 68305
Phone: (402) 274-4354
Fax: (402) 274-4356
<http://www.esu4.org>

ESU 5

900 West Court
Beatrice, NE 68310
Phone: (402) 223-5277
Fax: (402) 223-5279
<http://www.esu5.org>

ESU 6

210 5th St
Milford, NE 68405
Phone: (402) 761-3341
Fax: (402) 761-3279
<http://esu6.org>

ESU 7

2657 44th Ave
Columbus, NE 68601
Phone: (402) 564-5753
Fax: (402) 563-1121
<http://www.esu7.org>

ESU 8

106 W 3rd St., PO Box 89
Neligh, NE 68756
Phone: (402) 887-5041
Fax: (402) 887-6041
<http://www.esu8.org>

ESU 9

1117 E South St, PO Box 2074
Hastings, NE 68902
Phone: (402) 463-5611
Fax: (402) 463-9555
<http://home.site.esu9.org>

ESU 10

PO Box 850
Kearney, NE 68848
Phone: (308) 237-5927
Fax: (308) 237-5920
<http://www.esu10.org>

ESU 11

412 W 14th St, PO Box 858
Holdrege, NE 68949
Phone: (308) 995-6585
Fax: (308) 995-6587
<http://esu11.org>

ESU 13

4215 Ave I
Scottsbluff, NE 69361
Phone: (308) 635-3969
Fax: (308) 635-0680
<http://www.esu13.org>

ESU 15

344 Main St, PO Box 398
Trenton, NE 69044
Phone: (308) 334-5160
Fax: (308) 334-5581
<http://www.esu15.org>

ESU 16

314 W 1st St, PO Box 915
Ogallala, NE 69153
Phone: (308) 284-8481
Fax: (308) 284-8483
<http://www.esu16.org>

ESU 17

207 N Main St
Ainsworth, NE 69210
Phone: (402) 387-1420
Fax: (402) 378-1028
<http://www.esu17.org>

ESU 18

5901 O St, PO Box 82889
Lincoln, NE 68501
Phone: (402) 436-1610
Fax: (402) 436-1620
<http://www.lps.org>

ESU 19

3215 Cuming
Omaha, NE 68103
Phone: (402) 557-2413
Fax: (402) 557-2478
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Phone: (402) 597-4843

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