

One Hundred Third Legislature - First Session - 2013

Introducer's Statement of Intent

LB138

Chairman: Senator Jeremy Nordquist

Committee: Nebraska Retirement Systems

Date of Hearing: February 28, 2013

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

The University of Nebraska Group Health Trust Fund (Trust Fund) presently holds more than \$143 million dollars, including nearly \$27 million dollars in General Fund appropriations.

Sections 85-128, 85-129, and 85-131 of the Nebraska Revised Statutes clearly designate the State Treasurer as the custodian of university funds, who is authorized to make disbursements therefrom.

Regardless, the University of Nebraska created the Trust Fund without the approval, or even the knowledge, of the State Treasurer – effectively removing hundreds of millions of dollars from the appropriate, as well as statutorily mandated, executive oversight.

It should be noted that the Legislature was also uninformed of the Trust Fund's existence, rendering similarly impossible any sort of legislative input or direction.

LB 138 remedies the ongoing mishandling of the Trust Fund. The bill creates a Group Health Trust Fund and directs the corpus of the Trust Fund to be transferred thereto. More importantly, LB 138 places the Group Health Trust Fund under the express control of the State Treasurer, where that money should always have been.

Principal Introducer: _____

Senator Bob Krist, District 10

