

LEGISLATIVE BILL 799

Approved by the Governor April 3, 1998

Introduced by Crosby, 29; Brown, 6; Maurstad, 30; Beutler, 28

AN ACT relating to appropriations; to amend sections 82-313 and 82-315, Reissue Revised Statutes of Nebraska; to state intent; to create funds and provide appropriations for arts and humanities funding; to provide for grants and matching funds; to provide duties for the Nebraska Arts Council; to harmonize provisions; and to repeal the original sections.

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

Section 1. The Legislature finds that the cultural climate of Nebraska is important to the state in many ways, including economically, politically, educationally, and socially. Further, the Legislature finds that federal funding for the arts and humanities has decreased dramatically and that there is no assurance of continuation of federal funding. In order to ensure there is a stable cultural climate in our state for future generations, the Nebraska Arts Council and the Nebraska Humanities Council have joined efforts to establish a financial partnership between the public and private sectors.

Sec. 2. (1) There is hereby established in the state treasury a trust fund to be known as the Nebraska Cultural Preservation Endowment Fund. The fund shall consist of funds appropriated or transferred by the Legislature, and only the earnings of the fund may be used as provided in this section.

(2) On August 1, 1998, the State Treasurer shall transfer five million dollars from the General Fund to the Nebraska Cultural Preservation Endowment Fund.

(3) The Legislature shall not appropriate or transfer money from the Nebraska Cultural Preservation Endowment Fund for any purpose other than the purposes stated in sections 1 to 4 of this act, except that the Legislature may appropriate or transfer money from the fund upon a finding that the purposes of such sections are not being accomplished by the fund.

(4) Any money in the Nebraska Cultural Preservation Endowment Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(5) All investment earnings from the Nebraska Cultural Preservation Endowment Fund shall be credited to the Nebraska Arts and Humanities Cash Fund.

Sec. 3. (1) The Nebraska Arts and Humanities Cash Fund is created. The fund shall consist of all funds credited from the Nebraska Cultural Preservation Endowment Fund pursuant to section 2 of this act. The Nebraska Arts Council shall administer and distribute the Nebraska Arts and Humanities Cash Fund. All disbursements from the Nebraska Arts and Humanities Cash Fund shall be matched dollar-for-dollar by sources other than state funds. The match funds shall be new money generated for endowments established by the Nebraska Arts Council or Nebraska Humanities Council or qualified endowments of their constituent organizations, new money generated as a result of seed grants to recipients, or new money generated by the Nebraska Arts Council or Nebraska Humanities Council for arts or humanities education. New money includes, but is not limited to, donations to the Nebraska Arts Council or Nebraska Humanities Council in anticipation of the establishment of the Nebraska Cultural Preservation Endowment Fund. New money used as a match shall not be limited to matching the Nebraska Arts and Humanities Cash Fund in the state fiscal year the new money is received, but it shall be used as a match no later than the subsequent fiscal year. For an endowment to be a qualified endowment (a) the endowment must meet the standards set by the Nebraska Arts Council or Nebraska Humanities Council, (b) the endowment must be intended for long-term stabilization of the organization, and (c) the funds of the endowment must be endowed and only the earnings thereon expended. An organization is a constituent organization if it receives funding from the Nebraska Arts Council or Nebraska Humanities Council and is tax exempt under section 501 of the Internal Revenue Code. The match funds required by this section shall not include in-kind contributions. The budget division of the Department of Administrative Services shall approve allotment and disbursement of funds from the Nebraska Arts and Humanities Cash Fund only to the extent the Nebraska Arts Council has provided documentation of the dollar-for-dollar

match required by this section. Funds from the Nebraska Arts and Humanities Cash Fund may be used for the purpose of obtaining challenge grants from the National Endowment for the Humanities or the National Endowment for the Arts.

(2) Rules and regulations of the Nebraska Arts Council shall provide that the ultimate use of disbursements from the Nebraska Arts and Humanities Cash Fund shall be in a ratio of seventy percent to projects, endowments, or programs designated by the Nebraska Arts Council and thirty percent to projects, endowments, or programs designated by the Nebraska Humanities Council.

(3) Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 4. The Nebraska Arts Council shall report to the Clerk of the Legislature and Director of Administrative Services annually regarding disbursements from the Nebraska Arts and Humanities Cash Fund. The report shall include a complete listing of the uses of the fund, the sources of funding used to match state funds, the amount of investment earnings credited to the Nebraska Arts and Humanities Cash Fund, and the balance of the Nebraska Arts and Humanities Cash Fund. The report shall cover the period July 1 through June 30 and shall be submitted no later than November 1 of each year.

Sec. 5. Section 82-313, Reissue Revised Statutes of Nebraska, is amended to read:

82-313. The Nebraska Arts Council may (1) hold public and private hearings, (2) enter into contracts, within the limit of funds available therefor, with individuals, organizations, and institutions for services furthering the educational objectives of the council's programs, (3) enter into contracts, within the limit of funds available therefor, with local and regional associations for cooperative endeavors furthering the educational objectives of the council's programs, (4) accept gifts, contributions, and bequests of unrestricted funds from individuals, foundations, corporations, and other organizations or institutions for the purpose of furthering the educational objectives of the council's programs, (5) distribute funds appropriated by the Legislature to any organization which has been designated as the state affiliate of the National Endowment for the Humanities for the period covered by the appropriation, and (6) make and sign any agreements and do and perform any acts that may be necessary to carry out the purposes of sections 82-309 to 82-316, (7) enter into contracts, make and sign any agreements, and perform any acts that may be necessary to stabilize funding for the arts and humanities and to carry out the intent of sections 1 to 4 of this act, and (8) adopt and promulgate rules and regulations to carry out its powers and duties. The council may request from any department, division, board, bureau, commission, or agency of the state such assistance and data as will enable it properly to carry out its powers and duties.

Sec. 6. Section 82-315, Reissue Revised Statutes of Nebraska, is amended to read:

82-315. All funds received by the ~~council~~ Nebraska Arts Council under sections 82-313 and 82-314 shall be deposited ~~in~~ the state treasury to the credit of ~~remitted to the State Treasurer for credit to~~ the Nebraska Arts Council Trust Fund which is hereby created and which, when appropriated by the Legislature, shall be expended strictly in accord with any conditions that may be attached at the time of their receipt. This section does not apply to funds received by the council under sections 1 to 4 of this act.

Sec. 7. Original sections 82-313 and 82-315, Reissue Revised Statutes of Nebraska, are repealed.