

## LEGISLATIVE BILL 654

Approved by the Governor February 22, 2000

Introduced by Schimek, 27

AN ACT relating to state government; to amend sections 29-3912, 35-529, 77-2608, 81-145, 81-149, 81-150, 81-151, 81-153, 81-154.01, 81-159, 81-161, 81-161.01, 81-161.02, 81-161.04, 81-164, 81-166, 81-168, 81-171, 81-1108, 81-1108.41, 81-1114.02, 81-1118, 81-1118.01, 81-1118.03, 81-1118.04, 81-1118.06, 81-1120.35 to 81-1120.38, 81-1120.40, 81-1184, 81-1185, 81-1186, 81-1187, 81-1316, 81-1348, 81-2304, 81-2307, 81-2308.01, 83-140, 84-1601, 84-1602, 84-1603, 84-1605, 84-1606, 84-1613, and 84-1616, Reissue Revised Statutes of Nebraska, sections 81-154, 81-161.03, and 81-188.01, Revised Statutes Supplement, 1998, and section 60-311, Revised Statutes Supplement, 1999; to change provisions relating to the Department of Administrative Services; to change provisions relating to purchasing, departmental organization, funding, facility planning, capital construction, recycling management, and powers and duties; to create a fund; to provide an exemption from the State Personnel System; to change terms of office for the Suggestion Award Board; to eliminate a termination date, obsolete provisions, and a fund; to harmonize provisions; to provide operative dates; to repeal the original sections; to outright repeal sections 81-163.01, 81-1120.32 to 81-1120.34, 81-1120.39, and 81-1354.02, Reissue Revised Statutes of Nebraska; and to declare an emergency.

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

Section 1. Section 29-3912, Reissue Revised Statutes of Nebraska, is amended to read:

29-3912. If necessary office space is not available in a courthouse within the district, the judicial district public defender may rent or lease such space. He or she may also purchase, through the Purchasing Agent materiel administrator of the Department of Administrative Services, necessary furniture, equipment, books, stationery, and other supplies necessary for the operation of the office. The public defender may employ, with the approval of the appropriate district judge or judges, necessary assistant public defenders and other employees at salaries which are to be approved by the judge or judges. Such judge or judges shall also determine whether assistant public defenders and other employees are to be part time or full time. Public defenders may employ law students authorized by the Supreme Court to engage in a limited form of the practice of law and may enter into agreements with law schools to provide clinical training for their students under the provisions of the Higher Education Act of 1965 and other similar federal programs.

Sec. 2. Section 35-529, Reissue Revised Statutes of Nebraska, is amended to read:

35-529. The Purchasing Agent of the State of Nebraska materiel administrator of the Department of Administrative Services is authorized to purchase radio equipment for any rural or suburban fire protection district when requested by the district. The district shall reimburse the state for the cost of any equipment so purchased for it.

Sec. 3. Section 60-311, Revised Statutes Supplement, 1999, is amended to read:

60-311. (1) The Department of Motor Vehicles shall furnish to every person whose motor vehicle is registered fully reflectorized license plates upon which shall be displayed (a) the registration number consisting of letters and numerals assigned to such motor vehicle in figures not less than two and one-half inches nor more than three inches in height and (b) also the word Nebraska suitably lettered so as to be attractive. Two plates shall be furnished for every motor vehicle, except that one plate per vehicle shall be furnished for dealers, motorcycles, truck-tractors, semitrailers, trailers, cabin trailers, buses, and vehicles registered pursuant to section 60-305.09. The plates shall be of a color designated by the Director of Motor Vehicles. The color of the plates shall be changed each time the license plates are changed. Each time the license plates are changed the director shall secure competitive bids for materials pursuant to sections 81-145 to ~~81-163.01~~ 81-162.

(2) Except for license plates issued pursuant to section 60-305.16, license plates shall be issued every three years beginning with the license

plates issued in the year 1984. Except for plates issued pursuant to section 60-305.16, in the years in which plates are not issued, in lieu of furnishing such plates, the department shall furnish to every person whose motor vehicle is registered one or two renewal tabs, as the case may be, which renewal tabs shall bear the year for which furnished and be so constructed as to permit them to be permanently affixed to the plates.

(3) The department may provide a distinctive license plate for all motor vehicles owned or operated by the state, counties, municipalities, or school districts. Such government-owned motor vehicles shall display such distinctive license plates when such license plates are issued or shall display undercover license plates when such license plates are issued under section 60-304.

(4) The department shall provide a distinctive plate for issuance pursuant to section 60-305.16.

(5) Whenever new license plates, including duplicate or replacement license plates, are furnished to any person, a fee per plate shall be charged in addition to all other required fees. The plate fee shall be determined by the department and shall only cover the cost of the plate and renewal tabs and stickers but shall not exceed two dollars and fifty cents. All fees collected pursuant to this section shall be remitted to the State Treasurer for credit to the Highway Trust Fund.

(6) There is hereby created the License Plate Cash Fund which shall consist of money transferred to it pursuant to section 39-2215. All costs associated with the manufacture of license plates and stickers or tabs provided for in this section and sections 60-311.01, 60-311.02, 60-6,322, and 60-1804 shall be paid from funds appropriated from the License Plate Cash Fund. The fund shall be used exclusively for such purposes and shall be administered by the department. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 4. Section 77-2608, Reissue Revised Statutes of Nebraska, is amended to read:

77-2608. The Tax Commissioner shall prepare and have suitable stamps for use on each kind of piece or package of cigarettes, except when cigarette tax meter impressions are affixed. Requisition for the preparation of such stamps shall be made through the ~~office of the State Purchasing Agent~~ matériel division of the Department of Administrative Services as other state supplies are requisitioned, and the Tax Commissioner and his or her ~~bondsman~~ bondsperson shall be liable for the value of all such stamps delivered to him or her. The Auditor of Public Accounts shall audit annually or as often as the auditor deems advisable the records of the Tax Commissioner with respect to the money received from the sale of stamps and as revenue from tax meter impressions for the purpose of determining the accuracy and correctness of the same. The Tax Commissioner shall sell the stamps only to licensed wholesale dealers, as defined in section 77-2601, and he or she shall keep an accurate record of all stamps coming into and leaving his or her hands. Such stamps shall be sold and accounted for at the face value thereof, except that the Tax Commissioner may, by rule and regulation certified to the State Treasurer, authorize the sale thereof to wholesale dealers in this state or outside of this state at a discount of three and four-tenths percent of such face value of the tax as a commission for affixing and canceling such stamps. Any wholesale dealer using a tax meter machine shall be entitled to the same discount as allowed a wholesale dealer for affixing and canceling the stamps. The money received by the Tax Commissioner from the sale of the stamps and as revenue from such tax meter impressions shall be deposited by him or her daily with the State Treasurer who shall credit such money as provided in section 77-2602. Upon proof by the Tax Commissioner that he or she can affix such stamps or meter impressions, warehouse and distribute such cigarettes, and collect such revenue at a cost less than the three and four-tenths percent discount allowed to wholesale dealers, he or she may then proceed to affix the stamps himself or herself after giving the wholesale dealers sixty days' notice and purchasing all equipment used by them for the purpose of affixing such stamps or meter impressions at a fair market value.

Sec. 5. Section 81-145, Reissue Revised Statutes of Nebraska, is amended to read:

81-145. As used in sections 81-145 to 81-162, unless the context otherwise requires:

(1) Matériel division shall mean the head of the division of the state government charged with the administration of sections 81-145 to 81-162 and 81-1118 ~~to 81-1118.06~~, which division shall be a part of and subject to the supervision of the office of the Director of Administrative Services;

(2) Personal property shall include all materials, supplies,

furniture, equipment, printing, stationery, automotive and road equipment, and other chattels, goods, wares, and merchandise whatsoever;

(3) Using agencies shall mean and include all officers of the state, departments, bureaus, boards, commissions, councils, and institutions receiving legislative appropriations; and

(4) Lease or contract shall mean an agreement entered into by the state or using agency with another party whereby, for a stated consideration, the state or using agency is to receive the personal property or use thereof furnished by the other party.

Sec. 6. Section 81-149, Reissue Revised Statutes of Nebraska, is amended to read:

81-149. The ~~Purchasing Agent~~ materiel administrator shall have had at least three years practical experience, in the ten years immediately preceding appointment, as an executive in a regularly organized purchasing department of some branch of government, municipal, state, or federal, or of some private business firm or corporation. He or she shall not be, at any time during his or her term of office, connected, interested, or otherwise concerned, directly or indirectly, with any person, partnership, limited liability company, firm, association, corporation, or other vendor, agent, or intermediary, from or through whom any purchases or contracts for purchases shall be made by him or her during his or her incumbency in office.

Sec. 7. Section 81-150, Reissue Revised Statutes of Nebraska, is amended to read:

81-150. Before entering upon the discharge of his or her duties, the ~~Purchasing Agent~~ materiel administrator shall take and subscribe an oath, to be filed in the office of the Secretary of State, to the effect:

(1) That he or she will support the Constitution of the United States and the Constitution of Nebraska;

(2) That he or she will faithfully and impartially discharge the duties of his or her office; and

(3) That he or she is not then and will not be, at any time during his or her term of office, connected, interested, or otherwise concerned, directly or indirectly, with any person, partnership, limited liability company, firm, association, corporation, or other vendor, agent, or intermediary from or through whom any purchases or contracts for purchase, shall be made by him or her during his or her incumbency in office.

Sec. 8. Section 81-151, Reissue Revised Statutes of Nebraska, is amended to read:

81-151. Before entering upon the discharge of his or her duties, the ~~Purchasing Agent~~ materiel administrator shall be bonded under the blanket surety bond as required by section 11-201. Neither expiration of term of office nor removal therefrom shall operate as a discharge of the bond, but it shall remain in full force and effect as provided by law. The premium on the bond shall be paid by the state.

Sec. 9. Section 81-153, Reissue Revised Statutes of Nebraska, is amended to read:

81-153. The materiel division shall have the power and duty to:

(1) Purchase or contract for, in the name of the state, the personal property required by the using agencies and the state;

(2) Promulgate, apply, and enforce standard specifications established as provided in section 81-154;

(3) Sell and dispose of personal property that is not needed by the state or its using agencies as provided in section 81-161.04 or ~~accept~~ initiate trade-ins when determined ~~by it~~ to be ~~an advantage to~~ in the best interest of the state;

(4) Determine the utility, quality, fitness, and suitability of all personal property tendered or furnished;

(5) Make rules and regulations ~~not inconsistent~~ consistent with sections 81-145 to ~~81-162 or 81-171~~ and 81-1118 to ~~81-1118.03~~ 81-1118.06 to carry into effect the provisions thereof. Such rules and regulations shall include provisions for modifying and terminating purchase contracts and the cost principles to be used in such modification or termination;

(6) ~~Appoint~~ Employ such clerical, technical, and other assistants as may be necessary to properly administer such sections, fix their compensation, and prescribe their duties in connection therewith, subject to existing laws and appropriations; ~~made therefor;~~

(7) Allow the purchase of items without competitive bidding when the price has been established by the federal General Services Administration. ~~Such~~ The division may also give consideration to a sheltered workshop pursuant to section 48-1503 in making such purchases;

(8) Enter into any personal property lease agreement when it appears to be in the best interest of the state; and

(9) Negotiate purchases and contracts when conditions exist to defeat the purpose and principles of public competitive bidding.

Sec. 10. Section 81-154, Revised Statutes Supplement, 1998, is amended to read:

81-154. The materiel division shall establish and maintain a standard specifications and standards program and coordinate the establishment and maintenance of uniform standards and specifications for personal property purchased in the name of the state. The materiel division shall enlist the cooperation and assistance of the using agencies in the establishment, maintenance, and revision of ~~uniform standards and standard~~ specifications and shall encourage and foster the use of standard specifications in order that the most efficient purchase of personal property may be continuously accomplished. All such ~~standards and standard~~ specifications shall be so drawn that it will be possible for three or more manufacturers, vendors, or suppliers to submit competitive bids. If a requisition for personal property exceeds ten thousand dollars and bids cannot be obtained from three bidders, then the ~~standards and standard~~ specifications of the personal property upon which bids are sought shall be reviewed by the materiel division and the using agencies involved. If it is determined by the materiel division, because of the special nature of the personal property sought to be purchased or leased or for any other reason, that the ~~standards and standard~~ specifications should remain as written, bids may be accepted from a fewer number of bidders than three with the approval of the Governor or his or her designated representative.

Sec. 11. Section 81-154.01, Reissue Revised Statutes of Nebraska, is amended to read:

81-154.01. The materiel division shall ~~provide~~ make available copies of current purchase agreements and standard specifications to the University of Nebraska. The University of Nebraska may utilize such purchase agreements if it determines that it would be to its advantage to do so. The materiel division may utilize purchase agreements entered into by the University of Nebraska upon a finding by the materiel administrator that the use of such agreements would be in the best interests of the state. For purposes of this section, purchase agreements do not include contracts for personal services subject to sections 73-301 to 73-307.

Sec. 12. Section 81-159, Reissue Revised Statutes of Nebraska, is amended to read:

81-159. Each using agency shall, at the time, in the form, and for the periods prescribed by the materiel division, present to it detailed requisition for all personal property to be purchased or leased. The materiel division shall then arrange such schedules as are included in or covered by the requisition for purchase and contract and for advertising them in the manner best calculated to attract competition and advantageous price as set forth in sections 81-145 to 81-162 and 81-1118 to ~~81-1118.03~~ 81-1118.06. It shall prescribe the terms and conditions for delivery, inspections, and all other details thereof. ~~Subsequent to the receipt of bids and prior to the awarding of any contract of purchase or lease, the materiel division shall present the requisition to the Director of Administrative Services with notation of the lowest and best bid. The director shall check the amount of money necessary to defray the cost thereof against the appropriation of the using agency, indicating the appropriation or authorization to spend funds against which the proposed purchase or lease will be charged. Such requisition shall be approved by the director unless it appears that the free balance of any appropriation or authorization to spend is not sufficient to cover the charge proposed against it.~~

Sec. 13. Section 81-161, Reissue Revised Statutes of Nebraska, is amended to read:

81-161. All purchases, leases, or contracts which by law are required to be based on competitive bids shall be made to the lowest responsible bidder, taking into consideration the best interests of the state, the quality or performance of the personal property proposed to be supplied, its conformity with specifications, the purposes for which required, and the times of delivery. In determining the lowest responsible bidder, in addition to price, the following elements shall be given consideration:

- (1) The ability, capacity, and skill of the bidder to perform the contract required;
- (2) The character, integrity, reputation, judgment, experience, and efficiency of the bidder;
- (3) Whether the bidder can perform the contract within the time specified;
- (4) The quality of performance of previous contracts;
- (5) The previous and existing compliance by the bidder with laws

relating to the contract;

(6) The ~~life-cost~~ life-cycle costs of the personal property in relation to the purchase price and specific use of the item;

(7) The performance of the personal property, taking into consideration any commonly accepted tests and standards of product usability and user requirements;

(8) Energy efficiency ratio as stated by the bidder for alternative choices of appliances or equipment;

(9) The information furnished by each bidder, ~~when deemed applicable by the materiel administrator,~~ concerning life-cycle costs between alternatives for all classes of equipment, evidence of expected life, repair and maintenance costs, and energy consumption on a per-year basis;

(10) The results of the United States Environmental Protection Agency tests on fleet performance of motor vehicles. Each bidder shall furnish information relating to such results; and

(11) Such other information as may be secured having a bearing on the decision to award the contract.

~~Reports regarding procurements made pursuant to this section shall be provided to the State Energy Office. Such reports shall be in the form and contain such information as the State Energy Office may require.~~

All political subdivisions may follow the procurement principles set forth in this section if they are deemed applicable by the official authorized to make purchases for such political subdivision.

Sec. 14. Section 81-161.01, Reissue Revised Statutes of Nebraska, is amended to read:

81-161.01. A minimum of fifteen days shall elapse between the time formal bids are advertised ~~or called for~~ and the time of their opening, except that this requirement may be waived by the materiel administrator upon a showing by the using agency of an emergency, sole or specialized source, or other unique requirement. ~~PROVIDED, that, as may be provided by rule or regulation promulgated by the materiel division, this requirement may be waived in case of emergency.~~

Sec. 15. Section 81-161.02, Reissue Revised Statutes of Nebraska, is amended to read:

81-161.02. Any or all bids may be rejected by the materiel division. The materiel division may reject the bid of any bidder who has failed to perform a previous contract with the state. In any case where competitive bids are required and all bids are rejected, and the proposed purchase is not abandoned, new bids shall be called for as in the first instance solicited.

Sec. 16. Section 81-161.03, Revised Statutes Supplement, 1998, is amended to read:

81-161.03. The materiel division may, by written order, permit purchases, contracts, or leases to be made by any using agency directly with the vendor or supplier whenever it appears to the satisfaction of the materiel division that, because of the unique nature of the personal property, the price in connection therewith, the quantity to be purchased, the location of the using agency, the time of the use of the personal property, or any other circumstance, the interests of the state will be served better by purchasing or contracting direct than through the materiel division.

Such permission shall be revocable and shall be operative for a period not exceeding twelve months from the date of issue. Using agencies receiving such permission shall report their acts and expenditures under such orders to the materiel division in writing and furnish such agent with proper evidence that competition has been secured at such time and covering such period as may be required by the materiel division.

The materiel division shall adopt and promulgate rules and regulations establishing criteria which must be met by any agency ~~desiring to increase the maximum limit of its seeking~~ direct market purchase authorization. ~~Such criteria shall include a requirement that no agency office located in Lancaster County shall make direct market purchases of any items available from the materiel division.~~ Purchases for miscellaneous needs may be made directly by any agency without prior approval from the materiel division for purchases of less than five thousand dollars, ~~except that no agency office located in Lancaster County shall purchase directly those items available from if the agency has completed a certification program as prescribed by the materiel division.~~

The Department of Correctional Services may purchase raw materials, supplies, component parts, and equipment perishables directly for industries established pursuant to section 83-183, whether such purchases are made to fill specific orders or for general inventories. Any such purchase shall not exceed twenty-five thousand dollars. The department shall comply with the

bidding process of the materiel division and shall be subject to audit by the materiel division for such purchases.

Sec. 17. Section 81-161.04, Reissue Revised Statutes of Nebraska, is amended to read:

81-161.04. (1) Whenever any using agency has any personal property for which it no longer has any need or use, it shall notify the materiel division in writing setting forth a description of the property and the approximate length of time that the property has been in the possession of the using agency. The materiel division shall appraise the property and ~~send a bulletin to notify~~ all other using agencies of the state ~~setting forth~~ that the materiel division has the property for sale and that the property can be bought at the appraised price. No property will be sold until first offered to using agencies as provided by this section unless the property is unusable. If the materiel division fails to receive an offer from any using agency, it may sell or dispose of the property by any method which is most advantageous to the State of Nebraska, including auction, sealed bid, private or public sale, or trade-in for other property, with priorities given to the other political subdivisions. ~~of state government.~~ All sales shall be made in the name of the State of Nebraska. The materiel division shall charge an administrative fee for the disposition of surplus property. Such administrative fee shall be a percentage of the amount of the sale of the surplus property. In the event surplus property is determined to have no market value, the materiel administrator may waive the administrative fee.

(2) Except as otherwise provided in this subsection, the proceeds of the sales shall be deposited with the State Treasurer and credited to the General Fund unless the using agency certifies to the materiel division that the property was purchased in part or in total from either cash accounts or federal funds or from a percentage of such accounts or funds, in which case the proceeds of the sale to that extent shall be credited to the cash or federal account in the percentage used in originally purchasing the property. The cost of selling surplus property shall be deducted from the proceeds of the surplus property sold. The proceeds received from the sale of passenger-carrying motor vehicles originally purchased with money from the General Fund, other than passenger-carrying motor vehicles used by the Nebraska State Patrol, less selling costs, shall be deposited in the state treasury and credited by the State Treasurer to the Transportation Services Bureau Revolving Fund. The proceeds received from the sale of passenger-carrying motor vehicles used by the Nebraska State Patrol, less selling costs, shall be deposited in the state treasury and credited by the State Treasurer to the Nebraska State Patrol Vehicle Replacement Cash Fund. The proceeds received from the sale of micrographic equipment, other than that of the University of Nebraska and state colleges, less selling costs, shall be deposited in the state treasury and credited by the State Treasurer to the Records Management Micrographics Services Revolving Fund. The proceeds received from the sale of aircraft, less selling costs, shall be deposited in the state treasury and credited by the State Treasurer to the Department of Aeronautics Cash Fund.

Sec. 18. Section 81-164, Reissue Revised Statutes of Nebraska, is amended to read:

81-164. The materiel division, under the direction of the Director of Administrative Services, shall ~~set aside, in the office of such materiel division or in other quarters to be provided therefor,~~ space for a central mailing room, install therein one or more postage metering machines operate and maintain a central mailing room. The central mailing room shall be equipped with postage metering machines and postal handling equipment for the purpose of metering official mail of the state ~~government~~ and employ such help as may be necessary for the efficient operation of such mailing room.

Sec. 19. Section 81-166, Reissue Revised Statutes of Nebraska, is amended to read:

81-166. The materiel division shall keep an accurate record of the postage used by each state officer, department, commission, board, bureau, court, or other agency and charge such state officer, department, commission, board, bureau, court, or other agency with the exact amount of postage so used plus administrative and operational costs. Administrative and operational costs shall be charged as a percentage of the amount charged for postage. Such charge shall, as nearly as may be practical, reflect the actual administrative and operational costs of the Central Mailing Room central mailing room and its related activities. The percentage charge shall ~~annually~~ annually be reported annually to the Legislature's Committee on Appropriations. Rates planned for the coming fiscal year shall be included in the instructions for completion of budget request forms as annually prepared by the Department of Administrative Services' budget division. If rate revisions are required

during the fiscal year to reflect changes in the administrative and operational costs, these revisions shall be announced to each state officer, department, commission, board, bureau, court, or other agency at least thirty days prior to their use.

Sec. 20. Section 81-168, Reissue Revised Statutes of Nebraska, is amended to read:

81-168. The materiel division under the direction of the Director of Administrative Services shall stagger the hours of employees in the ~~mailing office central mailing room~~ so that the ~~mailing office central mailing room~~ is open until the last mail departs from the Capitol Building.

Sec. 21. Section 81-171, Reissue Revised Statutes of Nebraska, is amended to read:

81-171. It shall be unlawful to deliver any mail to ~~the~~ any state mailing room, to be metered and dispatched, or to deposit in the United States mail any envelope, metered by a postage metering machine of the State of Nebraska, for any purpose or upon any business other than the dispatch of mail appertaining strictly to official business of the State of Nebraska. Any person violating this section shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of not less than twenty dollars nor more than one hundred dollars.

Sec. 22. Section 81-188.01, Revised Statutes Supplement, 1998, is amended to read:

81-188.01. The State Building Renewal Assessment Fund is created. The fund shall be under the control of the Governor for allocation to building renewal projects of the various agencies and shall be administered in a manner consistent with the administration of the Building Renewal Allocation Fund pursuant to the Deferred Building Renewal Act. No amounts accruing to the State Building Renewal Assessment Fund shall be transferred to any other fund and no amounts accruing to the fund shall be expended in any manner for purposes other than as provided in this section. Revenue credited to the fund shall include amounts derived from charges assessed pursuant to subdivision (6)(b) of section 81-1108.17, depreciation charges remitted pursuant to section 81-188.02, and such other revenue as may be incident to the administration of the fund. Amounts appropriated from the fund shall be expended to conduct renewal work as defined in section 81-173. Expenditures from the fund for capital improvements shall be limited to improvements to only those facilities for which charges or fees imposed pursuant to section 81-188.02 or subdivision (6)(b) of section 81-1108.17 have been assessed and remitted. ~~for a period of not less than five fiscal years.~~ Except to conduct renewal work of an emergency nature, no amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall be expended ~~from the fund~~ prior to July 1, 2003. For each of fiscal years 2003-04 through 2008-09, appropriations from the fund expenditure of amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall not exceed fifty percent of ~~total~~ such revenue credited to the fund in the second preceding fiscal year. For fiscal year 2009-10 and each fiscal year thereafter, appropriations from the fund expenditure of amounts accruing to the fund as the result of depreciation charges assessed pursuant to section 81-188.02 shall not exceed the total of such revenue credited to the fund in the second preceding fiscal year. For facilities for which charges have been assessed only pursuant to section 81-188.02, no amounts shall be expended from the fund for any such facility for a period of not less than five fiscal years from the initial assessment of the depreciation charge for any such facility, except to conduct renewal work, as defined in section 81-173, of an emergency nature. 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. 23. Section 81-1108, Reissue Revised Statutes of Nebraska, is amended to read:

81-1108. The Department of Administrative Services shall fulfill the functions in the administration of state government of fiscal control, of centralizing services, of personnel services, and of risk management. There shall be separate divisions within the department to assist in fulfilling these functions. The divisions shall be the accounting division and the budget division in the area of fiscal control, the information management services division, materiel division, state building division, and division of communications, ~~general services division, and intergovernmental data services division~~ in the area of centralized services, the personnel division and the Division of Employee Relations in the area of personnel services, and the risk management and state claims division in the area of risk management. The Director of Administrative Services shall appoint a separate administrator as

head of each division other than the Division of Employee Relations. The director shall have the responsibility and authority for directing and coordinating the programs and activities of the several divisions and shall be empowered to remove the administrators of any of the several divisions other than the Chief Negotiator at his or her discretion. The director shall have the power to delegate authority for administration of sections 81-1101 to 81-1189 and 81-1301 to 81-1392 and the Risk Management Program to any of the division heads as he or she may deem appropriate except as otherwise provided by law.

Sec. 24. Section 81-1108.41, Reissue Revised Statutes of Nebraska, is amended to read:

81-1108.41. (1) The division shall cause a state comprehensive capital facilities plan to be developed. The plan shall project the state's facilities needs for ~~periods of four years and eight~~ a period of six years and shall be based on programmatic projections and input from each state agency. To aid in the development of the plan, the Governor shall appoint a State Comprehensive Capital Facilities Planning Committee with representatives from various state agencies. The committee shall develop and adopt comprehensive planning guidelines and a process of project prioritization. The state comprehensive capital facilities plan shall be submitted to the Committee on Building Maintenance for review before such plan shall be submitted to the Governor and the Legislative Fiscal Analyst on or before ~~September~~ November 15 prior to the beginning of each biennium. The plan shall be based on priorities developed by the State Comprehensive Capital Facilities Planning Committee. The University of Nebraska and any Nebraska state college shall not be required to comply with or be subject to the provisions of this section since these agencies are subject to and participate in statewide facilities planning developed by the Coordinating Commission for Postsecondary Education pursuant to the Coordinating Commission for Postsecondary Education Act.

(2) An appropriation for drawings and construction may be made only after submission of an acceptable program statement on or before September 15 of the year previous to the initiation of such appropriation. Such program statement shall include, but not be limited to, ~~(1)~~ (a) an assessment of the compatibility of the project with the state comprehensive capital facilities plan and the agency or departmental comprehensive capital facilities plan, ~~(2)~~ (b) the identification of the impact of the project on the space utilization of other facilities under the control of the agency or department, and ~~(3)~~ (c) the identification of the future impact on the agency or departmental programmatic needs, demand for utilities in excess of current capacity, parking needs, street and road needs, and site acquisition needs. Such program statement shall be submitted to the division and the Legislative Fiscal Analyst.

(3) No contract for the planning, design, or construction of a new facility or major modification or repair of an existing facility provided for by any state appropriation may be initiated unless an acceptable program statement has been approved by the Governor, the agency or department has submitted to the division a certificate from the Committee on Building Maintenance that there is no state-owned property which is adequate or which through cost-effective renovation, as determined by the division, could be made adequate to meet the agency's or department's needs, and the conditions of the contracts are approved in writing by the division, except that the provisions of this section shall not apply to projects when the total design and construction cost of the project is less than the limit established by the division. Such program statements and contracts shall be reviewed by the division.

(4) The division shall file a written report on each program statement and contract reviewed with the Governor and the Legislative Fiscal Analyst. This report shall cover the consistency of the project with the state comprehensive capital facilities plan and the agency or departmental comprehensive capital facilities plan. A subsequent review and report upon completion of the planning or design phase of the project shall indicate the compatibility of the project with the agency or departmental comprehensive capital facilities plan, compare the probable cost of the project with accepted cost standards for similar construction projects, and review the relationship of the project to other state agency or departmental capital facilities in the same complex.

Sec. 25. Section 81-1114.02, Reissue Revised Statutes of Nebraska, is amended to read:

81-1114.02. Any state agency after having completed capital construction project preliminary plans shall submit such plans to the state building division for review. The state building division shall review and



comment on the plans and also submit such plans to the budget division, the Legislative Fiscal Analyst, and the affected agencies for review and comment. Comments shall include identification of possible cost and design alternatives and a determination whether the preliminary plans conform to approved program statements. The state building division shall, by rules and regulations, establish the elements to be included in the preliminary plans. Comments and reviews of preliminary plans shall be completed within thirty days after such plans are submitted to the state building division. ~~Upon receipt of such comments, the building division shall make recommendations to the Governor for either approval or disapproval of the plans.~~ No project working drawings shall be developed prior to receipt of the review and comment made pursuant to this section or thirty days after submission of the plans. No funds shall be expended for project working drawings or actual construction until the preliminary plans have been approved by the Governor state building division. A copy of the ~~Governor's~~ approval or disapproval shall be forwarded to the requesting agency and the Legislative Fiscal Analyst.

Sec. 26. Section 81-1118, Reissue Revised Statutes of Nebraska, is amended to read:

81-1118. The materiel division of the Department of Administrative Services is hereby established and shall be managed by the materiel administrator. ~~who, except with respect to real property, shall assume the former role of Purchasing Agent.~~

There are hereby established the following ~~five bureaus seven branches~~ of the materiel division of the Department of Administrative Services which shall have the following duties, powers, and responsibilities:

(1) The office supplies bureau shall be responsible for ~~general stores, scientific, photo, visual aids material, and the book stores.~~ In addition, the office supplies bureau shall ~~keep inventory control records, requisition material from the purchasing bureau, and dispose of surplus material providing office supplies, paper, and forms to using agencies;~~

(2) ~~The traffic bureau~~ Central mail shall be responsible for ~~the all mailing operations,~~ transportation of material, tracking shipments, and making freight claims;

(3) ~~The reproduction services bureau~~ print shop shall be responsible for specifications and for receiving bids and placing orders to the lowest and best commercial bidder for all printing, ~~and reproduction, and mailing operations for the state.~~ The ~~reproduction services bureau~~ print shop shall also be responsible for coordinating all existing printing, ~~and reproduction, and mailing operations of the state; which shall be limited to existing state facilities;~~

(4) ~~The standards and specifications bureau~~ shall be responsible for ~~establishing guidelines as to the quality of items purchased unless otherwise provided for by law, and~~ Copy services shall be responsible for the purchasing and placement of all copier requirements;

(5) The state purchasing bureau shall be responsible for all purchases by all state agencies other than the University of Nebraska. The materiel division shall administer the public notice and bidding procedures and any other areas designated by the Director of Administrative Services to carry out the lease or purchase of personal property. All purchases of and contracts for materials, supplies, or equipment and all leases of personal property shall be made in the following manner except in emergencies approved by the Governor:

(a) By a competitive formal sealed bidding process through the materiel division in all cases in which the purchases are of estimated value in the amount of ten thousand dollars or more;

(b) By a competitive informal bidding through the materiel division in all cases in which the purchases are of estimated value equal to or exceeding five thousand dollars but less than ten thousand dollars;

(c) By unrestricted open market purchases through the materiel division in all cases in which purchases are of estimated value of less than five thousand dollars;

(d) All requisitions for whatever purpose coming to the state purchasing bureau shall be in conformance with the approved budget of the requisitioning department or agency; and

(e) All contracts for purchases and leases shall be bid as a single whole item. In no case shall contracts be divided or fractionated in order to produce several contracts which are of an estimated value below that required for competitive bidding;

(6) The state recycling office shall be responsible for the administration and operation of the State Government Recycling Management Act; and

(7) State surplus property shall be responsible for the disposition

of the state's surplus property and the maintenance of all inventory records.

Nothing in this section shall be construed to require that works of art must be procured through the materiel division.

Sec. 27. Section 81-1118.01, Reissue Revised Statutes of Nebraska, is amended to read:

81-1118.01. The materiel administrator shall have complete control of all furniture and equipment in the capitol, state laboratory, Governor's Mansion, and all other buildings owned or leased by the State of Nebraska, except telephone and telecommunications equipment and equipment and furniture of the Legislature and the Supreme Court. The materiel administrator shall keep in his or her office a complete record containing an itemized account of all state property, including furniture and equipment under his or her care and control. Such inventory record shall be maintained as a management system to assure efficient utilization of state property with particular emphasis on identification of surpluses. Such system shall be designed so as to provide the materiel administrator with the knowledge of potential surplus property available. The materiel administrator under the authority of the Director of Administrative Services shall have complete control and all powers necessary to assure efficient utilization of state property.

Sec. 28. Section 81-1118.03, Reissue Revised Statutes of Nebraska, is amended to read:

81-1118.03. Notwithstanding any other provision of law, all contracts for or leases of personal property shall be subject to the following conditions:

(1) No purchase or lease of property shall be approved until a solicitation for purchase or lease has been made by the Department of Administrative Services. Such solicitation shall be in the form of a public notice of the proposed purchase or lease and a general description of the personal property needed in a paper of general circulation in the area where the agency will be operating or by any other method approved by the materiel administrator;

(2) The Department of Administrative Services shall be the sole and final authority on purchases and leases of personal property by a using agency. In any case when the approval of the Governor is required, the Governor may, in his or her discretion, confer complete authority upon the Department of Administrative Services in the review and approval of purchase and lease proposals;

(3) The Department of Administrative Services shall adopt and promulgate rules and regulations to (a) develop and implement purchasing and leasing policies and procedures which shall insure economical and efficient operations of state agencies and (b) carry out the provisions of sections 81-145 to 81-162; and

(4) The Director of Administrative Services shall refuse to issue warrants for the disbursement of any funds in payment of contracts or leases which have not been approved according to law.

Sec. 29. Section 81-1118.04, Reissue Revised Statutes of Nebraska, is amended to read:

81-1118.04. The ~~purpose~~ purposes of the materiel division ~~is~~ are to maximize the state's purchasing power through an efficient, and standardized, ~~and centralized~~ state procurement system and centralized office services and supply program, and to maximize the utilization of and control the inventory of state-owned equipment.

Sec. 30. Section 81-1118.06, Reissue Revised Statutes of Nebraska, is amended to read:

81-1118.06. The ~~purpose~~ purposes of the state purchasing bureau created by section 81-1118 ~~is~~ are:

(1) To increase public confidence in the procedures followed in public procurement;

(2) To insure the fair and equitable treatment of all persons who deal with the procurement system of this state;

(3) To provide increased economy in state procurement activities and maximize to the fullest extent practicable the purchasing value of the public funds of the state;

(4) To foster effective broad-based competition within the free enterprise system; and

(5) To provide safeguards for the maintenance of a procurement system of quality and integrity.

Sec. 31. Section 81-1120.35, Reissue Revised Statutes of Nebraska, is amended to read:

81-1120.35. There is hereby created the intergovernmental data services ~~division~~ program which shall be located within the information management services division of the Department of Administrative Services.

Sec. 32. Section 81-1120.36, Reissue Revised Statutes of Nebraska, is amended to read:

81-1120.36. For purposes of sections 81-1120.35 to ~~81-1120.39~~ 81-1120.40:

(1) Administrator shall mean the administrator of the intergovernmental data services ~~division of the Department of Administrative Services program~~;

(2) Application shall mean a computer program that provides a specific service to the user. The term shall include the applications specified in Laws 1989, LB 814, section 54, and all applications of statewide or intergovernmental benefit subject to the review set forth in subdivision (2) of section 81-1120.38;

(3) Department shall mean the Department of Administrative Services;

(4) Director shall mean the Director of Administrative Services;

(5) Division shall mean the ~~intergovernmental data information management~~ services division of the Department of Administrative Services;

(6) Intergovernmental data services system shall mean the installation and use of applications on a computer network that allows for the intergovernmental transfer of data, automation of multijurisdictional functions, and integration of governmental entities that involve multiple locations separated by long distances. The term shall include computers that serve as platforms for statewide applications, cabling, other equipment essential to operating the computers, and operating programs that allow the computers to function. The term shall not include any applications;

(7) Local application shall mean a computer program intended for use at the local government or state agency level, not of intergovernmental use, serving only limited local needs, and proposed to be resident on only a limited part of the system;

(8) Peripheral device shall mean equipment that connects to the system to allow local use and access to applications on the system. Peripheral devices shall include, but not be limited to, microprocessors, word processors, desktop computers, terminals, and printers; and

(9) System shall mean the intergovernmental data services system.

Sec. 33. Section 81-1120.37, Reissue Revised Statutes of Nebraska, is amended to read:

81-1120.37. The purpose of the system is to allow for the efficient operation of state government and its political subdivisions. In managing and allocating resources on the system, the ~~division administrator~~ shall assign first priority to providing capacity for statewide applications that are essential to carrying out the duties of state agencies in an efficient and effective manner. The system may also serve local data processing needs of political subdivisions, provide citizens with a point of access to governmental services and information, and serve other state and local needs, subject to available resources.

Sec. 34. Section 81-1120.38, Reissue Revised Statutes of Nebraska, is amended to read:

81-1120.38. In establishing and maintaining the system, the division shall exercise the following duties and powers:

(1) The division shall ~~obtain~~ provide the computer network and services for the system with assistance from the division of communications and the ~~information management services division~~ of the Department of Administrative Services;

(2) The administrator shall approve and coordinate the design, development, installation, training, and maintenance of applications by state agencies for use on the system. Any agency proposing to add an application to the system shall submit an evaluation to the administrator that (a) examines the cost-effectiveness, technical feasibility, and potential use of the proposed application, (b) identifies the total costs of the application, including design, development, testing, installation, operation, and any changes to the computer network that are necessary for its operation, and (c) provides a schedule that shows the estimated completion dates for design, development, testing, installation, training, and full operational status. The administrator shall not approve an application by a state agency for use on the system unless his or her review shows that the application is cost-effective and technically feasible, that funding is available, and that the proposed schedule is reasonable and feasible;

(3) The administrator shall approve changes in the design of applications by state agencies for use on the system. The administrator may require such information from the agency as necessary to determine that the proposed change in design is cost-effective and technically feasible, that funding is available, and that the proposed schedule for implementation is reasonable and feasible;

(4) The administrator, with the approval of the director, may contract with other governmental entities or private vendors in carrying out the duties ~~of the division~~ relating to the intergovernmental data services program;

(5) The administrator, in cooperation with the division of communications ~~and the information management services division~~ of the Department of Administrative Services, shall establish a rate schedule that reflects the rates adopted by the division of communications and the information management services division, plus any additional costs of the ~~intergovernmental data services division~~ for the system. Such fees may reflect a base cost for access to the system, costs for actual usage of the system, costs for special equipment or services, or a combination of these factors. The administrator may charge for the costs of changes to the system that are requested by or are necessary to accommodate a request by a user. All fees shall be set to recover all costs of operation;

(6) The administrator shall submit as part of the biennial budget request of the department a listing of all applications submitted for consideration, cost estimates for development, testing, and full operation of each application, a recommended priority listing of the applications for which an evaluation is completed, and funding recommendations by application contained within the budget request for the division. All application estimates and requests shall be scheduled over ensuing fiscal years such that annual projected costs and completion of application phases to the point of fully operational status can be clearly determined. Local applications shall not be subject to the provisions of this subdivision;

(7) Ownership of the system, applications, and peripheral devices purchased or developed by the expenditure of state funds shall be vested with the state, and the responsibility for its proper operation shall be vested with the director and administrator;

(8) The administrator, with the approval of the director, may enter into agreements with other state and local governments, the federal government, or private-sector entities for the purpose of sale, lease, or licensing for third-party resale of applications and system design. Proceeds from such agreements shall be deposited to the Data Systems Cash Fund, which fund is hereby created. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. The fund may be expended for application-related purposes for which the Legislature makes a specific appropriation. The fund may be used to subsidize the cost of operating existing applications, for lowering rates charged to participating state agencies and counties, or for the purpose of new application development;

(9) The budget division of the Department of Administrative Services shall administratively create such cash and revolving funds as may be required to properly account for the receipt of charges for use of applications and the payment of expenses for operation of the system. It is the intent of the Legislature that operations of the system shall be fully financed by user charges with the exception of development costs for new applications and initial costs of operation as applications progress to full operating status and are unable to generate sufficient fee revenue to finance operating costs;

(10) No local application shall be resident or operational in any component of the system without explicit authorization of the administrator;

(11) All development costs for approved new applications shall be budgeted and appropriated to the division or to participating state agencies at the discretion of the Legislature. Agencies may independently request appropriations for such application development, however such requests shall be subject to the review and prioritization set forth in subdivision (2) of this section, and at such time as the application becomes an authorized application and funded by the Legislature, the cost of such development shall be appropriated to the division or to participating state agencies. To the extent possible, if agency cash or revolving funds or federal funds may be used for application development, such funds may be transferred to the division and expended for application development in order to properly account for all costs associated with application development;

(12) The administrator shall approve or disapprove the attachment of any peripheral device to the system and may prescribe standards and specifications that such devices must meet;

(13) The administrator shall adopt and promulgate such rules, regulations, guidelines, and procedures to carry out this section;

(14) All communications and telecommunications services for the ~~division program~~ and the system shall be secured from the division of communications of the Department of Administrative Services;

(15) The information management services division, within available resources, shall assist the Intergovernmental Data Communications Advisory Council, the Geographic Information System Steering Committee, and other local, state, and federal collaborative efforts to encourage coordination of information systems and data sharing;

(16) The division may undertake and coordinate planning studies to determine the feasibility, benefits, costs, requirements, and options for the intergovernmental transfer of data;

(17) The administrator shall provide assistance as requested by the Nebraska Information Technology Commission to support the technical panel created in section 86-1511; and

(18) Activities and responsibilities of the intergovernmental data services division shall be coordinated with the functions of the information management services and communications divisions of the department division of communications. Overlap and duplication of technical services ~~among~~ between the divisions in supporting the system, its applications, and application development shall be minimized.

Sec. 35. Section 81-1120.40, Reissue Revised Statutes of Nebraska, is amended to read:

81-1120.40. There is hereby created the Intergovernmental Data Services Program Revolving Fund. The fund shall be administered by the intergovernmental data services division of the Department of Administrative Services division. The fund shall consist of fees paid for services provided to state agencies, political subdivisions, or other governmental or private entities by the division and shall be used to pay for expenses incurred by the division.

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. 36. The Personnel Division Revolving Fund is created. The fund shall be administered by the personnel division of the Department of Administrative Services. All funds received by the personnel division for employee recognition programs and advertising shall be credited to the fund. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. Any money in the Employee Recognition Revolving Fund on the operative date of this section shall be transferred to the Personnel Division Revolving Fund.

Sec. 37. Section 81-1184, Reissue Revised Statutes of Nebraska, is amended to read:

81-1184. It is the intent of the State Government Recycling Management Act and the public policy of this state to recognize the importance of limited natural resources, to prevent waste, and to promote the most energy-saving and resource-saving use of state government ~~refuse recyclable material~~ and the most efficient and economical method of recycling and disposing of such ~~refuse recyclable material~~.

Sec. 38. Section 81-1185, Reissue Revised Statutes of Nebraska, is amended to read:

81-1185. For purposes of the State Government Recycling Management Act, state government ~~refuse recyclable material~~ shall mean any product or material ~~discarded by the state, including, but not that has reached the end of its useful life, is obsolete, or is no longer needed by state government and for which there are readily available markets to take the material. State government recyclable material includes, but is not limited to, paper, paperboard, aluminum and other metals, yard waste, glass, tires, oil, and plastics.~~

Sec. 39. Section 81-1186, Reissue Revised Statutes of Nebraska, is amended to read:

81-1186. A program for the collection for recycling and sale of state government ~~refuse recyclable material~~ shall be designed and implemented by the Department of Administrative Services in all state-operated buildings.

Sec. 40. Section 81-1187, Reissue Revised Statutes of Nebraska, is amended to read:

81-1187. The Department of Administrative Services shall obtain pricing information and shall contract to sell ~~recyclable~~ state government ~~refuse recyclable material~~ for the best terms available in the marketplace. If the department is unable to locate a purchaser for ~~the refuse such recyclable material~~ or such sale would not be in the best economic interests of the state and the department is unable to locate a nonpaying contractee to recycle ~~the refuse such recyclable material~~, the department shall make such other disposition of ~~the refuse such recyclable material~~ as is most practical and in the best interests of the state.

Sec. 41. Section 81-1316, Reissue Revised Statutes of Nebraska, is amended to read:

81-1316. (1) All agencies and personnel of state government shall be covered by sections 81-1301 to 81-1319 and shall be considered subject to the State Personnel System, except the following:

- (a) All personnel of the office of the Governor;
- (b) All personnel of the office of the Lieutenant Governor;
- (c) All personnel of the office of the Secretary of State;
- (d) All personnel of the office of the State Treasurer;
- (e) All personnel of the office of the Attorney General;
- (f) All personnel of the office of the Auditor of Public Accounts;
- (g) All personnel of the Legislature;
- (h) All personnel of the court systems;
- (i) All personnel of the Board of Educational Lands and Funds;
- (j) All personnel of the Public Service Commission;
- (k) All personnel of the Nebraska Brand Committee;
- (l) All personnel of the Commission of Industrial Relations;
- (m) All personnel of the State Department of Education;
- (n) All personnel of the Nebraska state colleges and the Board of Trustees of the Nebraska State Colleges;
- (o) All personnel of the University of Nebraska;
- (p) All personnel of the Coordinating Commission for Postsecondary Education;
- (q) All personnel of the Governor's Policy Research Office, but not to include personnel within the State Energy Office;
- ~~(r)~~ (r) All agency heads; and
- ~~(s)~~ (s) The Director of Medical Services established under section 83-125 and the chief executive officers of the Beatrice State Developmental Center, Lincoln Regional Center, Norfolk Regional Center, Hastings Regional Center, Grand Island Veterans' Home, Norfolk Veterans' Home, Thomas Fitzgerald Veterans' Home, and Western Nebraska Veterans' Home.

(2) At each agency head's discretion, up to the following number of additional positions may be exempted from the State Personnel System, based on the following agency size categories:

Number of Agency Employees	Number of Noncovered Positions
less than 25	0
25 to 100	1
101 to 250	2
251 to 500	3
501 to 1000	4
1001 to 2000	5
2001 to 3000	8
3001 to 4000	11
4001 to 5000	14
over 5000	17

The purpose of having such noncovered positions shall be to allow agency heads the opportunity to recruit, hire, and supervise critical, confidential, or policymaking personnel without restrictions from selection procedures, compensation rules, career protections, and grievance privileges. Persons holding the noncovered positions shall serve at the pleasure of the agency head and shall be paid salaries set by the agency head.

In no case shall a current state employee's career protections or coverage by personnel rules and regulations be revoked without the prior written agreement of such employee.

Sec. 42. Section 81-1348, Reissue Revised Statutes of Nebraska, is amended to read:

81-1348. There is hereby created the Suggestion Award Board. The membership of such board shall consist of the Director of Personnel, the Director of Administrative Services, the Auditor of Public Accounts, and three persons, each to serve a term of ~~two~~ three years, selected and appointed by the Governor from the bargaining units listed in section 81-1373, except that the first three appointments made after the operative date of this section shall be for terms of one year, two years, and three years, as designated by the Governor. Of the persons selected from such bargaining units, one person shall be selected from each of such bargaining units as follows:

- (1) The first term from the bargaining units listed in subdivisions (1)(a), (b), and (1) of such section;
- (2) The second term from the bargaining units listed in subdivisions (1)(c), (d), and (g) of such section;
- (3) The third term from the bargaining units listed in subdivisions (1)(e), (f), and (h) of such section; and

(4) The fourth term from the bargaining units listed in subdivisions (1)(i), (j), and (k) of such section.

After the fourth term, the appointments shall be made starting from subdivision (1) of this section and following the same sequence.

Whenever a vacancy occurs on the board for any reason, the Governor shall appoint an individual to fill such vacancy from the same bargaining unit in which the vacancy exists.

The members shall be reimbursed for their actual and necessary expenses as provided in sections 81-1174 to 81-1177.

The board shall adopt and promulgate rules and regulations to aid in carrying out sections 81-1350 and 81-1351.

Sec. 43. Section 81-2304, Reissue Revised Statutes of Nebraska, is amended to read:

81-2304. There is hereby created the Intergovernmental Data Communications Advisory Council. The council shall consist of thirteen members as follows:

(1) One person shall be a ~~representative of the intergovernmental data services division of the Department of Administrative Services~~ the administrator of the intergovernmental data services program, who shall serve as the chairperson of the council;

(2) One person shall be a representative of the information management services division of the Department of Administrative Services;

(3) One person shall be a representative of the division of communications of the Department of Administrative Services;

(4) One person shall be appointed by the Governor as a representative of state government;

(5) One person shall be appointed by the Executive Board of the Legislative Council as a representative of the Legislature;

(6) One person shall be appointed by the Chief Justice of the Supreme Court as a representative of the court system;

(7) Two elected county officials shall be appointed by the Governor as representatives of county government;

(8) Two elected city or village officials shall be appointed by the Governor as representatives of municipal government;

(9) One person shall be appointed by the Governor as a representative of the local data processing division of a political subdivision;

(10) One person shall be a representative of the Nebraska Natural Resources Commission data bank; and

(11) One person shall be a representative of the records management division of the Secretary of State's office.

Sec. 44. Section 81-2307, Reissue Revised Statutes of Nebraska, is amended to read:

81-2307. The ~~purpose~~ purposes of the council shall be to (1) assure the efficient collection, use, and exchange of information between state agencies and between state agencies and governmental subdivisions, (2) study and make recommendations concerning the data processing and communications needs of the state and its political subdivisions, (3) make recommendations of program design which would enhance data transfer between state agencies and between the state and its political subdivisions, (4) coordinate the implementation of data processing applications involving multijurisdictional data processing projects, and (5) serve in an advisory capacity to the intergovernmental data services program of the information management services division of the Department of Administrative Services.

Sec. 45. Section 81-2308.01, Reissue Revised Statutes of Nebraska, is amended to read:

81-2308.01. The council shall coordinate and integrate its responsibilities and role with the responsibilities of the intergovernmental data services program of the information management services division of the Department of Administrative Services.

Sec. 46. Section 83-140, Reissue Revised Statutes of Nebraska, is amended to read:

83-140. The ~~Purchasing Agent~~ materiel administrator of the Department of Administrative Services shall purchase all necessary supplies for the institutions under the Department of Health and Human Services and the Department of Correctional Services, except, in its discretion, fresh fruit, vegetables, and emergency and minor purchases. The last-named supplies may be purchased by the chief executive officer or steward under the order of the department. An itemized statement of such purchases, duly verified, shall be filed with the department on the first day of each month. Estimates of needed supplies shall be furnished the department by each chief executive officer. Such estimates shall be examined by the department, and an itemized statement

of such as are approved by the department, showing kind, quantity, and quality, shall be filed with the ~~Purchasing Agent~~ materiel administrator, and upon request shall be furnished to any applicant therefor.

Sec. 47. Section 84-1601, Reissue Revised Statutes of Nebraska, is amended to read:

84-1601. (1) There is hereby established a program of group life and health insurance for all permanent employees of this state who work one-half or more of the regularly scheduled hours during each pay period, excluding employees of the University of Nebraska, the state colleges, and the community colleges. Such program shall be known as the Nebraska State Insurance Program and shall replace any current program of such insurance in effect in any agency and funded in whole or in part by state contributions.

(2) Temporary employees of the state who have a work assignment of at least six months' duration and who work at least twenty hours per week may purchase health insurance through the Nebraska State Insurance Program. The state shall pay the same proportion of the insurance premium for temporary employees as is established through the collective bargaining process for permanent employees. For purposes of this subsection, temporary employees means individuals (a) employed in the Temporary Employee Pool as described in subdivision (6) of section 81-1307 and (b) hired directly by state agencies. In no event shall a temporary employee mean an individual hired through a private employment agency. ~~The provisions of this subsection shall terminate on July 17, 2000.~~

(3) For purposes of sections 84-1601 to 84-1615, health insurance may be construed to include coverage for disability and dental health care services.

(4) Any commissioned employee of the Nebraska State Patrol who on or after July 17, 1986, has reached fifty-one years of age or becomes medically disabled and who will not receive benefits from the federal social security program shall be afforded the opportunity to remain enrolled in the state employees group health insurance program until age sixty-five. Employees electing this option shall be responsible for the entire premium cost, including the state's share, the employee's share, and an administrative fee consistent with that allowed by federal guidelines for continuation of health insurance.

Sec. 48. Section 84-1602, Reissue Revised Statutes of Nebraska, is amended to read:

84-1602. Sections 84-1601 to 84-1615 shall be administered by the ~~risk management and state claims personnel~~ division of the Department of Administrative Services. The ~~Risk Manager~~ Director of Personnel may employ such administrative, clerical, secretarial, and technical assistants and consultants as are required for the administration of such sections.

Sec. 49. Section 84-1603, Reissue Revised Statutes of Nebraska, is amended to read:

84-1603. The ~~risk management and state claims personnel~~ division of the Department of Administrative Services shall select, with the assistance of the ~~Director of Personnel~~ Risk Manager and the Chief Negotiator, one or more carriers or combinations of carriers licensed to do insurance business in Nebraska to serve as administrator of the insurance contract or contracts. Such selection shall be made after open competitive bidding in which any carrier authorized to provide the type or types of insurance coverage involved shall be eligible to participate. The personnel division may develop bid specifications which provide for various forms of plan design and funding methods, including plans of self-insurance or any combination of such methods. The ~~risk management and state claims personnel~~ division may utilize such expert technical assistance provided by the ~~Director of Personnel~~ Risk Manager, the Chief Negotiator, and other state agencies or outside consultants as may be required to establish and evaluate criteria for selection of carriers. The insurance contract or contracts may be subject to rebidding at any time after the inception of this program at the discretion of the ~~risk management and state claims personnel~~ division.

Sec. 50. Section 84-1605, Reissue Revised Statutes of Nebraska, is amended to read:

84-1605. Out of appropriations made for that purpose, the ~~risk management and state claims personnel~~ division of the Department of Administrative Services shall (1) first enter into a contract providing, entirely at state expense, ten thousand dollars of basic life insurance protection and (2) enter into a contract to purchase a contract of group health insurance to be financed by the state to the extent that appropriations made for that purpose are available and, if necessary, by contributions from each employee. Each such contract shall provide insurance coverage for each employee specified in section 84-1601. Participation in the program of group



health and life insurance shall be optional with the employee.

Sec. 51. Section 84-1606, Reissue Revised Statutes of Nebraska, is amended to read:

84-1606. The ~~risk management and state claims personnel~~ division of the Department of Administrative Services may elect to offer a group health insurance option to employees subject to sections 84-1601 to 84-1615. Such benefits shall be offered at the rates listed in section 84-1611, and additional contributions necessary to cover the costs of such benefits may be required from employees.

Sec. 52. Section 84-1613, Reissue Revised Statutes of Nebraska, is amended to read:

84-1613. The State Employees Insurance Fund is established. The fund shall be administered by the ~~risk management and state claims personnel~~ division of the Department of Administrative Services. All funds appropriated to pay the state's share of the cost of the coverages provided by sections 84-1601 to 84-1615 and all payroll deductions made under sections 84-1601 to 84-1615 shall be credited to the fund. The division shall make premium payments to the carrier, carriers, or combinations of carriers selected under section 84-1603 from this fund.

Any funds in the State Employees Insurance 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. 53. Section 84-1616, Reissue Revised Statutes of Nebraska, is amended to read:

84-1616. The Health and Life Benefit Administration Cash Fund is created. The fund shall consist of payments made by individuals eligible for program benefits, transfers from the State Employees Insurance Fund for administrative and operation expenses as authorized by the Legislature, and interest earnings as authorized by the Legislature. The fund shall be used by the ~~risk management and state claims personnel~~ division of the Department of Administrative Services to administer the provisions of the federal Public Health Service Act and for the administration of the section 125 plan. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act. ~~Any money in the Personnel Division Cash Fund on June 12, 1997, shall be transferred to the Health and Life Benefit Administration Cash Fund.~~

Sec. 54. Sections 11, 23, 24, 25, 31 to 36, 43 to 45, 48 to 53, 55, and 57 of this act become operative on July 1, 2000. The other sections of this act become operative on their effective date.

Sec. 55. Original sections 81-154.01, 81-1108, 81-1108.41, 81-1114.02, 81-1120.35 to 81-1120.38, 81-1120.40, 81-2304, 81-2307, 81-2308.01, 84-1602, 84-1603, 84-1605, 84-1606, 84-1613, and 84-1616, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 56. Original sections 29-3912, 35-529, 77-2608, 81-145, 81-149, 81-150, 81-151, 81-153, 81-159, 81-161, 81-161.01, 81-161.02, 81-161.04, 81-164, 81-166, 81-168, 81-171, 81-1118, 81-1118.01, 81-1118.03, 81-1118.04, 81-1118.06, 81-1184, 81-1185, 81-1186, 81-1187, 81-1316, 81-1348, 83-140, and 84-1601, Reissue Revised Statutes of Nebraska, sections 81-154, 81-161.03, and 81-188.01, Revised Statutes Supplement, 1998, and section 60-311, Revised Statutes Supplement, 1999, are repealed.

Sec. 57. The following sections are outright repealed: Sections 81-1120.32 to 81-1120.34, 81-1120.39, and 81-1354.02, Reissue Revised Statutes of Nebraska.

Sec. 58. The following section is outright repealed: Section 81-163.01, Reissue Revised Statutes of Nebraska.

Sec. 59. Since an emergency exists, this act takes effect when passed and approved according to law.