

THE NEBRASKA LEGISLATURE'S  
WEEKLY NEWS PUBLICATION

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# UPDATE

## Bill would allow historic horse racing terminals

Senators debated a bill March 6 and 7 that would authorize the state Racing Commission to license and regulate pari-mutuel wagering on historic horse races.

A historic horse race creates a pari-mutuel pool from wagers placed on a previously held race at a licensed racetrack.

LB806, introduced by Omaha Sen. Scott Lautenbaugh, originally would have allowed instant racing terminals at licensed horse racing premises only with the approval of the county board where the licensed facility is located.

With the relocation of the state fair and closing of a horse racing venue in Lincoln, Lautenbaugh said, the horse racing industry has suffered



Sen. Scott Lautenbaugh said LB806 would help revive the horse racing industry in Nebraska.

statewide. Allowing terminals to feature historic races would generate revenue to build a new track in Lincoln, he said.

“It is impossible to overstate how important this would be to the industry and the importance to [creating jobs] in Nebraska,” Lautenbaugh said.

A Judiciary Committee amendment, adopted 25-19, eliminated the bill’s requirement for a county board to adopt a resolution before the Racing Commission may grant a historic horse racing license.

The amended bill would establish a Historic

Horse Racing Distribution Fund comprising taxes collected

**(continued on page 2)**

## Summer food grants for students advance

Lawmakers gave first-round approval March 6 to a bill that would provide grants in support of a federal summer food program for children eligible for free or reduced-price school meals.

LB1090, introduced by Cortland Sen. Norm Wallman, would provide \$140,000 for grants to be awarded by the state Department of Education in support of the U.S. Department of Agriculture’s Summer Food Service Program.

The bill would attempt to encourage participation in the program by providing information to schools and awarding competitive grants of up to \$15,000 per site to service institutions.

Wallman said service institutions such as the YWCA, summer camps and local government entities offer special summer and school vacation programs that provide food service similar to that available to children during the school year under a school breakfast or lunch program.

Under the bill, grant funds could be used for nonrecurring expenses incurred to initiate or expand services under the federal program, including:

- acquiring equipment;
- training staff;
- purchasing vehicles to transport food to schools; and
- engaging in outreach efforts to publicize programs.

An Education Committee amendment, adopted 26-0, prioritized preference for awarding grants to service

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# Bill would allow historic horse racing terminals

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from the races and licensing fees, which would be \$1,000 per machine. Half of the fund's proceeds would be credited to the Racing Commissions Cash Fund to be used by the commission for equitable treatment of equine species and the other half would be directed to the Compulsive Gambler's Assistance Fund.

Proponents of the bill said it would create and maintain jobs in the state—many of which are agricultural jobs.

Omaha Sen. Jeremy Nordquist spoke in support of the bill.

“Because of the state fair being moved, [the industry] lost one of their largest markets,” Nordquist said. “If we do not move forward with this, we are turning our back on thousands of Nebraskans that have jobs associated with this industry.”

Fullerton Sen. Annette Dubas also supported the bill and said horse racing tracks are economic drivers for local communities.

“Businesses are told you must change with the times if you want to survive, and that is what the horse racing industry is trying to do [with these machines],” Dubas said. “This bill is a way to make them competitive with other gaming industries.”

But opponents argued that racing terminals are similar to slot machines and could be considered expanded gambling.

Imperial Sen. Mark Christensen said the argument that it would save horse racing is disingenuous. Society demands instant gratification, he said, and live horse racing is too slow to meet such demands.

“[The bill] will generate income and revenue and expand gambling, but it is not changing the reason the horse racing industry is [declining],” Christensen said. “They are not out

to save horse racing with this bill; they are out to expand gambling.”

Ogallala Sen. Ken Schilz, a supporter of the bill, said the ongoing debate on expanded gambling has made horse racing less popular. Many families have made a living training and raising horses, Schilz said, and their livelihoods are being affected.

Omaha Sen. Beau McCoy introduced an amendment to the committee that would eliminate half of the racing funds going to the equitable treatment of equine species and instead would direct it to the construction of a racetrack enclosure for horse races in a county which contains a city of the primary class. Lincoln is the state's only city of the primary class.

McCoy said the amendment would provide the Lincoln venue with an opportunity to raise additional revenue to build a new racetrack without expanding gambling.

Lincoln Sen. Tony Fulton spoke in support of the amendment but opposed the original bill.

“If we are about saving the industry,” he said, “then this would be an amendment to adopt because building a racetrack in Lincoln would help support the industry.”

Additional amendments were filed by opponents in an attempt to filibuster LB806. Fulton offered a motion to indefinitely postpone the bill to allow senators more time to consider the debate and make a decision, he said.

The Legislature adjourned March 7 before taking further votes. McCoy's amendment and 16 others are pending. ■

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**“They are not out to save horse racing with this bill; they are out to expand gambling.”**

**- Sen. Mark Christensen**

## FIND LEGISLATIVE DOCUMENTS

Committee hearing schedules, daily agendas and more can be viewed using the calendar on [www.NebraskaLegislature.gov](http://www.NebraskaLegislature.gov).

Clicking the “Calendar” link on the left side of the website's home page will open a calendar that is constantly updated with new information.

January 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						01
	02	03	04	05 Day 1 102nd Leg. 1st Session	06 Day 2 102nd Leg. 1st Session	07 Day 3 102nd Leg. 1st Session 1 Hearing
	08	09	10 Day 4 102nd Leg.	11 Day 5 102nd Leg.	12 Day 6 102nd Leg.	13 Day 7 102nd Leg.
	14 Day 8 102nd Leg.	15				

# Summer food grants for students advance

(continued from front page)

institutions in the following order:

- those located within the boundaries of school districts in which 50 percent or more of the students apply and qualify for free and reduced-price lunches or located within the boundaries of a census tract in which 50 percent or more of the children fall below the poverty threshold as defined by the U. S. Department of Agriculture;
- those in which health and education activities are emphasized; and
- those that currently participate in the Summer Food Service Program.

Wallman said almost 100,000 children in Nebraska receive free and reduced-price lunch during the school year. Helping summer food programs reach more children when school is not in session should be a priority, he said.



Sen. Norm Wallman said more than 20 percent of Nebraska children are food insecure.

“Over 20 percent of our state’s children are food insecure,” Wallman said, “meaning that they do not always know where their next meal is coming from.”

Omaha Sen. Brenda Council supported the bill, saying only 10 percent of eligible children in Nebraska currently benefit from the summer food program. Increasing that number to 40 percent would translate to more than \$2 million in federal food reimbursement funds, she said.

Sen. Kate Sullivan of Cedar Rapids also supported the bill. Nebraskans tend to think of hunger as an urban problem, she said, but food insecurity is an issue in rural areas of the state as well.

“We’re talking about reaching out to virtually all areas of the state and all counties of the state,” she said.

Sen. Tom Carlson of Holdrege raised concerns about the message such programs send regarding parental responsibility.

“Sometimes, hunger can be an incentive to take responsibility and do the things that need to be done,” he said.

Council said the bill would benefit working poor parents across the state who are struggling to feed their children.

“We’re not rewarding people for being irresponsible,” she said. “This is to provide for the nutritional needs of youngsters in the state.”

LB1090 advanced to select file on a 25-0 vote. ■



## COMMITTEE HEARINGS

### Tuesday, March 13

#### Government, Military & Veterans Affairs

##### Room 1507 - 9:30 AM

Approve gift of materials, labor and in-kind work from the Norfolk Veterans Home Heroes Park Foundation to the Norfolk Veterans Home Heroes Park Project

#### Nebraska Retirement Systems

##### Room 1525 - 12:10 p.m.

Appointment: Ecklund, Ron - Public Employees Retirement Board

### Thursday, March 15

#### Health & Human Services

##### Room 1510 - 1:00 p.m.

Appointment: Manning, Steven - Commission for the Deaf and Hard of Hearing

Appointment: Muelleman, Diane - Commission for the Deaf and Hard of Hearing

### Tuesday, March 20

#### Health & Human Services

##### Room 1510 - 1:00 p.m.

Appointment: Wiebe, Scott - Board of Emergency Medical Services

Appointment: Jensen, Linda - Board of Emergency Medical Services

#### Nebraska Retirement Systems

##### Room 1525 - 12:10 p.m.

Nebraska Public Employees Retirement Systems Annual Report  
Nebraska Investment Council Annual Report ■

## Agriculture

### Prairie dog management bill passed

Property owners will be held accountable for stopping the migration of black-tailed prairie dogs under a bill passed by the Legislature March 8.

LB473, introduced by Ellsworth Sen. LeRoy Louden, allows counties to adopt a management plan to contain the expansion of prairie dog colonies and employ personnel to implement the plan. Any landowner found to be out of compliance with the ordinance will be served an official notice. The person will then have 60 days to take measures to control the expansion.

If a landowner fails to take action within 60 days, the county will take over management of the colony. Any cost incurred to the county for controlling the migration of prairie dogs will be charged to the offending landowner.

Counties will be required to specify the necessity for a management plan and include a list of methods used to manage the prairie dog colonies.

Senators passed the bill on a 32-11 vote.

### Change to mandatory tractor permitting advances

Agricultural tractors of 100 horsepower or greater would be subject to a mandatory permitting process under a bill advanced from general file March 5.

Currently agricultural tractor models of 40 horsepower or more are subject to the mandatory permit. Only permitted tractors are eligible for the state's sales tax exemption on

agricultural machinery.

LB907, introduced by Holdrege Sen. Tom Carlson, would raise the minimum threshold from 40 to 100 horsepower. Carlson said the bill would have a positive impact on the state's tractor market.

"We're losing sales to dealers in other states because of this process," Carlson said. "Nebraska dealers would be able to recapture sales in this market."

Under the bill, vendors would have the option to permit tractors with less than 100 horsepower. Customers still would be able to purchase unpermitted tractors, but could not claim the agricultural machinery sales tax exemption.

Omaha Sen. Scott Price spoke in support of the bill, saying it would strengthen Nebraska businesses.

"We want to reset the relationship between farmers and vendors," he said.

Senators advanced the bill to select file 30-0.

## Banking, Commerce & Insurance

### Consumer finance bill advances

Senators advanced a bill from general file March 5 that would update and amend the state's consumer finance laws.

LB965, introduced by Boys Town Sen. Rich Pahls at the request of the state Department of Banking and Fi-



Sen. Tom Carlson



Sen. Rich Pahls

nance, would make changes to the Nebraska Installment Sales Act (NISA), the Residential Mortgage Licensing Act (RMLA) and the Nebraska Installment Loan Act (NILA).

Among the provisions, the bill would:

- amend NISA to transition the current manual licensing process for installment sales companies onto the electronic Nationwide Mortgage Licensing System and Registry (NMLSR);
- allow a licensee to move its place of business anywhere without having to apply for a new license;
- bring the RMLA into compliance with new federal guidelines related to mortgage bankers and loan originators;
- authorize the department to grant a certificate of exemption to a nonprofit organization that promotes affordable housing or provides homeownership education;
- authorize the department to issue a mortgage loan originator license to a person who has had certain misdemeanors or any felony expunged from the record;
- allow the department to issue an emergency order to suspend, limit or restrict a mortgage license under specific circumstances; and
- amend NILA to include other state-regulated financial services entities and industries in the definition of NMLSR.

Pahls said the bill would bring Nebraska into compliance with changes made under the federal Dodd-Frank Act and improve the banking department's enforcement authority over consumer finance laws.

The bill advanced on a 28-0 vote.



## Education

### Omaha and Lincoln to continue as single-district ESUs

A bill that allows for Lincoln and Omaha to continue operating as single-district educational service units (ESUs) was passed by the Legislature March 8.

Lincoln Public Schools and Omaha Public Schools currently are authorized to function as single-district ESUs until 2013. LB446, introduced by York Sen. Greg Adams, permits them to continue functioning as single-district ESUs.

Under the bill, a school must be categorized as a Class IV or V school to qualify as a single-district ESU. Other ESUs will be required to have at least four school districts in order to levy a property tax.

The current infrastructure funding formula will be modified to reflect a 5 percent decrease in student counts for the single-district ESUs. This will account for the inherent lack of district cooperation in a single-district ESU. An additional 5 percent of core service dollars will be dedicated to statewide initiatives.

Senators passed the bill on a 46-0 vote.

### Funding for career programs receives first round approval

A bill that would appropriate funds to the state Department of Education for the creation of career bridge programs advanced from general file March 6.

LB1079, introduced by Omaha Sen. Heath Mello, would designate funding for programs that assist adult

students in obtaining academic, career and technical skills. Mello said the bill addresses the widening skills gap in the state.

“While Nebraska doesn’t face the same hardships as some of our neighboring states, there is a significant skills gap,” Mello said. “Our state must find new strategies to train Nebraskans for jobs of the future.”

The bill defines a bridge program as a structured career pathway program, developed in partnership between the provider of the adult education program and a community college, which assists students in obtaining academic, employability and technical skills needed to enter and succeed in postsecondary education and training and the labor market.

The bill would require that a bridge program:

- provide the English reading and writing and math skills required to succeed in a postsecondary credentialing or degree program;
- involve a partnership among a provider of basic skills education and training under the adult education program, a nonprofit social services organization and a community college in Nebraska;
- lead to the attainment of college credit and a recognized postsecondary educational credential or an industry-recognized credential;
- be open only to low-income participants who are co-enrolled in adult education, developmental education or English as a second language and in a community college;
- target the specific workforce



Sen. Heath Mello

needs of an occupational sector within the state and provide services aimed at improving education, skills and employment prospects for low-income adults;

- use educational best practices, including, but not limited to, contextualized instructional strategies, team teaching, modularized learning or reduced student-teacher ratios; and
- provide for supportive services needed for student educational and employment success, including, but not limited to, job coaching and personal needs.

A Mello amendment, adopted 25-0, broadened the language of the bill to include other entities providing basic skills education and training in addition to community colleges.

Funding would be distributed through competitive grants awarded by the state Department of Education. Qualified bridge programs would be required to provide data to the department illustrating participant outcomes.

An Education Committee amendment, adopted 27-0, would provide \$200,000 to be transferred annually from the Education Innovation Fund to fund the bridge programs. Of the programs financed by the fund, bridge programs would be prioritized second to last. The funding would end in fiscal year 2015-16 and be subject to reevaluation.

Education Committee chairperson Sen. Greg Adams of York said he agreed with the intent of the bill but worried it may strain education funds.

“Conceptually, this is a good idea,” Adams said, but he reminded lawmakers that the funds proposed for the bridge program would be unavailable to fund other educational purposes.

Senators advanced the bill to select file 26-4.

## Executive Board

### Measure to increase senators' salaries advances

A proposed constitutional change to senators' salaries that would be placed on the November 2012 general election ballot was amended to a lower salary and advanced from general file March 5.

LR373CA, introduced by Omaha Sen. Scott Lautenbaugh, originally would have increased state legislators' annual salary from \$12,000 to \$32,000.



Sen. Scott Lautenbaugh

An amendment by the Legislature's Executive Board, adopted 26-0, instead would increase the annual salary to \$22,500.

State senators' last pay increase was in 1988, Lautenbaugh said, so the increase to \$22,500 merely would account for inflation.

Imperial Sen. Mark Christensen spoke in support of the proposal. He said serving in the Legislature on a \$12,500 salary is very difficult unless a senator is self-employed or has a flexible employer.

"Do we get the representation that is good for the state of Nebraska?" Christensen asked. "I really believe the middle class cannot afford to serve because of the limits placed upon the [salary]."

Norfolk Sen. Mike Flood also spoke in support of the measure, saying it would help senators who must work additional jobs to make ends meet while serving the state. The proposal is an important step in standing up for the Legislature as an institution, Flood said.

"To have the people represented,

you have to keep up with the salary," he said. "The \$22,500 is not going to bowl anybody over, but it is going to make it a little bit easier for someone to serve."

Valentine Sen. Deb Fischer spoke in opposition to the measure, saying it would deter from the Legislature's reputation as a "citizen legislature."

"We are not being paid to be here year-round and do not plan on making careers out of this and stay forever," Fischer said.

Hoskins Sen. Dave Bloomfield said he opposed the increase because candidates are aware of the salary when they run for the office. Further, he said, he could not support a pay increase when funding to schools and children's programs is decreasing.

The resolution advanced from general file on a 28-9 vote.

## General Affairs

### Bill to decrease time limit between keno games stalls

A bill that would amend the five-minute time limit required between keno games failed to advance from general file March 5.

As introduced by Wilber Sen. Russ Karpisek, LB1067 would allow a county, city or village conducting a keno lottery to designate a time limit between games of less than five minutes, but not less than one minute.



Sen. Russ Karpisek

A General Affairs Committee amendment, adopted 26-0, changed the range to between three and five minutes.

Karpisek said the bill would allow communities to choose whether to shorten the time between games in an

attempt to earn more revenue. Communities use keno funds to purchase fire engines and police cars, he said, as well as to fund community improvement projects.

"Keno goes to a lot of good projects in everyone's district," he said.

Sen. Paul Lambert of Plattsburgh supported the bill, saying his community had used keno funds to build a senior center and a fitness center. Cities are struggling with the recent loss of state funding and are looking for new sources of revenue, he said.

"Let's go ahead and let the communities decide what they want to do," Lambert said.

Karpisek introduced, and later withdrew, an amendment that would have required voter approval for any proposed change in the time between keno games. He said the amendment was filed as a concession to those opposed to the bill at the end of the first day of general file debate March 2. However, Karpisek said, he changed his mind about the amendment over the weekend.

"I've had time to reflect and I cannot support it," he said.

Sen. Mark Christensen of Imperial then offered an amendment containing the same provision, saying he opposed LB1067 but would want voters to have the final say if the bill passed.

"I still don't like the bill because I'm against gambling as a whole," he said.

Christensen said voters should be consulted about any change in keno games, because city council members always would be inclined to vote for new sources of revenue, whether or not it was a good idea.

"If a city can get more money, they'll spend more money," he said.

The amendment failed on a 16-16 vote and the bill failed to advance on a 20-17 vote. Twenty-five votes are needed for advancement.

**Entertainment district bill clears first round**

Lawmakers gave first-round approval March 5 to a bill that would authorize the designation of common areas where alcohol could be consumed.

LB1130, introduced by Lincoln Sen. Colby Coash, would authorize the creation of entertainment districts and a licensing process for those districts.



Sen. Colby Coash

An entertainment district would be designated and regulated by a local governing body via city ordinance and could be revoked if found to be a nuisance or a threat to public health, safety or welfare. Entertainment district designations would be filed with the state Liquor Control Commission (LCC).

Under the bill, a local governing body could designate a commons area within the district that:

- is shared by entertainment district authorized licensees;
- abuts the licensed premises of the licensees;
- is closed to vehicular traffic when used as a common area; and
- has limited pedestrian accessibility by use of a physical barrier on a permanent or temporary basis.

To operate in the commons areas, a business would be required to:

- file an application with the LCC and pay a \$300 fee;
- be located adjacent to a commons area within an entertainment district; and
- have a retail liquor license, craft brewery license or microdistillery license.

Each entertainment district licensee would be required to serve alcoholic liquor in a container that

displays the business' logo or trade name, which Coash said would hold each one accountable for liquor sales in their individual establishments. He said the districts could enhance entertainment options and help Nebraska cities retain young people.

"Entertainment districts are what growing, progressive cities are doing," Coash said.

Lincoln Sen. Bill Avery supported the bill, saying an area like the Kansas City Power and Light District would benefit the state.

"Nebraska would be competitive with districts like this," he said. "I think it's particularly well-suited to the Haymarket and the [Pinnacle Bank Arena] area."

Omaha Sen. Brenda Council also supported the bill, saying the North Omaha Village Revitalization Plan also could benefit from the entertainment district concept.

Sen. Tom Hansen of North Platte expressed concern that having areas that are accessible only to adults might detract from the family-friendly atmosphere of arena and other events.

Coash said local communities could place additional restrictions on entertainment districts in their communities if there are concerns, including limits on hours or prohibiting Sunday operations.

"I think those questions will be answered at the local level," he said.

LB1130 advanced to select file on a 29-1 vote.

**Government, Military & Veterans Affairs**

**Petition circulator bill passed**

Lawmakers gave final approval March 8 to a bill requiring that peti-

tion circulators be 18 years of age or older.

LB759, introduced by Lincoln Sen. Bill Avery, also removes a requirement that a circulator be an elector of the state.

The bill passed 41-2.



Sen. Bill Avery

**Bill to require electronic reports advances**

Senators gave first-round approval March 6 to a bill that would require electronic submission of all reports submitted to the Legislature, including reports to standing committees and the fiscal office.

Omaha Sen. Beau McCoy, sponsor of LB782, said the bill would reduce printing costs and paper consumption as well as make it easier for senators to share reports with constituents.



Sen. Beau McCoy

"It just seems to me to be a common-sense piece of legislation," he said. "It really just modernizes how we do things around here."

A Government, Military and Veterans Affairs Committee amendment delays the operative date until January 1, 2015, in sections of the bill dealing with reports filed by lobbyists and principals.

The amendment also would allow the clerk of the Legislature to establish requirements for the electronic submission, distribution and format of required reports. Under the amendment, the clerk could accept a report in written form only upon a showing of good cause.

Lawmakers adopted the amendment and advanced the bill to select file on votes of 26-0.

## Health & Human Services

### Child welfare bills amended, advanced

Lawmakers amended and advanced three bills from select file March 7 that are part of a package of measures intended to provide legislative oversight to the state's child welfare reform initiative.

Under LB820, introduced by the Health and Human Services Committee, the state Department of Health and Human Services (DHHS) would be required to apply for a federal waiver for a foster care demonstration project by Sept. 30, 2013.

The bill also would require DHHS to create a Foster Care Reimbursement Committee that would develop a statewide standard rate structure for children in foster care and require licensure of all foster parents not related to a child by blood, marriage or adoption.

The bill was amended on general file to provide a \$3.10 rate increase for foster parents starting July 1, 2013.

A select file amendment offered by Lincoln Sen. Kathy Campbell and adopted 33-0 clarified that a 25 cent administrative fee authorized in the bill for foster care agencies would be in addition to the foster parent payment increase, rather than deducted from it.

LB949, introduced by the Legislative Performance Audit Committee, would tighten budgeting standards for the state's child welfare system.

Among other provisions, LB949 would require DHHS's division of children and family services to include a strategic plan in its budget request to the Legislature for the next two budget cycles. The plan must identify the main purpose of each program in the

division, goals for measuring progress and benchmarks and time frames for meeting those goals.

The division also would be required to provide quarterly updates to the Legislature's Health and Human Services and Appropriations committees, beginning in October 2012, on any transfer of funds greater than \$250,000 into the child welfare sub-program from other budget programs.

Appropriation of funds for child welfare would be designated as a separate budget program beginning with the biennium budget ending June 30, 2015.

Sen. Bob Krist of Omaha offered an amendment on select file, adopted 29-0, which changed the deadline for designating a separate child welfare budget to July 1, 2012.



Sen. Bob Krist

A second amendment, offered by Omaha Sen. Heath Mello and adopted 27-0, added a provision requiring DHHS to provide the Appropriations Committee with information regarding outcomes related to funds appropriated to the children and family services division.



Sen. Heath Mello

Mello said the department should be accountable for outcomes as well as expenditures.

Finally, LB1160, introduced by the Health and Human Services Committee, would require DHHS to develop and implement a web-based, statewide automated information system to integrate child welfare data.

The bill also would require the department to obtain an evaluation of the state's child welfare system by

a nationally recognized entity. The department would be required to report to the Legislature regarding the completed evaluation and plans for the new data system by Dec. 1, 2012.

A Campbell amendment, offered on select file and adopted 34-0, added several reporting requirements to the bill, including information on a new lead agency pilot project, non-court involved child welfare cases and cases involving children with co-occurring conditions.

The three bills were advanced to final reading by voice vote.

### Child welfare strategic plan and oversight bill amended, advanced

A bill intended to provide a strategic plan and legislative oversight for child welfare programs in Nebraska was amended and advanced from select file March 7.

LB821, sponsored by the Health and Human Services Committee, originally called for creation of a commission charged with preparing legislation for introduction in 2013 to create a state Department of Children's Services.

As amended on general file, the bill would create a 22-member Nebraska Children's Commission tasked with creating a statewide strategic plan to reform child welfare programs and services in the state. The commission would include 16 appointed members representing stakeholders in the child welfare system and six non-voting members representing the Legislature and the state court system.

Among other issue areas, the commission would be required to create committees to examine foster care reimbursement rates and state policy regarding prescription of psychotropic drugs to state wards. The commission



would be required to report on the strategic plan to the Legislature and the governor by Dec. 15, 2012.

LB821 also would create the Office of Inspector General within the Office of Public Counsel, also known as the Ombudsman's Office.

The inspector general would be appointed by the public council and approved by the Legislature. The office would be authorized to investigate allegations of possible misconduct, death or serious injury in foster homes, private agencies, child-care facilities and programs.

The office also would analyze data and report to the Legislature and the governor annually.

Lincoln Sen. Kathy Campbell, chairperson of the Health and Human Service Committee, introduced an amendment during select file debate that made several changes to LB821.



Sen. Kathy Campbell

The amendment, adopted 46-0, would:

- shorten and clarify legislative intent language;
- clarify that the children's commission be housed within the CEO's office of DHHS;
- terminate the children's commission on June 30, 2014, unless continued by the Legislature; and
- authorize the commission to appoint individuals with special expertise to its various subcommittees.

Campbell said the amendment addressed concerns expressed by several senators during general file debate.

Omaha Sen. Steve Lathrop offered an amendment to Campbell's amendment, adopted 35-0, that would

authorize the commission to create a committee to examine the structure and responsibilities of the Office of Juvenile Services.



Sen. Steve Lathrop

The committee would be charged with reviewing the role and effectiveness of the state's youth rehabilitation and treatment centers (YRTC) as well as the responsibilities of the administrator of the Office of Juvenile Services.

Lathrop said the state's YRTC have gone through significant changes recently, including a slight increase in population and new treatment approaches. He said an examination of how YRTC fit into the spectrum of services provided for troubled youth in Nebraska would help lawmakers make better policy decisions.

A second Lathrop amendment would require law enforcement agencies and prosecuting attorneys to cooperate with investigations conducted by the inspector general, regardless of any criminal investigation or prosecution in progress.

Lathrop said the inspector general would need access to police reports and other information in order to do his or her job effectively.

"My amendment simply says that the executive branch, in the form of the state patrol, cannot keep the inspector general from conducting an investigation," he said.

Following adoption of the amendment on a 31-0 vote, lawmakers advanced LB821 from select file by voice vote.

### Genetic counseling licensure bill approved

Lawmakers passed a bill March 8 that provides a formal licensure

process for genetic counselors.

Under LB831, introduced by Omaha Sen. Gwen Howard, a genetic counselor who has satisfied the training and certification requirements of the American Board of Genetic Counseling may apply for licensure.

The bill prohibits a genetic counselor from being required to counsel or refer a patient with respect to abortion.

LB831 passed on a 46-1 vote.

### ADC program would include class, study hours

Senators advanced a bill from general file March 5 that would extend the termination date for self-sufficiency activities under the Welfare Reform Act from Sept. 30, 2012 to Dec. 31, 2016.

Under LB842, introduced by Scottsbluff Sen. John Harms, recipients of the state Aid to Dependent Children (ADC) program would be able to count their hours spent pursuing an associate degree towards their work activity requirements.

Parents in the ADC program are required to perform 30 hours per week of work activity, Harms said, and the state allows them to meet those requirements through education or specialized training programs for 12 months. The bill would extend the program for an additional four years to accommodate parents who are working towards an associate or vocational degree by assuring they have enough time to complete such programs, he said.



Sen. Gwen Howard



Sen. John Harms

“It just gives young people and adults participating in the ADC program a chance to progress towards a degree ... and move towards a process of taking care of their families through education,” Harms said.

A Health and Human Services Committee amendment added a reporting requirement to the bill that would evaluate the effectiveness of the program prior to the new termination date.

The data would include:

- the total number of participants in the ADC program pursuing an associate degree;
- the graduation rates of participants;
- the number of participants making satisfactory progress;
- the length of time participants spend fulfilling work requirements;
- the monthly earning, educational level attained and employment status of participants at six and 12 months after terminating participation; and
- a summary of activities performed by the state Department of Health and Human Services to promote post secondary educational opportunities to participants in ADC.

“This data would give [the Legislature] a lot more information about how successful the program is for future legislation,” Harms said.

The amendment was adopted 34-0 and the bill advanced from general file on a 36-0 vote.

### **Return of child welfare case management to DHHS amended, advanced**

The state Department of Health and Human Services (DHHS) would be required to provide case management for Nebraska’s child welfare system under a bill advanced from general file March 7.

In July 2009, the department selected six private entities as lead agencies to implement a child welfare reform initiative. All but one lead agency – Nebraska Families Collaborative (NFC) in Omaha – have left the reform process, citing an inability to fund their portion of the reform effort under the terms of their individual contracts with DHHS.

During general file debate on LB961, introduced by the Health and Human Services Committee, Norfolk Sen. Mike Flood expressed concern that moving all case management back to DHHS could result in the loss of NFC as the sole remaining lead agency, requiring yet another costly and disruptive transition within the child welfare system.

Flood suggested the possibility of exempting the area of the state served by NFC and using the remainder of the agency’s contract period as a pilot project to study how best to provide case management services – through the state or through a private contractor.

Lincoln Sen. Kathy Campbell, chairperson of the Health and Human Services Committee, offered an amendment on select file reflecting Flood’s suggestion.

The amendment, adopted 35-0, replaced the bill and would return case management to DHHS by April 1, 2012. An exception would be made in the eastern service

area, in which the department would be allowed to contract for lead agency case management as a pilot project.

Campbell said the reporting, monitoring and evaluation of the pilot project would mirror the requirements for DHHS case management outlined in the bill. The department would be required to review the pilot project before April 1, 2013, and make recommendations to the Legislature regarding alteration and/or continuation of the project.

Sen. Colby Coash of Lincoln questioned whether the April deadline would allow enough time to gather all the relevant data necessary to compare public and private case management.

Campbell said the committee was confident that the time frame for the pilot program was sufficient.

“We feel that the deadline in the bill is reasonable,” she said. “We believe that they can make it and that they can bring forth good information.”

The amendment also addressed provisions of LB961 dealing with the issue of caseload size.

Under the amendment, both the department and the pilot project lead agency would be required to reduce caseload size to between 12 and 17 cases per worker by Sept. 1, 2012. If children in a family receive services in the home, all children would be considered one case. If any child is placed out of the home, each child would be considered one case.

Campbell said the amended bill reflects lawmakers’ concern for the safety and well-being of Nebraska’s foster children and a commitment to helping them find permanency through safely returning them home or arranging for guardianship or adoption.

“Every child deserves to have a sense of permanency in their lives,” she said.

Lawmakers advanced LB961 to final reading by voice vote.



Sen. Kathy Campbell

## County hospitals would have increased spending flexibility

County hospitals would have more authority to make large purchases under a bill advanced from general file March 6.

LB995, introduced by Elk Creek Sen. Lavon Heidemann, would allow county hospitals to obtain lines of credit without a public vote. Heidemann said the current system used to fund expenditures is too cumbersome.



Sen. Lavon Heidemann

“The current warrant system puts [county hospitals] at a distinct competitive disadvantage,” he said. “By giving this flexibility, the bill attempts to bring county hospitals more in line with peer hospitals.”

The bill would allow a county hospital to:

- encumber hospital property;
- obtain a line of credit or borrow money;
- make improvements and additions to facilities with county board approval;
- participate in group purchasing organizations for large items; and
- open clinics in communities outside of its jurisdiction.

Use of general bonds to fund new projects still would require a public vote.

A Health and Human Services Committee amendment, adopted 31-0, would require county board approval for any issuance of revenue bonds for which the revenue of the facility has been pledged. The hospital’s board of trustees also would be required to file bylaws, rules and regulations with the county board.

Senators advanced the bill to select file 33-0.

## Change in foster care oversight amended, advanced

Nebraska’s current Foster Care Review Board would be replaced by a Foster Care Review Office under a bill advanced from general file March 7.

The 11-member Foster Care Review Board was created by the Legislature in 1982 as an independent agency to provide oversight to the state’s foster care system.

LB998, introduced by Omaha Sen. Bob Krist, would abolish the board and establish a Foster Care Review Office. Terms of the current 11-member Foster Care Review Board would terminate immediately.



Sen. Bob Krist

Under the bill as introduced, the executive director of the office would be appointed by the Legislature and would report directly to the chairperson of the Health and Human Services Committee. The committee would determine the office’s structure and staff would be employees of the Legislature.

A Health and Human Services Committee amendment was adopted on a 29-0 vote and replaced the bill. An amendment offered by Krist and adopted 40-0 in turn replaced the committee amendment.

Under the amended bill, the newly created office would be a non-code agency within the executive branch rather than an entity within the legislative branch. All staff except the executive director would be transferred from the Foster Care Review Board to the Foster Care Review Office.

Krist said the change would allow the board to continue providing data to the Legislature regarding the state’s

child welfare system, but would eliminate any appearance of conflict of interest due to relationships between board members and the state Department of Health and Human Services (DHHS).

The Krist amendment also would create a Foster Care Advisory Committee, comprising five members appointed by the governor and approved by the Legislature. The governor would appoint three members from a list of 12 local foster care review board members, one member from a list of four candidates with data analysis experience and one at-large member from a list of four candidates.

Lists of potential appointees would be submitted to the governor by the Legislature and members would be limited to two consecutive three-year terms.

Duties of the advisory committee would be to:

- appoint the executive director of the Foster Care Review Office;
- review management and employee issues of the office; and
- assist the executive director in focusing on and resolving key issues in the foster care system.

No member of the advisory committee could have a financial interest in the foster care system or be employed by DHHS, a county, court, child-caring agency or child-placement agency.

Krist said he introduced the bill to return independent oversight of the state’s foster care system to its original form. When the Foster Care Review Board was established, he said, the intent was for the agency to be a watchdog over the system and provide unbiased information to the Legislature, the courts and DHHS.

“These changes will bring the Foster Care Review Office back to

the original intent of the 1982 legislation,” Krist said.

Omaha Sen. Brenda Council supported the amendment. She said the current board appears to have difficulty providing independent data because many members work for agencies that receive funding from DHHS either directly or indirectly.

“I cannot be convinced that the independence of this board is not affected by the relationships that the entities that the members are affiliated with ... have with the Department of Health and Human Services,” she said.

Sen. Kathy Campbell of Lincoln also supported the bill, saying lawmakers need to adjust the oversight body for the child welfare system in ways that support the best interests of the children the system serves.

“This is a critical issue,” Campbell said. “We created it and we need to pay attention to how it’s formulated.”

The bill advanced on a 42-0 vote.

## Judiciary

### Judgeship transferred to another district

Senators passed a bill March 8 that transfers a county court judgeship to another district.

LB790, introduced by Lincoln Sen. Colby Coash, transfers a judgeship in the 5th Judicial District County Court—serving Boone, Butler, Colfax, Hamilton, Merrick, Nance, Platte, Polk, Saunders, Seward and York Counties—to the 3rd Judicial District County Court, which is located in Lancaster County.

The bill passed on a 38-8 vote and takes effect immediately.



Sen. Colby Coash

## Natural Resources Revenue

### Chase County gains ownership of state historical park

The Nebraska Game and Parks Commission will turn over ownership of the Champion Mill State Historical Park and Champion Lake State Recreation Area under a bill passed by the Legislature March 8.

LB739, introduced by Imperial Sen. Mark Christensen, transfers ownership of the areas to Chase County. Christensen said the bill formalizes an agreement already existing between both parties.

The bill passed on a 45-0 vote and goes into effect immediately.



Sen. Mark Christensen

### Pibel Lake State Recreation Area under new ownership

The Lower Loup Natural Resources District will gain ownership of the Pibel Lake State Recreation Area under a bill passed by the Legislature March 8.

LB849, introduced by Cedar Rapids Sen. Kate Sullivan, transfers ownership of the recreation area from the state’s Game and Parks Commission to the Lower Loup Natural Resources District.

The bill passed on a 46-0 vote and goes into effect immediately.



Sen. Kate Sullivan

### Some cities could delay refund of job credits

A bill that would attempt to ease the financial strain on city governments was advanced from select file March 8.

LB209, introduced by Bellevue Sen. Abbie Cornett, would provide notice to cities of pending job credit tax refunds one year in advance. Cornett said the bill would help many smaller cities struggling with cash flow problems.



Sen. Abbie Cornett

In addition to the bill’s notification provision, cities of the first and second class, as well as villages, could delay payment of job credit tax refunds by one year. Nebraska cities are classified by population as follows:

- first class cities have populations between 5,000 and 100,000;
- second class cities have populations between 800 and 5,000; and
- villages have populations between 100 and 800.

An installment repayment option would be allowed for any refund exceeding 25 percent of a city’s total sales tax receipts.

A Cornett amendment, adopted 28-0, would permit a certified municipal employee to obtain confidential sales tax return information from the state tax commissioner on behalf of his or her municipality.

A second Cornett amendment made technical corrections to the bill and was adopted 39-1.

Omaha Sen. Bob Krist introduced an amendment to the Cornett amendment that would have made the installment repayment plan available to all cities—most notably Lincoln and Omaha.



Krist said the financial issues plaguing small towns affect larger cities as well.

“Omaha faces this issue every year and must budget millions of dollars to prepare for it,” Krist said. “If this is good policy for some, it’s good for all.”

Lincoln Sen. Danielle Conrad spoke in support of the Krist amendment, saying it was an issue of equity.

The Krist amendment failed to advance on a 10-22 vote.

Senators advanced the bill to final reading by a voice vote.

### **Bill to expand tax review report advances**

Lawmakers advanced a bill from general file March 6 that would add categories to the annual tax review report produced by the state Department of Revenue.

Sen. Rich Pahls of Boys Town, sponsor of LB962, said the department currently produces a review of major tax exemptions for which state general funds are used to reduce the impact of lost revenue. Under the bill, information in the report would be broken down into specific categories in relation to sales and use tax.

As introduced, the bill also would name the legislative Tax Rate Review Committee and change its composition. Currently, the un-named committee includes the speaker of the Legislature and the chairpersons of the Appropriations, Revenue and Executive committees.

A Revenue Committee amendment, adopted 35-0, removed a provision from the bill that would have added the state tax commissioner as the fifth voting member of the committee.



Sen. Rich Pahls

Bellevue Sen. Abbie Cornett, chairperson of the Revenue Committee, said adding a member of the executive branch to the legislative committee would raise concerns regarding the separation of powers.

“He or she cannot be a member of the committee without raising questions about the constitutionality of the bill,” she said.

LB1090 also would require that the Tax Rate Review Committee’s report be appended to the Department of Revenue’s tax expenditure report.

Pahls said consolidating the information would improve senators’ understanding of the state’s revenue picture.

“We already have two pieces of information coming to us,” he said. “I want to combine them so that when we look at them we have the total picture.”

The bill advanced to select file on a 34-0 vote.

### **Extension proposed for research and development tax credit**

Businesses taking advantage of a research and development tax credit would have more time to claim the credit under a bill advanced from general file March 5.

Four years currently are allotted to complete all research and development associated with an eligible project. LB983, as originally introduced by Bellevue Sen. Abbie Cornett, would have removed the time requirement completely.

A Revenue Committee amendment, adopted 28-0, replaced the provision in the original bill to repeal the time requirement and instead placed a 20-year limitation for all research and development to be completed. Cornett said the extension is important

to accommodate the technological development process.

“Lengthening the tax credit recognizes and affirms Nebraska’s commitment to supporting research and development projects that may take longer than five years to develop,” Cornett said.

Cornett said she proposed the 20-year limitation to mirror federal statutes regarding research and development tax credits.

Omaha Sen. Heath Mello spoke in support of the bill, saying it ultimately will lead to increased job growth throughout the state.

“The more emphasis we put on tax credits and incentives to encourage partnerships with universities, [the more] we see an increase in research and development projects and new jobs,” he said.

Kearney Sen. Galen Hadley also spoke in support of the bill. He said the potential income from new technological innovations will help the state’s budget.

“We have core services that must be funded,” Hadley said. “We can either raise taxes or grow the economic base by encouraging this kind of development.”

Senators advanced the bill to select file on a 30-0 vote.

## **Transportation & Telecommunications**

### **Exceptions to hauling requirements passed**

Senators passed a bill March 8 that limits exception permits for longer combination vehicles (LCVs) hauling seasonally harvested products.

LB841, introduced by Scottsbluff Sen. John Harms, allows LCVs up to 10 percent longer than allowed by law

to carry an additional 15 percent of the maximum weight allowed for up to 70 miles.

Such permits will be valid for up to 120 total days per calendar year.

The bill passed on a 46-0 vote and takes effect immediately.

### Additional penalties for failing to stop for a school bus advance

Senators advanced a bill from general file March 6 that would create additional penalties for failing to stop for a school bus.

Currently, a person who fails to stop for a school bus is guilty of a Class IV misdemeanor.

Under LB1039, introduced by Bancroft Sen. Lydia Brasch, violators would be charged a \$500 fine and assessed three points on their driver's license.



Sen. Lydia Brasch

"In my district, there are daily accounts of school bus stop violations which put our children at risk as they board and get off a school bus," Brasch said. "I believe the increased penalty more appropriately represents the severity and risk associated with this traffic violation."

A Transportation and Telecommunications Committee amendment would require drivers to decrease their speed to 25 mph when the yellow warning lights on a bus are flashing and to stop if the red lights are flashing.

At locations where the school district determines that 400 feet of clear vision in each direction is not possible, a bus could stop if a sign indicates that a school bus stop is ahead.

The amendment was adopted 30-0 and the bill advanced from general file on a 33-0 vote.

## Urban Affairs

### Local incentives for film companies advance

Senators advanced a bill from general file March 5 that would include production film companies in the Local Option Municipal Economic Development Act (LOMED).

LOMED authorizes incorporated cities and villages to appropriate local sales and property tax dollars—if approved by local voters—for economic development purposes.

Under LB863, introduced by Lincoln Sen. Colby Coash, LOMED would include the production of films, commercials and television programs as businesses that qualify for the program.



Sen. Colby Coash

Production companies spend thousands of dollars on local catering, lodging and labor costs while they are filming on location, Coash said, adding that many producers are interested in filming in Nebraska. The bill would provide incentives for film companies by allowing them to cater to and negotiate directly with the local communities, he said.

Neighboring states with similar topography have no incentive programs for film industries, Coash said, so the bill would put Nebraska at an economic advantage.

Coash introduced an amendment that would require film companies to acknowledge cities where a production was created as well as the State of Nebraska in the production's credits, unless prohibited by local, state or federal law or regulation.

The amendment also would require film companies to provide notice of such projects to the Nebraska Film Office.

"This will help Nebraska continue to see a return on investment long after the completion of the film," Coash said.

Omaha Sen. Brenda Council spoke in support of the bill, saying it would increase film production in the state. She referred to Omaha native and actor John Beasley, who she said expressed interest in producing a film in Nebraska about the NFL's first African-American quarterback, Marlin Briscoe.

"I think we ignore the number of major people in the film industry who are natives of Nebraska and who are now involved ... on the production side," Council said.

The amendment was adopted 34-0 and the bill advanced from general file on a 33-0 vote. ■



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# 2012 Legislative Session

Sun	Mon	Tues	Wed	Thur	Fri	Sat
<b>January</b>						
1	2	3	4 DAY 1	5 DAY 2	6 DAY 3	7
8	9 DAY 4	10 DAY 5	11 DAY 6	12 DAY 7	13 RECESS	14
15	16 HOLIDAY	17 DAY 8	18 DAY 9	19 DAY 10	20 DAY 11	21
22	23 DAY 12	24 DAY 13	25 DAY 14	26 DAY 15	27 DAY 16	28
29	30 DAY 17	31 DAY 18				

Sun	Mon	Tues	Wed	Thur	Fri	Sat
<b>February</b>						
			1 DAY 19	2 DAY 20	3 DAY 21	4
5	6 DAY 22	7 DAY 23	8 DAY 24	9 DAY 25	10 RECESS	11
12	13 DAY 26	14 DAY 27	15 DAY 28	16 DAY 29	17 RECESS	18
19	20 HOLIDAY	21 DAY 30	22 DAY 31	23 DAY 32	24 DAY 33	25
26	27 DAY 34	28 DAY 35	29 DAY 36			

Sun	Mon	Tues	Wed	Thur	Fri	Sat
<b>March</b>						
				1 DAY 37	2 RECESS	3
4	5 DAY 38	6 DAY 39	7 DAY 40	8 DAY 41	9 RECESS	10
11	12 RECESS	13 DAY 42	14 DAY 43	15 DAY 44	16 DAY 45	17
18	19 DAY 46	20 DAY 47	21 DAY 48	22 DAY 49	23 RECESS	24
25	26 RECESS	27 DAY 50	28 DAY 51	29 DAY 52	30 DAY 53	31

Sun	Mon	Tues	Wed	Thur	Fri	Sat
<b>April</b>						
1	2 DAY 54	3 DAY 55	4 DAY 56	5 DAY 57	6 RECESS	7
8	9 RECESS	10 DAY 58	11 DAY 59	12 DAY 60	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

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January 16 – Martin Luther King Jr. Day  
 February 20 – Presidents' Day

## Legislative Recess Days

January 13  
 February 10, 17  
 March 2, 9, 12, 23, 26  
 April 6, 9

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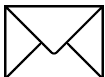
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Assistance provided by the Clerk of the Legislature's Office, the Legislative Technology Center, committee clerks, legal counsels, journal clerks, pages, transcribers, mail room and bill room staff and the State Print Shop.

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