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UPDATE

School funding adjustments advance



Sen. Heath Mello discusses the fiscal implications of school funding with Sen. Kate Sullivan.

Lawmakers revisited a bill April 25 that would adjust the state aid funding formula for public schools under the Tax Equity and Educational Opportunities Support Act (TEEOSA). The bill had stalled April 22 after a full day of debate with little consensus.

As originally introduced by Cedar Rapids Sen. Kate

Sullivan, LB407 would reduce the base limitation rate for school districts from 2.5 percent to 1.5 percent for the 2013-14 school year. The rate would revert to 2.5 percent for each subsequent school year.

Sullivan said changes to the formula would allow districts to recover from recessionary funding cuts.

"We have asked a lot of school districts by holding down their spending and growth," she said. "We have 249 very different school districts with varying circumstances and needs. We have to help these districts come back from the brink and grow a little."

The bill included several other changes to the funding formula, such as:

- increasing the local effort rate from \$1.00 to \$1.03 for school years 2013-14 and 2014-15;
- eliminating the teacher education allowance, instructional time allowance, averaging adjustment and local choice adjustments;
- limiting the summer school allowance to reported

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YRTC and juvenile justice changes advanced

Senators advanced a bill from general file April 23 that would change juvenile justice and youth rehabilitation treatment center (YRTC) provisions.

LB561, as introduced by Omaha Sen. Brad Ashford, would have eliminated the Office of Juvenile Services and potentially closed the YRTCs located in Kearney and Geneva by 2015 in favor of a community-based rehabilitation approach.

A Judiciary Committee amendment, adopted 30-0, replaced the bill. Rather than close the YRTCs as originally

proposed, the amendment would require the Children's Commission to make recommendations on the role of YRTCs in the juvenile justice system and any needs for additional juvenile mental and behavioral health services.

The amendment also clarifies that juveniles could not be sent to YRTCs unless it were necessary for the protection of the juvenile and the public or because the juvenile likely would flee the court's jurisdiction. The Office of Probation Administration, in cooperation with the Office of Juvenile

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School funding adjustments advance

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summer school expenditures that are included in other allowances beginning in 2014-15;

- clarifying that expenditures included in the poverty and limited English proficiency allowances cannot be included in other allowances;
- allowing additional budget authority for early childhood education when programs move from grant funding to inclusion in TEEOSA calculations; and
- including tuition paid and transportation fees paid in general fund operating expenditures.

Lincoln Sen. Bill Avery said LB407 was intended to address the issues of all school districts.

“Large school districts need more money, but so do all K-12 schools in our state,” he said. “The fact is that small districts are simply going to have higher [costs per student] because they have less students.”

An Education Committee amendment debated April 22 would have reinstated the \$30 million teacher education allowance for the 2013-14 and 2014-15 school years and eliminated teacher tuition and transportation fees paid from general fund operating expenditures. Sullivan asked the body to reject the amendment April 25 in favor of a compromise reached after several days of negotiations. Senators obliged 1-22.

“This has been a process and it has not been easy,” Sullivan said. “However we are determined to continue to look at this process. This will always be a work in progress.”

Sullivan said the amendment would ensure that all students in Nebraska have equal access to quality education. It would include:

- a base limitation rate of 1.5 percent for fiscal year 2013-14 and 2.5 percent thereafter;
- a local effort rate of \$1.03 for FY2013-14 and FY2014-15 and \$1.00 thereafter;
- an averaging adjustment threshold equivalent to the average basic funding for all school districts with 900 or more formula students;
- a teacher education allowance of \$30 million with distribution based on teacher education points;
- 50 percent of teacher education allowance paid as teacher education aid;
- an instructional time allowance of \$20 million with distribution based on the average days in session in excess of 175 days multiplied by formula students;
- 50 percent of instructional time allowance paid as instructional time aid; and
- 2 percent additional budget growth with 75 percent

board approval with the expenditures included in the general fund operating expenditures for FY2013-14 only.

Norfolk Sen. Jim Scheer supported the compromise, saying school districts have weathered the recession despite funding cuts.

“[The Legislature] has made it very tough on school districts in the last few years,” he said. “Almost all districts have had to reduce staff. This is trying to find a way to fund education throughout the state of Nebraska.”

The new amendment would eliminate the local choice adjustment beginning in 2013-14 and limit the summer school allowance to reported summer school expenditures that are not included in other allowances. It also would clarify that expenditures included in the poverty and limited English proficiency allowances cannot be included in other allowances.

Additional budget authority for early childhood education would be included in the calculation of TEEOSA aid when programs move away from grant funding. Voluntary termination agreements would be excluded from the budget, but only when districts can prove a net savings in salary and benefits over a five year period.

The amendment was adopted and senators advanced the bill, both on 42-0 votes. ■



Sen. Jim Scheer spoke in support of the compromise April 25.

YRTC and juvenile justice changes advanced

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Services, would be required to implement a family- and community-involved re-entry process for juveniles leaving the YRTC.

“The [YRTCs] are assets to the state, but they are assets that need to be much better coordinated and reformed,” Ashford said.

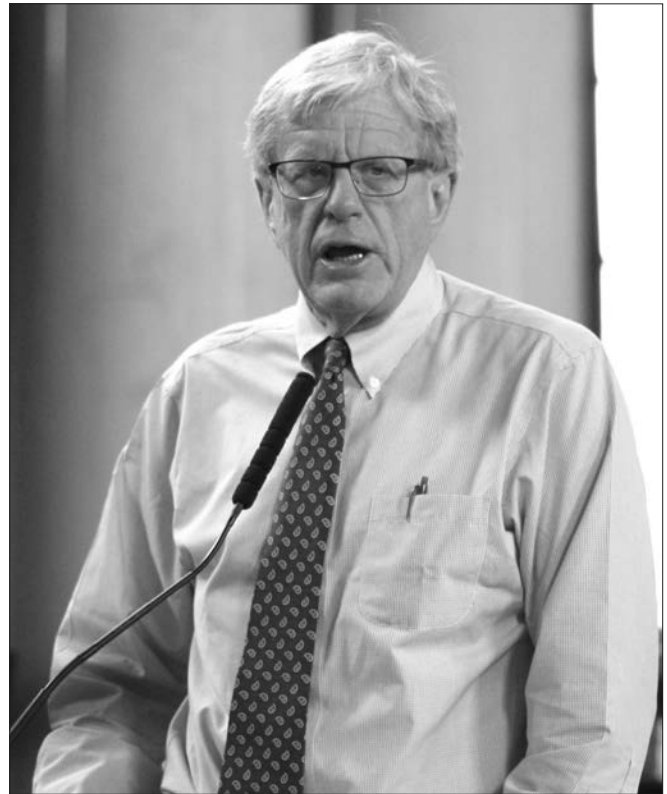
Additionally, the amendment would:

- appropriate \$10 million annually to the County Juvenile Services Aid Program and rename it the Community-Based Juvenile Services Aid Program, to promote the development of community-based care across the state;
- eliminate the Office of Juvenile Service’s community supervision, parole and evaluation authority and transfer those services to the Office of Probation Administration on July 1, 2014;
- create Intensive Supervised Probation for cases in which all levels of probation supervision and options for community-based services have been exhausted and committing the juvenile to the YRTC is necessary;
- create the director of Juvenile Diversion Programs position within the Crime Commission to assist in the creation and maintenance of juvenile pre-trial diversion programs and community-based services;
- expand the Nebraska Juvenile Services Delivery Project to include community supervision, evaluations and the re-entry process for juveniles leaving the YRTCs. The project would be implemented statewide in a three-step process starting July 1, 2013 through July 1, 2014;
- require that juveniles complete evaluations and return to the court within 21 days after adjudication of jurisdiction; and
- amend the New Markets Job Growth Investment Act to authorize social-impact projects related to the juvenile justice system.

Ashford said many Nebraska juveniles are dually adjudicated because they are state wards and also are in the probation system.

“It is impossible to monitor these juveniles when they are handled between systems,” he said. “We need one system where probation officers have more direct access to community services and data from one agency.”

The amendment also includes provisions from four other bills. LB463, introduced by Ashford, would add a juvenile judge to the Douglas County Separate Juvenile Court. LB562, also by Ashford, would provide probation officers



Sen. Brad Ashford said YRTCs need coordination and reform.

information to make decisions regarding crossover youth.

LB86, originally introduced by Lincoln Sen. Amanda McGill, would place the supervision of staff-secure juvenile detention facilities with the Jail Standards Board of the Nebraska Commission on Law Enforcement.

And LB471, introduced by Lincoln Sen. Colby Coash, provides that a juvenile would not be required to undergo an evaluation prior to his or her commitment to the Office of Juvenile Services if one already has been completed in the past 12 months or if an addendum to a previous evaluation would be appropriate.

Coash supported the amendment, saying that separate options to meet the mental health and behavioral needs for both low- and high-level offenders should be available locally to juveniles.

“We are reforming our model and we’re catching up to what we know is the way that you deal with kids,” he said.

Ashford offered, and later withdrew, an amendment that would have reduced the proposed annual County Juvenile Services Aid Program funding from \$10 million to \$5 million.

The bill advanced to select file on a 29-0 vote. ■

Agriculture

Trichomoniasis procedures added to livestock welfare bill

Senators amended and advanced a bill from select file April 24 that would strengthen seizure protocol in the case of livestock neglect or cruelty.

LB423, introduced by the Agriculture Committee, would authorize law enforcement officials to enter into an agreement with animal owners and custodians outlining interventions to be undertaken to avoid seizure of neglected animals. In the event that a seizure of animals occurred, the bill would allow the animals to be kept on the premises of the owner or custodian.

Committee chairperson Sen. Ken Schilz of Ogallala, said putting the provisions in place would level the playing field for all livestock owners.



Sen. Ken Schilz

“This is a first step to get us to where we need to be to take control of this issue,” he said. “Now that there is a structure to do this, it will make it easier for everyone to remain in compliance.”

The bill also would establish procedures for determining the need to euthanize animals experiencing extreme suffering. Upon seizure of the animals, the law enforcement agency taking custody would have seven days to petition for a hearing before the district court, which would be scheduled within 10 days of the date of petition.

If a court determined that abandonment or cruel neglect had occurred, it could:

- order immediate forfeiture of animals and authorize euthanasia;
- detail conditions that must be met to restore custody to the owner; or

- order a bond or security to pay for the seizing agency’s cost for care of the animals.

If the owner or custodian were found not guilty, all costs associated with the seizure and care of animals would be refunded.

The bill also would allow a court to order direct installment payments to cover expenses for the care of seized animals.

A Schilz amendment, adopted 30-0, would prevent the provisions of the bill from preempting any animal welfare ordinances of a city of the primary class. Currently, Lincoln is the only primary class city.

Senators also adopted an amendment 29-0 that included provisions of LB544, a bill originally introduced by North Platte Sen. Tom Hansen. Under the amendment, any person who owns a beef or dairy breeding bull infected with bovine trichomoniasis would be prohibited from selling or transporting the animal except for slaughter.

The owner also would be required to report the diagnosis to the state Department of Agriculture within five business days of laboratory confirmation of the diagnosis. The owner also would be liable for notifying all neighboring landowners of the infection within 14 days.

Hansen said making sure all landowners are aware of the infection can prevent significant outbreaks among livestock.

“Some people don’t want to notify their neighbors because it’s embarrassing or it speaks to their management skills,” he said. “One way or another people are going to find out about it. It’s only logical to ask one neighbor to tell another that there’s a problem.”

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

Changes to climate committee amended, advanced

Lawmakers gave first-round approval April 23 to a bill that would change duties of the state’s climate committee.

LB583, introduced by Malcolm Sen. Ken Haar, would require the Climate Assessment Response Committee to report to the governor on the impacts of climate change for the state



Sen. Ken Haar

and to facilitate communication between stakeholders to address those impacts and response strategies.

The bill also would require a long-term strategic report delivered to the governor and the Legislature by Sept. 1, 2014, regarding how Nebraska should prepare for climate change.

Haar said the bill would expand the committee’s focus from drought monitoring to long-range planning on climate change.

“It’s here, it’s happening and we will have to adapt,” he said.

An Agriculture Committee amendment, adopted 44-0, scales back the committee’s initial report to a mere compilation of data on climate patterns and projections, including implications for agriculture, recreation and other economic sectors.

The amendment would require the committee to review the initial report and provide a final report of significant conclusions and recommendations by Dec. 1, 2014.

Ogallala Sen. Ken Schilz, chairperson of the committee, said the amendment would reduce the bill’s cost to approximately \$40,000 by narrowing the focus of the initial report so that it would not have to be commissioned.

“We anticipate that this work

primarily will be compiled by the climate experts within the university community,” Schilz said.

Omaha Sen. Beau McCoy introduced, and later withdrew, an amendment that would have removed all references to climate change in the bill. He said the Climate Assessment Response Committee was formed to study drought and water issues only.

“I think that we are straying from the original purpose of this committee,” he said.

McCoy offered a second amendment, adopted 26-0, that instead inserted the word “cyclical” before the phrase “climate change” in the bill. He said the change would remove politics from the bill.

Bellevue Sen. Scott Price supported the amendment, saying it was reflective of the complex science of climatology.

“Putting cyclical into this is prudent and will speak to the nature of weather,” he said.

As introduced, LB583 also would have added an individual from the High Plains Regional Climate Center as a voting member of the Climate Assessment Response Committee.

Haar said it could improve the quality of the committee’s work to have a trained climatologist as a voting member.

O’Neill Sen. Tyson Larson offered an amendment, adopted 26-0, that removed that provision from the bill. He said a member of the climate center already acts in an advisory capacity to the Climate Assessment Response Committee, so there is no need to add them as a voting member.

Haar said the bill as amended still would encourage the committee to take a long-range view of the impact of climate change in Nebraska.

“This bill provides a timely update ... so that our state leaders have the

information they need to both plan for the future and respond to the physical world around us,” he said.

The bill advanced to select file on a 35-0 vote.

Banking, Commerce & Insurance

Oversight for insurance exchange amended, advanced

Senators gave first-round approval April 24 to a bill intended to create state-based oversight for Nebraska’s health insurance exchange.

Under the federal Patient Protection and Affordable Care Act, Nebraska is required to have an operational health insurance exchange by Jan. 1, 2014. Nebraska will have a federally facilitated exchange.

LB384, introduced by Omaha Sen. Jeremy Nordquist, would create the Nebraska Exchange Stakeholder Commission. Nordquist said the bill would provide the state a group of stakeholders willing to work with the federal government to ensure a smooth transition to the new system.

“I believe Nebraskans deserve a say in the creation of the health insurance marketplace,” he said.

Under the bill, the commission would:

- work with state and federal agencies and policymakers to provide oversight and recommendations regarding implementation and operation of the exchange;

- create technical and advisory groups as needed to discuss issues regarding the exchange and to make recommendations to the commission, state or federal agencies and the Legislature;
- assist the exchange in meeting the stakeholder consultation requirements as provided in federal regulations; and
- identify challenges and problems in the implementation and operation of the exchange and prepare recommendations to alleviate the problems identified.

The commission would report to the Legislature by Dec. 1, 2013.

As introduced, the commission’s 12 members would include:

- three health care consumers, one from each congressional district;
- one small business representative;
- two health care providers;
- one health insurance agent;
- one health insurance carrier representative;
- one member of the Rural Health Advisory Commission; and
- three nonvoting, ex officio representatives of the state departments of insurance and health and human services.

Members – appointed by the governor and approved by the Legislature – would serve four-year terms.

A Banking, Commerce and Insurance Committee amendment, adopted 26-0, removed the requirement that consumers represent each congressional district and that one member represent the Rural Health Advisory Commission.

Instead, the amended bill would require four members to represent the interests of consumers, with at least one representing rural consum-



Sen. Jeremy Nordquist

ers who will access health insurance in the exchange.

The amendment also would sunset the commission July 1, 2017.

Nordquist offered an amendment to the committee amendment that removed the state Department of Health and Human Services (DHHS) director of Children and Family Services from the commission.

He said the director originally had been included because the division currently is responsible for Medicaid eligibility determinations. However, a pending DHHS reorganization will move that responsibility to the Medicaid division, he said.

After adopting the Nordquist amendment 26-0, senators advanced LB384 to select file on a 28-0 vote.

Business & Labor

Changes to internship program advance

Senators advanced a bill from general file April 23 that would make changes to a recently created internship grant program.

Holdrege Sen. Tom Carlson, introducer of LB476, said the InternNE program has been very successful at creating quality internships for young people in the state.



Sen. Tom Carlson

Since the program's inception two years ago, Carlson said, over 200 businesses and almost 400 interns have participated in InternNE, which is administered by the Nebraska Department of Economic Development (DED). More than half of those interns were offered full-time positions with the companies for which they interned, he said.

Carlson said small changes to the program would allow more young people to benefit.

"This bill changes the emphasis ... to the quality of the internship," he said.

Under the bill, a resident student enrolled full-time in a college, university or other institution of higher education in Nebraska would be eligible for an internship.

Minimum weekly and hourly internship requirements would be replaced with a requirement that the internship be of a sufficient duration to allow the student to gain significant, valuable work experience and knowledge.

Increased grant amounts for distressed areas would be replaced with a maximum reimbursement up to 75 percent of the cost of the internship or \$5,000.

In addition, LB476 would require DED to develop an action plan to set program priorities and grant selection criteria.

A Business and Labor Committee amendment, adopted 26-0, would further increase the maximum grant amount to \$7,500 if an employer shows that an intern was a Federal Pell Grant recipient at the time of the internship grant application.

The amendment also would require the department to market the internship program to high schools and higher education institutions with a focus on attracting underserved student populations.

The bill advanced to select file on a 26-0 vote.

Education

Remedial Adult Education Innovation Act advanced

Senators gave first-round approval to a bill April 24 that would provide as-

sistance to institutions that offer high school equivalency programs.

As originally introduced by Omaha Sen. Tanya Cook, LB366 would appropriate \$750,000

to the state Department of Education to be distributed to eligible institutions. Cook said studies have shown that workers with a high



Sen. Tanya Cook

school diploma or general equivalency diploma (GED) have greater employment opportunities and earning potential than those who do not.

"We need to recognize the vital challenge of preparing an adult workforce in which all adults possess adequate skills in reading, writing and mathematics," she said. "It's important we continue to provide easy access to educational opportunities for all Nebraskans."

An Education Committee amendment, adopted 26-0, replaced the bill.

Under the amended bill, each institution would receive an assistance payment of \$310 for:

- each participant who enrolls in its high school equivalency program;
- each enrolled participant who takes an initial examination for a diploma of high school equivalency; and
- each participant not enrolled in the high school equivalency program who takes the examination for a diploma or high school equivalency.

An institution would not receive assistance for any participant who fails their examination for a diploma or high school equivalency. Each institution receiving funds under the program would be required to report annually to the department.

The bill also authorizes a one-

time allocation of \$85,550 from the Education Innovation Fund to the department for fiscal year 2013-14. The money would be given to each eligible institution for the acquisition and upgrade of equipment and software necessary to administer GED examinations.

Senators advanced the bill on a 31-2 vote.

Government, Military & Veterans Affairs

Airport zoning changes advanced

Senators advanced a bill from general file April 24 that would change provisions of the Airport Zoning Act.

Political subdivisions that have established development plans and zoning regulations currently are required to adopt airport zoning regulations if they have an airport hazard in their zoning jurisdiction.

Under LB140, introduced by Omaha Sen. Bob Krist, the authority of a political subdivision to adopt airport zoning regulations would not be conditional upon a prior comprehensive development plan or a zoning ordinance.



Sen. Bob Krist

Among other zoning provisions, the bill would establish Airport Zoning Board of Adjustment appeal procedures and would update and add definitions.

Such regulations have not been changed since 1945, Krist said, so the bill would bring the airport zoning regulations up-to-date and into compliance with the Federal Aviation

Administration (FAA) guidelines.

A Government, Military and Veterans Affairs Committee amendment, adopted 25-0, would require the board to allow a reasonable time for the appeal hearing, give due notice to the interested parties and determine the appeal within 60 days after it is filed.

The amendment would make a series of other changes to the zoning regulations and redefine airport hazard to include “any structure, tree or use of land that penetrates any approach, operation, transition or turning zone.”

Omaha Sen. Scott Lautenbaugh supported the bill, saying that many small airports are located throughout the state and need updated regulations consistent with FAA guidelines to continue operating.

“It is an important piece of legislation for rural Nebraska,” he said.

Columbus Sen. Paul Schumacher disagreed, saying that most of the airport facilities already are compliant and can be accessed without changing the zoning provisions.

“This is unneeded regulation in the bulk of the smaller airports,” he said. “I do not support this bill and this grab at regulation that is not necessary.”

The bill was advanced to select file on a 28-1 vote.

Judiciary

Incarcerated parent pilot program advanced

Senators gave first-round approval April 22 to a bill that would fund a pilot program for the state Department of Correctional Services to improve parenting skills of incarcerated parents.

LB483, as introduced by Lincoln

Sen. Kate Bolz, would have imposed a \$1 court fee on all misdemeanor and felony convictions to be used to implement parenting programs in correctional facilities.



Sen. Kate Bolz

Bolz said children with incarcerated parents are in need of positive development opportunities.

“Research shows that children who have parents involved in their lives perform better academically and socially in school, experience fewer mental health and substance abuse issues and are less likely to commit serious crimes,” she said.

A Judiciary Committee amendment, adopted 35-1, replaced the bill and appropriated \$250,000 from the Correctional Industries Revolving Fund to the department to implement a two-year pilot program that would provide incarcerated parents of children up to five years old evidence-based parent education, early literacy, relationship skills development and re-entry planning prior to their release.

The amendment also would allow the department to award competitive bid contracts to operate the pilot program and require them to gather program participation and recidivism data.

Omaha Sen. Steve Lathrop said the pilot project would be used to gauge the program’s effectiveness before requiring the department to implement it permanently.

“I cannot think of another program that holds as much promise as this one,” he said. “It gives inmates motivation, provides them with family connections when they are released and allows them to be parents to their children in a meaningful way.”

Bolz offered a technical amend-

ment, adopted 25-1, that appropriated the funds from the state's General Fund rather than the Correctional Industries Revolving Fund.

The bill advanced to select file on a 38-1 vote.

Natural Resources

Compensation for irrigators advanced

Senators advanced a bill April 23 that would provide compensation to members of irrigation districts.

The state Department of Natural Resources adopted a regulation in 2006 to prohibit surface water appropriators from storing or diverting in-stream flows in order to comply with an interstate compact. A 2007 negotiation between the department and landowners established a compensation schedule for those unable to access surface water for irrigation.

LB522, as originally introduced by Imperial Sen. Mark Christensen, would have required the state to provide financial compensation to irrigation districts affected by the department's decision. Christensen said the state has an obligation to compensate landowners for the loss of water usage.

"The state has decided that surface water irrigators should sacrifice their water for state compliance because it is easier and faster than the regulation of ground water," he said. "Surface water [irrigators] should not be a sacrificial lamb but an equal partner to ground water [irrigators]."

A Natural Resources Committee amendment, adopted 26-0, replaced the bill. The amended bill would



Sen. Mark Christensen

require the department to provide compensation to affected water users equal to the current compensation for dry-year leases used by natural resources districts.

A Christensen amendment, adopted 27-0, would place a \$10 million limit on compensation provided to landowners under the bill. For both fiscal years 2013-14 and 2014-15, \$5 million would be transferred from the General Fund to the Water Resources Cash Fund.

Ogallala Sen. Ken Schilz supported the bill, saying that the state must find new ways to address water shortfalls.

"We need to move forward with the understanding that we cannot operate our water systems the way we have in the past," Schilz said. "If we do that, we cannot create the opportunities that we're going to need to be successful as a state going forward."

Omaha Sen. Steve Lathrop said the Legislature will have to continue to deal with water issues until the problem is addressed.

"If we can set a course this year for sustainability, then I might be persuaded to pay some of those people who are losing money," he said. "We need to figure out if we are balancing all the interests out in the Republican River Valley or if we're ignoring the problem because the political price is too high."

Senators advanced the bill on a 27-0 vote.

Retirement

Judges' retirement rate increase amended, advanced

Lawmakers gave second-round approval April 25 to a bill that would extend an increase in Nebraska judges' retirement contribution rates.

LB306, introduced by Omaha Sen.

Jeremy Nordquist, would remove the pending July 1, 2014, sunset date on a 1 percent employee contribution rate increase that was established in 2009.



Sen. Jeremy Nordquist

As amended on general file, the bill also incorporates provisions of LB229, which would remove a scheduled July 1, 2014 sunset date of an additional \$1 fee on various court filings that was added in 2009.

Omaha Sen. Steve Lathrop offered an amendment, adopted 29-4, which would increase the salary of Nebraska Supreme Court judges by adding the provisions of LB232 to the bill.

Lathrop said it was necessary to combine the two bills to protect the provisions of both measures from future court challenges. A past federal court ruling found that any retirement concessions from judges must be accompanied by compensation, he said.

"There needs to be consideration in the form of additional compensation," Lathrop said, "or the concession on the retirement side is unconstitutional."

The current judges' salary is \$145,614. Under the amendment, the salary would increase 5 percent annually over the next two fiscal years to \$152,895 on July 1, 2013, and to \$165,040 on July 1, 2014.

Lathrop said judges join the bench at the height of their earning potential and make far less than they would have by remaining in the private sector.

"The policy question is how do you properly compensate and encourage people to serve in that capacity," he said.

Omaha Sen. Ernie Chambers supported the amendment. Lawmakers should put aside individual disap-

pointments with the courts, he said, and provide adequate compensation to support the proper functioning of the judiciary.

"I can look beyond those battles to the integrity of a branch of government," Chambers said.

Hoskins Sen. Dave Bloomfield offered an amendment that would have reduced the increase to 2.5 percent annually over the same time period. Under his amendment, judges' salaries would have increased to \$149,255 on July 1, 2013, and to \$152,986 on July 1, 2014.

Bloomfield said the recession is not over in Nebraska and the state cannot afford a 10 percent increase in judges' salaries.

"I don't have an axe to grind with the judges," he said. "I want to save a little money for the taxpayers going forward."

Chambers opposed the amendment, saying good government comes at a price.

"Nebraska has to get out of the mindset of traveling cheap," he said.

The amendment failed on a 16-28 vote and the bill advanced to final reading by voice vote.

Revenue

Economic forecasting board maintains current revenue projections

The Nebraska Economic Forecasting Advisory Board maintained the current fiscal year revenue projections during an April 25 meeting at the Capitol. The board provides an advisory forecast of general fund receipts used by the Legislature to craft the state's budget.

Total projected revenue receipts for fiscal year 2012-13 were maintained at \$3.87 billion, which is based on an

estimated growth rate of 5.4 percent.

The board raised its projections for fiscal years 2013-14 and 2014-15. Projections were set at \$3.98 billion for FY2013-14, which is based on an estimated 3.6 percent growth rate. Projections for FY2014-15 were set at \$4.14 billion, which is based on an estimated 4.7 percent growth rate.

Members also voted to include an addendum to the forecast stating the board's belief that there will be a one-time \$125 million increase in state revenue, above the forecast amount, for FY2012-13.

The next board meeting is scheduled for Oct. 24.

Wind energy incentive advanced

Lawmakers advanced a bill from general file April 24 that would incentivize companies that create sources of renewable energy.

LB104, as introduced by Omaha Sen. Steve Lathrop, would have added a new tier of incentives to the Nebraska Advantage Act for companies producing renewable energy for export.



Sen. Steve Lathrop

Lathrop said Nebraska is the fourth largest producer of wind energy but lacks economic incentives for companies to invest in the state.

"Our state has enormous wind energy potential," he said. "We have a time-sensitive opportunity that can significantly grow Nebraska's economy."

A Revenue Committee amendment, adopted 27-0, replaced the bill with provisions of LB501, a bill originally introduced by Kearney Sen. Galen Hadley.

As amended, the bill instead would expand the definition of qualified business to include renewable energy

producers in the existing incentive tiers. It also would define sources of renewable energy to include wind, solar, geothermal, hydroelectric, biomass and transmutation of elements.

Omaha Sen. Jeremy Nordquist supported the bill, saying the discontinuation of federal production tax credits at the end of 2013 adds a sense of urgency.

"Developers have to start getting shovels in the ground before the end of the year to get the federal tax credit," he said. "We need to get this passed and create this incentive so we can get these developments started."

Norfolk Sen. Jim Scheer also supported the bill. He said any initial loss of tax revenue would be made up in new business.

"I don't care who owns these companies," he said. "Nebraskans are going to build them and maintain them. This is about providing employment and income for rural Nebraska."

Omaha Sen. Beau McCoy opposed the bill, saying the timing is not right for new incentives.

"I did oppose this in committee for the simple reason that there are a lot of priorities that have to be made this session," McCoy said. "I think this is a priority. I just question whether it is a priority that has to be done this year."

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

Tax exemption increases for college savings plans advanced

Lawmakers advanced a bill April 23 that would provide higher tax deductions to persons making contributions to a Nebraska College Savings Program (NCSP) account.

Currently, contributions to a NCSP account are exempt from state income tax up to \$2,500 for a married person filing separately and \$5,000 for

a married couple filing jointly.

Under LB296, introduced by Kearney Sen. Galen Hadley, the amount of contributions exempt from income taxes would increase to \$5,000 for a married person filing separately and \$10,000 for a married couple filing jointly.



Sen. Galen Hadley

Hadley said students are seven times more likely to attend and succeed in college when there is a savings account in their name.

"The impact of Nebraska having a successful college savings plan cannot be measured in fiscal impact alone," he said. "We need to think of this as an important investment that will impact the future financial viability of our state."

An adult making contributions to an account established under either the Uniform Transfers to Minors Act or the Uniform Gifts to Minors Act — as well as rollover contributions from another state's savings program — also would be exempt under the bill.

A Revenue Committee amendment, adopted 25-0, establishes transfer of ownership procedures. In the case of the account owner's death and there is no successor named, ownership of the account will transfer to the beneficiary.

Senators advanced the bill on a 25-0 vote.

Transportation & Telecommunications

Changes to PSC appeals process discussed

Senators began debate April 22 on a bill that would change appeal procedures for the Public Service

Commission (PSC).

Under LB545, introduced by Fullerton Sen. Annette Dubas, PSC appeals would go directly to the court of appeals instead of the district court as currently required under the Administrative Procedures Act (APA).



Sen. Annette Dubas

Dubas said the proposed change would streamline the appeals process for highly technical PSC rulings.

"In practice, filing in the district court has proved to be very time consuming and costly for both the commission and participants in the proceedings," she said.

A Transportation and Telecommunications Committee amendment, adopted 25-1, replaced the bill.

Under the amended bill, the court of appeals would review commission decisions to determine if they are arbitrary or capricious, whereas the district court conducted a de novo review.

Among other provisions, the bill also would:

- require that commission orders, except natural gas rate orders, may be reconsidered within 10 business days after the effective date of the order;
- suspend the time for filing a notice of intention to appeal pending resolution of a motion to reconsider; and
- allow parties to natural gas rate orders to file a motion for reconsideration within 30 days.

Omaha Sen. Scott Lautenbaugh supported the bill, saying most of the decisions on PSC rulings eventually come from the appeals court, so the bill simply would skip the first level of review and speed up the appeals process.

"I do understand the reason for

this and I think it makes good sense," he said.

Sen. Paul Schumacher of Columbus expressed concerns about the bill, saying other agencies that regulate equally complicated subject matter still must comply with the APA.

"We are breaking an entire regulatory scheme over one agency saying that they have a technical situation that somehow they want to settle in-house," he said. "It appears that what the PSC would like to do is have its decisions subject to a very limited scope of review."

Omaha Sen. Ernie Chambers also questioned the bill, saying the apparent agreement between the PSC and the entities they regulate regarding the proposed change was cause for concern.

"There should not be an absence of tension between the regulator and the [regulated]," he said.

The Legislature adjourned for the day without voting on advancement of the bill.

Contract limit increase for bridge and road improvements advanced

Senators advanced a bill from general file April 23 that would increase the contract value for bridge and road projects in which counties must undergo a formal bidding process.

Counties currently undergo an informal bidding process if a contract is less than \$60,000 for bridge and road projects and less than \$10,000 for material costs. Such contracts automatically are awarded to the lowest bidder. Projects that are estimated above the allotted costs must go through a formal bidding process, which requires county board approval.

LB623, introduced by Bellevue Sen. Scott Price, would have raised the

bidding threshold to \$150,000 for county contracts for bridge and road repair projects and to \$20,000 for material costs.

Price said the bill would adjust the threshold to reflect current inflation costs, providing counties more flexibility to perform smaller bridge and road projects in-house instead of hiring contractors through a costly formal bidding process.

A Transportation and Telecommunications Committee amendment, adopted 31-0, lowered the proposed threshold for bridge and road repair projects to \$100,000.

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



Sen. Scott Price

COMMITTEE HEARINGS

*Current hearing schedules are always available at:
http://nebraskalegislature.gov/calendar/hearings_range.php

Tuesday, May 7

Transportation & Telecommunications

Room 1113 - 1:00 p.m.

Appointment: Dillon, Blake - Motor Vehicle Industry Licensing Board

Appointment: Reeg, William - Motor Vehicle Industry Licensing Board

Wednesday, May 8

Executive Board

Room 2102 - 12:00 p.m.

LR155 (Chambers) Create the Tax Modernization Committee as a special legislative committee

Thursday, May 9

Health & Human Services

Room 1510 - 1:00 p.m.

Appointment: Acierno, Joseph M. - Department of Health and Human Services

Monday, May 13

Health & Human Services

Room 1510 - 1:00 p.m.

Appointment: Brummer, Michael - Commission for the Deaf and Hard of Hearing

Appointment: Propp, Margaret - Commission for the Deaf and Hard of Hearing ■

SEARCH FOR BILLS

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The Legislature's website offers a bill search on the upper-right portion of the home page. Entering a bill number will retrieve the bill's text, fiscal note, statement of intent, transcripts and more.

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The screenshot shows the Nebraska Legislature website. The header includes the Nebraska state seal and the text "NEBRASKA LEGISLATURE" and "The official site of the Nebraska Unicameral Legislature". A left sidebar contains a "Home" link and a list of navigation items: "About the Legislature", "Bills and Laws", "Calendar", "Committees", "Contact", "FAQs", "Glossary of terms", "Legislative Divisions", "News", "Reports", "Senators", "Session Information", "Transcripts", "For Agencies and Lobbyists", "For Citizens", "For Journalists", and "For Students and Teachers". The main content area features a section for the "103rd Legislature, 1st Session - Day 2*" with a note to click the day above to see the agenda. Below this is "Recent Legislative Information" with links to "2013 Committee List", "2013 Senator List", "2013 Tentative Legislative Session Calendar", "Introduced Legislation", "Legislator's Guide to Nebraska State Agencies (1/9/2013)", "Hearing schedules", and "General Fund Financial Status". At the bottom is "News from the Unicameral Update" with links to "Bill introduction begins", "Legislature convenes, elects leaders", and "Board raises current revenue projections, estimates future receipts". On the right side, there are two search boxes: "Search Current Bills" with a dropdown for "LB", a text input, and a "Go" button, and "Search Past Legislation". Below these is a "Search Laws" section with a "Keywords" text input and a "Go" button, and a link to "Browse Statutes by Chapter". Further down is a "Live Video Streaming" section with a "net" logo and text indicating streaming video is provided by Nebraska Educational Telecommunications. At the bottom right is a "Legislative Calendar" section showing "Thursday, January 10, 2013".

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