

Budget package clears first round



Sens. Steve Erdman (left) and John Stinner confer during the first round of debate on the state budget May 8.

Lawmakers gave first-round approval May 8 to the state's \$9.3 billion budget package. The state budget is structured on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years.

As introduced, the Appropriations Committee budget proposal would result in an unobligated ending balance at the end of fiscal year 2020-21 that is \$2 million above the 3 percent minimum reserve. The budget package reflects a two-year average spending growth rate of 3 percent.

Property tax relief

LB298, introduced by Speaker Jim Scheer of Norfolk on behalf of Gov. Pete Ricketts, would repeal and create funds and make certain fund transfers.

The governor's proposal called for a general fund transfer of \$51 million in each of the next two fiscal years to the Property Tax Credit Cash Fund, bringing the fund's total to \$272 million.

An Appropriations Committee amendment would have reduced that transfer to \$25 million annually and directed the other \$26 million to the state's Cash Reserve Fund—commonly referred to as the “rainy-day fund.”

The amendment would result in a cash reserve balance of \$372 million in FY2020-21.

Gering Sen. John Stinner, chairperson of the committee, said a balanced approach to crafting the budget should include property tax relief, but also should focus on the long-term fiscal health of the state—which he said includes building the cash reserve

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Property tax relief through increased school funding debated

Lawmakers debated a proposal May 7 to reduce property taxes by raising the state sales tax rate and directing the additional revenue to Nebraska's public schools.

Elkhorn Sen. Lou Ann Linehan, sponsor of LB289, said 166 of Nebraska's 244 school districts receive little funding through the state's school aid formula. Under the proposal—contained in a pending Revenue Committee amendment that would replace the bill—every school would receive at least a third of its funding from the state, she said.



Sen. Lou Ann Linehan

This significant increase in aid would reduce the state's overreliance on property taxes to fund K-12 education and provide “meaningful” property tax relief for every property owner in the state, Linehan said.

Revenue components

The proposal would be funded by an increase in the state sales tax rate from 5.5 to 6 percent beginning July 1, 2019. The amendment also would impose sales tax on bottled water, candy, soft drinks and ice and increase the tax on a package of cigarettes from 64 cents to \$1.

The amendment also would impose taxes on approximately 20 services,

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back to at least 10 percent of revenue.

Elkhorn Sen. Lou Ann Linehan, chairperson of the Revenue Committee, offered an amendment to retain the original transfer. She said that while the cash reserve is important, property tax relief must be the top priority.

“If we’re serious about property tax relief—which I think we all are—we need to make sure that the \$51 million each year goes to the property tax relief fund,” Linehan said.

Albion Sen. Tom Briese supported the amendment, saying Nebraska is in a “property tax crisis.”

“This is about doing what taxpayers deserve and that’s directing these dollars to property tax relief,” he said.

Sen. Steve Lathrop of Omaha opposed the amendment. Over the last several years, he said, lawmakers have drawn down the cash reserve fund from \$720 million to around \$300 million. And it’s only a matter of time before the state faces another recession, he said.



Sen. Lou Ann Linehan said Nebraskans expect property tax relief as part of any budget package approved by the Legislature.

“This is a conservative principle,” Lathrop said. “You don’t run your checking account with nothing in there; you don’t run your personal life with no savings account of some kind. This is our version of a savings account and we’re going to need it.”

Stinner also opposed the amendment, calling it “pandering” to the state’s taxpayers.

“It’s the worst kind of politics,” he said.

Senators voted 28-8 to adopt the Linehan amendment. After voting 39-0

to adopt the committee amendment, the Legislature advanced LB298 to select file 44-0.

Mainline budget

LB294, also introduced by Scheer at the request of the governor, is the mainline budget bill. An Appropriations Committee amendment, adopted 41-1, replaced the bill and contains recommendations for state operations and state aid.

The amendment incorporated provisions of several bills, including:

- LB174, sponsored by Lincoln Sen. Kate Bolz, which would increase general funds to the state Office of Violence Prevention by \$300,000 per year in the next two fiscal years;
- LB327, also sponsored by Bolz, which would increase behavioral health provider rates by \$1.5 million in FY2019-20 and \$3.6 million in FY2020-21; and

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UNICAMERAL UPDATE

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Property tax relief through increased school funding debated

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including motor vehicle maintenance and repair; maintenance, painting and repair of single-family homes; commercial lawn care; dry cleaning; beauty and personal care services; wedding planning; personal training; and storage, moving, plumbing, HVAC and certain veterinary services.

Additionally, the amendment would repeal a personal property tax exemption and increase the tax on the transfer of title to real estate from \$2.25 to \$3.25 per \$1,000 of value.

To offset the sales tax increase's effect on low-income Nebraskans, Linehan said, the proposal would increase a state refundable income tax credit based on the federal earned income tax credit, which is intended to benefit working people with low to moderate incomes. The state credit would increase from 10 percent to 13 percent of the federal credit.

The amendment would direct the new tax revenue to the state's property tax credit cash fund, which currently is funded at \$224 million. The amendment would use a portion of the fund for school aid, but it also would require the Legislature to grant no less than \$115 million in property tax credits each year.

School funding components

The proposal would make several changes to the state's school funding formula, the Tax Equity and Educational Opportunities Support Act (TEEOSA).

Beginning with school fiscal year 2019-20, each local school system would receive foundation aid of at

least \$3,474 per student and up to \$5,211 per student.

If total state aid through TEEOSA totaled less than 33.33 percent of a district's total formula need, the district also would receive guaranteed funding aid to make up the difference.

The amendment would reduce the value of all property classes for school funding purposes and change school districts' maximum levy. It also would limit increases in school funding from property taxes by an inflation rate based on the Consumer Price Index and a district's real property growth.

North Platte Sen. Mike Groene, who supported the amendment, said limiting the annual increase in property taxes a school could collect is necessary to provide property tax relief through TEEOSA. The proposal would offset that loss in property taxing authority with additional state aid, he said.

Groene said the amendment is a more stable source of state aid for schools and treats each student equally.

"I did not come down here to raise taxes, and I truly believe LB289 does not raise our overall tax burden," he said. "Rather, it creates fairness in our tax policy."

Sen. Tom Briese of Albion also supported the amendment, saying the state must cover a greater share of the cost of public education if it is going to address high property taxes. Raising new tax revenue is the only way to pay for that additional aid, he said.

"There's a lot to quibble about on this bill, but a lot of compromise and discussion went into this," Briese said. "LB289 is the most viable, responsible and effective plan we have going here."

Henderson Sen. Curt Friesen said he abstained when the Revenue Committee voted to advance LB289 with the amendment but that he would now support the proposal. Although it would provide \$372 million in new revenue to

schools, he said, the amendment would reduce property taxes for agricultural landowners by only 9 percent.

"We have to rely on different revenues than property taxes to fund our schools," Friesen said, "but that does not mean we're going to see a huge drop in the property tax loads."

Lincoln Sen. Kate Bolz said addressing high property taxes through additional K-12 funding would be a positive step. However, she expressed concern about the proposal's effect on districts like Lincoln Public Schools, which rely on equalization aid to serve students in poverty, those with special needs and English language learners.

Equalization aid—state aid intended to cover the needs of districts that cannot be met by other resources—is the only form of state aid not guaranteed in the proposal, Bolz said, meaning it could be cut more easily during a tough budget year.

Sen. Adam Morfeld of Lincoln opposed the amendment, saying it would benefit smaller school districts at the expense of larger, equalized districts. He said LPS would receive more state aid under the amendment but ultimately would lose funding because of the proposed limit on property taxing authority.

"Yes, we start investing more in education," he said, "but it's at a loss to the school districts that appear to be growing the fastest."

Omaha Sen. Ernie Chambers also opposed the amendment, saying the proposed sales tax increase would be "cruel, heartless and unfeeling" toward low-income people.

After three hours of debate, the Legislature adjourned for the day before voting on the committee amendment or LB289. Per a practice implemented by Speaker Jim Scheer, the sponsor of a bill that is facing a potential filibuster must demonstrate sufficient support for a cloture motion before the measure will be scheduled for additional debate. ■

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- LB403, sponsored by Stinner, which would change the Medicaid rate calculation for nursing facilities.

The amendment represents a 2 percent increase in Medicaid, child welfare and Children’s Health Insurance provider rates. The governor’s proposal had included a 2 percent increase only for long-term care providers.

Stinner said the bill aligns substantially with the budget submitted by the governor’s office and focuses on education, essential services and safety.

“To me, this budget is all about priorities,” he said. “It’s a numerical presentation of what we think is important.”

Omaha Sen. Robert Hilkemann supported the bill and the amendment, saying lawmakers need to “think creatively and courageously” about how to grow the state. In previous years, he said, senators have had to make deep cuts to programs and services—the effects of which still are being felt.

One example, he said, were cuts to Medicaid rates to nursing facilities that have resulted in the closing of about 15 nursing homes in rural areas.

“Every cut that we [make] has permanent setbacks to many programs and agencies and we sometimes see those long-term effects,” Hilkemann said.

Sen. Steve Erdman of Bayard questioned some of the priorities reflected in LB294. For example, he suggested that the University of Nebraska should have been funded at the level proposed by the governor, rather than having its funding increased by the committee.

“We have four campuses and we have four administrations,” Erdman said. “We need to do some consolidation.”

LB294 advanced on a 42-4 vote.

Additional components

The package also includes LB293, which would adjust appropriations for the current fiscal year. The committee amendment, adopted 42-0, replaced the bill.

The amendment includes provisions of LB202, introduced by Lincoln Sen. Anna Wishart, which would ap-

propriate \$2.7 million in the current fiscal year to the state Department of Health and Human Services.

The provision is to provide for the last of three payments to developmental disability providers who did not receive full compensation for services rendered due to a DHHS error.

Following adoption of the committee amendment, LB293 advanced on a vote of 42-0.

The Appropriations Committee budget proposal includes four additional bills:

- LB295, advanced 35-2, which would provide for the \$12,000 annual salaries of Nebraska’s 49 state senators;
- LB296, advanced 40-0, which would fund salaries and benefits for judges and constitutional officers;
- LB297, advanced 41-0, which would appropriate funds for reaffirmed and new capital construction projects; and
- LB299, advanced 47-0, which would make a \$54.7 million transfer from the state’s Cash Reserve Fund to the Nebraska Capital Construction Fund to cover costs for two additional high security housing units—384 beds—for the Department of Correctional Services.

Finally, lawmakers advanced LB464, introduced by Business and Labor Committee chairperson Sen. Matt Hansen of Lincoln, which would provide for payment of claims against the state. If a person sues the state, he or she files with the state claims board. Approved claims exceeding \$50,000 must be reviewed by the Legislature.

A committee amendment, adopted 42-0, added several additional claims. Following adoption of a technical amendment offered by Hansen, LB464 advanced to select file on a 41-0 vote. ■



Sens. Bruce Bostelman and Kate Bolz discuss the Appropriations Committee’s proposal.

HEALTH & HUMAN SERVICES

Mobile massage therapy bill advanced

Lawmakers gave first-round approval May 10 to a bill that would authorize mobile massage therapy establishments in Nebraska.

LB244, sponsored by Bayard Sen. Steve Erdman, would authorize such mobile units to be operated by an individual licensed under the Massage Therapy Practice Act.



Sen. Steve Erdman

Erdman said cosmetologists and chiropractors currently are able to have mobile establishments and LB244 would extend that ability to massage therapists.

The ability to travel to more populated areas would benefit massage therapists in rural areas, Erdman said, where the downturn in the agricultural sector of the economy has made it difficult to find clients.

The bill would require a mobile message therapy establishment to:

- be self-contained and clearly identified to the public with a sign;
- have an entrance that offers safe access to the public;
- have at least 44 square feet of floor space and an additional 50 square feet for each additional practitioner;
- include a functional sink and toilet facilities and maintain an adequate supply of clean water and wastewater capacity; and
- have automobile liability insurance that meets the state

Department of Health and Human Services requirements for mobile units.

A mobile establishment would not be allowed to park or conduct business within 300 feet of a brick and mortar licensed massage therapy establishment. Services could be performed only while legally parked.

A Health and Human Services Committee amendment, adopted 36-0, would require that the sign identifying the mobile massage therapy establishment be placed on the outside of the establishment and include the license number.

The amendment also would allow, but not require, DHHS to promulgate rules and regulations specifically related to mobile massage therapy establishments.

LB244 advanced to select file on a 38-0 vote.

Anatomical board updates advanced

Senators gave first-round approval May 10 to a bill that would update state law to incorporate provisions of the Revised Uniform Anatomical Gift Act.

LB559, sponsored by La Vista Sen. John Arch, would make a number of changes to laws related to the State Anatomical Board.

Arch said state laws relating to the board were written in 1929 and many of the provisions are outdated and obsolete. The bill would streamline procedures for handling unclaimed bodies that are not eligible to be received as a donation to the board, he said.

"The bill amends the statutes to more accurately reflect modern day practices," Arch said.



Sen. John Arch

Among other provisions, LB559 would detail who may receive an anatomical gift under a variety of circumstances and name the State Anatomical Board as an approved recipient of an anatomical gift.

The bill also would remove a requirement that the board must hold any dead human body that it receives for 30 days from the date of delivery and repeals a requirement that public entities must immediately notify the board of any dead human body that has not been claimed within a certain time frame.

LB559 advanced to select file on a vote of 38-0.

JUDICIARY

Medication abortion bill advanced after cloture vote

A bill that would require medical professionals to provide additional information to women seeking abortions advanced from general file May 7 after a successful cloture vote.

LB209, as originally introduced by Thurston Sen. Joni Albrecht, would require medical providers to inform a patient seeking an abortion that it may be possible to reverse a medication abortion if the patient changes her mind.

A Judiciary Committee amendment, adopted 39-3, replaced the bill. Under the amended bill, medical providers would be required to inform a woman seeking an abortion that the first of two drugs administered during a medical abortion—mifepristone—is not always effective in ending a pregnancy.



Sen. Joni Albrecht

Albrecht said it is a woman's right to have complete information about the medical abortion process.

"I can't emphasize enough the importance of informing these women about all of their options," she said. "When they decide to pursue this medical abortion, physicians have an ethical and professional responsibility to provide their patients with this information."

In addition to other information already required under existing law, the committee amendment would require a provider to inform a woman that if she changes her mind and wants to continue a pregnancy after taking mifepristone, she may consult the state Department of Health and Human Services' website.

The amendment would direct DHHS to publish information on the agency's website about the effectiveness of mifepristone in ending pregnancy as well as contact information for medical assistance.

Omaha Sen. Sara Howard introduced an amendment, adopted 35-0, that would require DHHS to collect data from medical providers every time a woman attempts to continue a pregnancy after taking an initial dose of mifepristone. The data collected would include the woman's age, facility location, name of the attending physician, any complications experienced and other relevant medical information.

The information collected under the Howard amendment would be included in the annual DHHS report on abortion in Nebraska.

Sen. Megan Hunt of Omaha introduced a motion to recommit LB209 to the Judiciary Committee.

"The amended bill still interferes in the doctor-patient relationship," she said. "It expands government by requiring doctors to tell patients something that they already tell them."

After six hours of debate spanning three days, Albrecht filed a motion to invoke cloture, or cease debate and vote on the bill. The motion was adopted 37-5. Thirty-three votes were needed.

Senators then voted 37-9 to advance LB209 to select file.

Judicial salary increases advanced

Nebraska judges would receive a raise under a bill advanced from general file May 8.

LB300, sponsored by Omaha Sen. Steve Lathrop, would increase Nebraska Supreme Court judges' salaries for fiscal year 2019-20 and FY2020-21. The current salary is \$173,693.

District, county, juvenile, appellate and workers' compensation court judges' salaries statutorily are based on a percentage of the Supreme Court judges' salaries, Lathrop said, so those judges also would receive a salary increase.

"It is absolutely essential that we pay our judges sufficiently to ensure a well-functioning judiciary," he said. "It is vital we retain experienced judges on the bench."

An amendment offered by Lathrop, adopted 30-1, would set the salary increase at 3 percent each fiscal year, totaling \$181,588 in FY2019-20 and \$187,036 in FY2020-21.

Elmwood Sen. Robert Clements supported the proposal.

"I do believe the 3 percent [increase] is above what other state employees are getting, but it's trying to catch up from lower increases from the previous two years," he said.

The bill was advanced to select file on a 37-1 vote.

Prohibition on restraints for pregnant prisoners, detainees advanced

Lawmakers gave first-round approval May 9 to a bill that would offer protections for pregnant incarcerated women.

LB690, introduced by Omaha Sen. Machaela Cavanaugh, would prohibit the use of restraints on a pregnant prisoner or detainee unless she poses an extraordinary flight or security risk.



Sen. Machaela Cavanaugh

Cavanaugh said every woman who gives birth deserves to do so with dignity.

"This bill allows some shred of dignity for a woman who is about to give birth to a child," she said. "I think we as a state and we as a [legislative] body owe that to all women."

Under LB690, if restraints are used on a pregnant prisoner or detainee, it must be in the least restrictive manner necessary. Restraints would be removed immediately if a health care professional treating a pregnant woman requests it.

The bill would require that the detention center administrator document the extraordinary circumstances that necessitated the use of restraints within 10 days of the incident. It also would prohibit the use of restraints without exception during active labor or childbirth.

A Judiciary Committee amendment, adopted 35-0, would allow a prisoner or detainee who is improperly restrained to bring a civil action under the Political Subdivisions Tort Claims Act or the State Tort Claims Act.

Omaha Sen. Megan Hunt spoke in support of the bill. She said the idea



Sen. Steve Lathrop

of shackling women who are in labor is inhumane and degrading for both the woman and her child.

“No matter someone’s history, no matter what they’ve done and no matter the trouble they’ve gotten into, she’s still a woman bringing forth life into the world and should be cared for with dignity, love and respect,” Hunt said.

Senators advanced the bill to select file on a 43-0 vote.

URBAN AFFAIRS

Cloture attempt on land bank bill fails

A bill that would allow municipalities throughout Nebraska to create or join land banks did not advance from general file May 9 after a motion to end debate failed.

LB424, as introduced by Grand Island Sen. Dan Quick, would allow any municipality in Nebraska to join an existing land bank—a tax-exempt political subdivision that acquires, manages and develops vacant and tax-delinquent properties—under the Nebraska Municipal Land Bank Act. Currently, only municipalities in Douglas and Sarpy counties are eligible under state law to create land banks.

The bill also would specify that a land bank is prohibited from levying property taxes.

Under LB424, only a metropolitan class city could create a stand-alone land bank. Currently, Omaha is the state’s only metropolitan class city. Other municipalities wishing to create



Sen. Dan Quick

a land bank would be required to join together using the state’s Interlocal Cooperation Act.

A pending Urban Affairs Committee amendment would allow cities of the primary class to form their own land banks. Lincoln currently is the only primary class city in Nebraska.

Quick said there are around 200 blighted properties in Grand Island that are too costly and time consuming for private investors to rehabilitate. Those properties not only are eyesores, he said, but the city must pay to mow lawns and provide police and fire protection for the buildings.

“Those are taxpayer dollars that are going into those structures,” Quick said. “The cost is becoming too high.”

Sen. Matt Williams of Gothenburg said he supported LB424 because land banks could increase the amount of workforce housing in Nebraska.

“If the private sector was stepping up and taking care of this we wouldn’t have this problem,” Williams said.

Also in support was Gering Sen. John Stinner. He said a number of officials he’d spoken with in his district want to use land banks to address blighted properties in their towns.

“Rural Nebraska needs this bill more than Omaha,” Stinner said. “This legislation has been developed over years. It’s been tested.”

Sen. Mike Hilgers of Lincoln opposed the bill, saying he feared a land bank could compete unfairly with private developers and allow board members to profit from land sales.

“[The Land Bank Act] provides an absolute smorgasbord of powers to the land bank,” Hilgers said. “Ultimately, this Legislature has given a land bank so much power and it is reliant only on the good faith and goodwill and benevolence of those running the land bank.”

Also in opposition was Kearney

Sen. John Lowe. He said a land bank represents government overreach.

“I don’t believe it is the government’s position to own property or develop property,” Lowe said. “Property should be developed by private citizens.”

After three hours of debate, Quick offered a motion to invoke cloture, which would end debate and force a vote on the bill and any pending amendments.

The cloture motion failed 31-10. Thirty-three votes were needed. A failed cloture motion results in debate on a proposal ceasing for the day. LB424 is unlikely to be placed on the agenda again this session.

Regional public transit bill advances

A bill designed to expand mass transit in eastern Nebraska advanced to select file May 9.

LB492, as introduced by Omaha Sen. Justin Wayne, would adopt the Regional Metropolitan Transit Authority Act. The bill would allow a municipality, or group of municipalities within a metropolitan sta-



Sen. Justin Wayne

tistical area, to create a regional metropolitan transit authority or join an existing one. A transit authority would be governed by a seven-person board and have the power to issue revenue bonds.

Under the bill, an existing transit authority that serves one or more municipalities within the same metropolitan statistical area could connect to a RMTA. An ordinance to create or join a RMTA would require a two-thirds vote of the governing authority of each municipality involved.

Wayne said he introduced the bill because, in Omaha, missing a bus could mean waiting two or three hours for the next one.

“Most economic development occurs around hubs and our transportation infrastructure,” Wayne said. “In order for Omaha to grow, we have to have a public transportation system.”

An Urban Affairs Committee amendment would allow only existing transit authorities to convert to a regional mass transit authority. The change would prevent creation of RMTAs in Lincoln and Grand Island, which would have been allowed under the original bill. The amendment was adopted on a 28-0 vote.

Wayne introduced an amendment that would expand eligible areas to include combined statistical areas, specifically to allow Fremont to join a transit authority created in Omaha, he said. The amendment, which was adopted 26-0, also would enable a city to leave a transit authority by the same method through which it joined.

Supporting the bill was Bellevue Sen. Carol Blood. She said bus service in Bellevue is limited and expensive,

putting the poor, seniors and people with disabilities at a disadvantage. The creation of a regional transit authority would provide cities like Bellevue a seat at the table when transportation decisions are made and would better connect suburban communities with Omaha, Blood said.

Sen. Sue Crawford of Bellevue said she supported the bill because businesses in Bellevue need workers and residents who can't afford a car should have the opportunity to fill those jobs. The bill would create that opportunity without a significant financial burden on participating cities, she said.

“There's nothing that requires any of the cities to come on board. We are simply creating the structure that allows them to have that conversation and have a way to collaborate,” Crawford said. “It's not raising anyone's property taxes.”

Sen. Andrew La Grone of Gretna opposed the bill. He acknowledged concerns about connecting people in Omaha to jobs in surrounding communities, but said creating another layer of government was an inadequate solution.

“I agree with Sen. Wayne about the problem,” La Grone said. “Taxing the citizens of Sarpy County primarily for services in Douglas County is not the answer.”

Sen. Robert Clements of Elmwood said that none of the residents in the Sarpy County portion of his district that he met while campaigning last fall asked about expanded mass transit.

“I did have them ask me about when they were going to get rid of the learning community tax,” Clements said. “[That tax] is being paid by people in Sarpy County that's going out of their area to Douglas County.”

LB492 advanced from general file on a 26-9 vote. ■



High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2019 Unicameral Youth Legislature, which will convene June 9-12.

The Unicameral Youth Legislature is a four-day legislative simulation conducted at the State Capitol Building and coordinated by the Clerk's Office of the Nebraska Legislature. Student senators will sponsor bills, conduct committee hearings, debate legislation and discover the unique process of the nation's only unicameral.

Students will learn about the inner workings of the Legislature directly from senators and staff. Bills will be based on legislation considered during the current legislative session.

Registrants are encouraged to apply for a Speaker Greg Adams Civic Scholarship award, which covers the full cost of admission. Applicants must submit a short essay. Other \$100 scholarships are also available.

The University of Nebraska-Lincoln's Extension 4-H Youth Development Office coordinates housing and recreational activities for the camp as part of their Big Red Summer Camps program.

Registration forms can be obtained from the Legislature's Unicameral Youth Legislature page: www.NebraskaLegislature.gov/uyl.

The registration deadline is May 15. ■

COMMITTEE HEARING

Wednesday, May 15

Executive Board

Room 1507 - 12:00 PM

LR104 (Walz) Provide the Executive Board appoint a special committee to be known as the State-Licensed Care Facilities Investigative Committee of the Legislature ■

2019 Legislative Session

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

Sun	Mon	Tue	Wed	Thu	Fri	Sat
February						
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	DAY 18	DAY 19	DAY 20	DAY 21	DAY 22	
	DAY 23	DAY 24	DAY 25	DAY 26	RECESS	
	HOLIDAY	DAY 27	DAY 28	DAY 29	DAY 30	
	RECESS	DAY 31	DAY 32	DAY 33		

Sun	Mon	Tue	Wed	Thu	Fri	Sat
March						
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31	DAY 47	DAY 48	DAY 49	DAY 50	RECESS	
	DAY 35	DAY 36	DAY 37	DAY 38	RECESS	
	RECESS	DAY 39	DAY 40	DAY 41	DAY 42	
	DAY 43	DAY 44	DAY 45	DAY 46	RECESS	
	DAY 34					

Sun	Mon	Tue	Wed	Thu	Fri	Sat
April						
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	RECESS	DAY 51	DAY 52	DAY 53	DAY 54	
	DAY 55	DAY 56	DAY 57	DAY 58	RECESS	
	DAY 59	DAY 60	DAY 61	DAY 62	RECESS	
	RECESS	DAY 63	DAY 64	DAY 65	DAY 66*	
	DAY 67	DAY 68				

Sun	Mon	Tue	Wed	Thu	Fri	Sat
May						
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	RECESS	DAY 71	DAY 72	DAY 73	DAY 74	
	DAY 75	DAY 76	DAY 77	DAY 78	RECESS	
	RECESS	DAY 79	DAY 80	DAY 81	DAY 82	
	HOLIDAY	DAY 83	DAY 84	DAY 85	DAY 86	
	DAY 69	DAY 70				

Sun	Mon	Tue	Wed	Thu	Fri	Sat
June						
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30						
	DAY 87	DAY 88	DAY 89	DAY 90		

Federal & State Holidays

January 21 – Martin Luther King Jr. Day April 26 – Arbor Day
 February 18 – Presidents' Day May 27 – Memorial Day

Legislative Recess Days

February 15, 25 April 3, 6, 17, 20
 March 8, 11, 22, 29 May 3, 6, 17, 20

*The Legislature will be in session on Friday, April 26, the Arbor Day holiday.

CRAFTING THE STATE BUDGET

The primary constitutional duty of the Legislature is to pass the state budget. Before a budget is passed, however, the Legislature must consider hundreds of funding requests for the creation, maintenance or improvement of government services, programs, equipment and infrastructure.

This lengthy process is governed and guided by provisions of the Nebraska Constitution, state statutes and legislative rules.

BIENNIUM Nebraska's budget cycle consists of two fiscal years, called a biennium. Biennial budgets are enacted during regular 90-day legislative sessions held in odd-numbered years. Budget adjustments are made during regular 60-day sessions held in even-numbered years. Consequently, the volume of issues and dollar value of decisions during short sessions typically are less.

The Legislature's Appropriations Committee is responsible for reviewing budget requests and presenting a budget recommendation to be considered by the full Legislature. Before submitting its recommendation, the committee considers recommendations from the governor, requests from state agencies and fiscal impacts of bills sponsored by senators.

The process begins when state agency requests come to the Legislative Fiscal Office in the fall prior to each session. Fiscal Office staff study the requests and prepare briefings for the Appropriations Committee. At the same time, budget analysts from the executive branch are reviewing agency requests and working with the governor to formulate his or her budget recommendation.

Revenue forecasts generated by the Fiscal Office are reviewed by the Nebraska Economic Forecasting Advisory Board along with forecasts developed by the state Department

of Revenue. The board's estimates become the basis for planning General Fund budget conditions for the current and next biennium.

GOVERNOR'S RECOMMENDATION The governor is required to submit his or her budget recommendation by Jan. 15 in odd-numbered years, except that in the first year of office a governor may submit a proposal on or before Feb. 1. The governor communicates his or her proposals through a state of the state address and formally submits his or her recommendation to the Legislature through one or more bills, introduced by the speaker of the Legislature at the request of the governor.

The governor's appropriation bills routinely are referred to the Appropriations Committee. Other substantive bills that are instrumental to the governor's budget recommendation are referred to the standing committee having subject matter jurisdiction. Such substantive bills are not subject to the Jan. 15 deadline.

During the first 10 days of session, senators introduce other bills, which may require an appropriation to implement.

In January and February, the Appropriations Committee reviews

the Fiscal Office analysis of each agency budget request. Under legislative rules, the committee must submit its preliminary recommendations in a report to the Legislature 20 to 30 legislative days after the governor's budget submission.

The report includes preliminary funding levels and an overall analysis of the state's spending capacity based on current revenue forecasts, tax rate assumptions and compliance with the statutory minimum reserve, which must fall between 3 and 7 percent of available general funds. The estimates in the preliminary report become the basis of discussion during subsequent public hearings with state agencies and other interested parties.

"A" BILLS During this time, other standing committees are conducting hearings on bills referred to them. Each bill has an accompanying fiscal note, which is an estimate of the financial impact of the legislation, including expenditures and revenues.

The fiscal note becomes the basis for estimating what appropriation may be necessary if the bill becomes law. When a committee advances a bill that has a financial impact, a companion bill authorizing an appropriation is introduced. This bill is assigned the same number as its companion along with an "A" suffix.

COMMITTEE
RECOMMENDATION

After issuing its preliminary report, the Appropriations Committee conducts public hearings on the budget and then reviews all preliminary decisions, information obtained during the hearings and any other information brought to its attention.

The committee meets for about two weeks to complete a set of recommendations that is offered to the full Legislature in the form of amendments to the governor's legislation or new bills.

During a long session, the committee has until the 70th day to place its budget bills on general file. During a short session, the deadline is the 40th legislative day. If the committee fails to introduce its bills by the deadline, legislative rules require that senators consider the appropriation bills as introduced by the governor.

At a minimum, the Legislature must consider three appropriation bills: one for legislators' salaries; another for constitutional officers' salaries, which generally include other elected officials and judges; and a third to appropriate for all other expenditures.

However, the committee typically introduces several bills that fall under broad categories. One large bill appropriates most state funds for operations and state aid. A second bill typically is offered to make appropriations for capital construction projects. Another bill provides for deficit appropriations, which are adjustments to appropriations previously authorized for the

current year. It is not unusual for the deficit bill to be considered early in the session because some of the adjustments may be emergencies that apply to the current year.

Other bills also may be offered, including bills making appropriations for salary increases, increased benefit costs or substantive law changes — such as authorization for a fee and creation of a fund — that implement some aspect of the committee recommendation.

STATUS REPORT

After the committee's bills are placed on general file, a daily financial status report of the general fund accompanies the daily agenda. The status report indicates the amount of budgeted funds under the committee recommendation and the amount of additional spending that could be accommodated beyond the statutorily required minimum reserve.

For planning purposes, the status also indicates financial conditions for the biennium under consideration plus the two following years. Although the Legislature considers only the first two years for appropriations, simulating impacts for two additional years provides useful information on the state's ability to sustain future obligations.

During long sessions, all other bills having a general fund expenditure or a general fund revenue loss are held on final reading and may not be read until the Appropriations Committee's budget bills pass. During short sessions, other bills may be read after the 45th day.

By rule, the Legislature must pass

appropriations bills by the 80th day in a long session or the 50th day in a short session. There is no penalty for not passing appropriations bills as provided by rule, other than the holdup of bills during a long session. Circumstances such as volume of amendments, length of debate and full discussion of appropriations matters can extend passage of the appropriations bills beyond the prescribed deadlines. Appropriations bills usually carry the emergency clause, which requires 33 votes for passage on final reading. This also is true of deficit bills. Bills without the emergency clause need 25 votes to pass.

VETOES

On appropriations bills, the governor has the option of signing the bill, letting the bill become law without his or her signature, vetoing the bill or returning the bill to the Legislature with one or more line-item vetoes. Within a day of the return of appropriations bills to the Legislature with total or line-item vetoes, the Appropriations Committee must report on the impact of the vetoes and may offer a motion to override all or some of them.

Individual members of the Legislature may then offer their own veto override motions. For an override motion to succeed, two-thirds of the Legislature must vote for it.

All final appropriations ultimately enacted take effect July 1 of the designated fiscal year or, if passed without the emergency clause, three calendar months after the end of the legislative session. Deficit bills making adjustments to current-year appropriations with the emergency clause are effective immediately. ■

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