

Medicaid redesign proposal stalls

A bill that would initiate a redesign of the state's Medicaid program was bracketed during general file debate April 8.

Lincoln Sen. Kathy Campbell, sponsor of LB472, said the proposal would increase economic efficiencies in the Medicaid program and better serve all Nebraskans. The bill would create a 16-member Medicaid Redesign Task Force com-

posed of representatives from the Legislature, the state departments of Health and Human Services (DHHS) and Insurance and experts in health care delivery, workforce,



Sen. Kathy Campbell (far right) discusses her Medicaid expansion proposal with supporters during general file debate.

insurance, education and advocacy.

The task force would perform a review of the Medicaid program and make recommendations on cost effectiveness and quality improvement, reporting annually to the Legislature and governor.

A Health and Human Services Committee amendment would have changed the legislative task force representatives to nonvoting mem-

bers. Campbell said the change was to alleviate concerns regarding separation of powers.

The amendment failed on a vote of 22-24. Twenty-five

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Tax exemption on zoo and aquarium fees advanced

Membership and admission fees for zoos and aquariums would be tax exempt under a bill advanced from general file April 7.

LB419, introduced by Omaha Sen. Heath Mello, originally would have exempted the purchases of nationally accredited zoos and aquariums from state sales and use taxes.

Mello introduced an amendment, adopted 41-4, which narrowed the purchases eligible for the exemption to

include only the sale of zoo memberships and daily admission fees. It also would more strictly define a qualifying zoo or aquarium as one that is operated by a public agency or nonprofit corporation primarily for educational, scientific or tourism purposes.

Mello said that attractions like Omaha's Henry Doorly Zoo, the Lincoln Children's Zoo and the Riverside Discovery Center in Scottsbluff are major economic drivers in the state.

"We have an unprecedented oppor-

tunity in our state to make Nebraska known throughout the world as a premier destination," he said. [LB419] signals that the state is continuing to make strategic investments in tourism related economic development."

Ralston Sen. Merv Riepe supported the bill, saying that allowing the zoos and aquariums to reinvest the exempted tax revenue is necessary for their continued success.

"Omaha has long depended upon the philanthropic generosity of many

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Medicaid redesign proposal stalls

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votes were required.

LB472 also would require DHHS to submit a state plan amendment to the Centers for Medicare and Medicaid Services to provide coverage to a newly eligible population of adults ages 19 to 65 with incomes below 133 percent of the federal poverty level (FPL) and individuals who currently fall in a coverage gap because their income is between 50 and 100 percent FPL, making them ineligible for federal premium assistance subsidies.

Costs would be covered by Medicaid with matching dollars starting at 100 percent in 2015, and gradually dropping to 90 percent after 2020. LB472 includes a termination clause if federal matching dollars fall below 90 percent.

Campbell said the time for waiting to gauge the experience of other states had passed.

“We can no longer stand by the side of the road,” she said. “We need to look to the future and maximize the federal dollars that our citizens send to Washington and bring them back. We need to be bold in our vision of the future.”

Within 12 months of the bill’s

passage, DHHS would be required to develop a Medicaid demonstration waiver that would coordinate health care delivery to the newly eligible population. The waiver would include:

- premium contributions up to 2 percent of income;
- a co-pay for overuse of the emergency room; and
- wellness incentives for preventive care.

Campbell said the bill incorporated lessons learned from the two previous attempts at Medicaid expansion that she has introduced—both of which stalled during floor debate.

“The urgency for passage of LB472 is only increasing,” she said. “The case for it only becomes stronger.”

Omaha Sen. Jeremy Nordquist supported the bill, saying that while LB472 would cost the state approximately \$45 million per year—including administration and the cost of care—it would save money in the long run.

“For that investment, we would leverage a federal match of about \$450 million,” Nordquist said.

Lincoln Sen. Patty Pansing Brooks also spoke in favor of the bill, saying Nebraskans are willing to take federal

dollars for agriculture subsidies, correctional services and roads, but not for Medicaid expansion. She said passing LB472 would return over \$2 billion in federal tax money to the state.

“We cannot turn down these kinds of dollars,” she said. “We are not a state willing to turn our back on people in need.”

Omaha Sen. Beau McCoy opposed the measure, noting that Nebraska currently has the lowest unemployment rate in the nation. Instead of expanding Medicaid, he said, funds would be better spent helping low-income workers develop the technical skills necessary to obtain jobs that offer quality health insurance.

“Imagine what we could do if we took a good chunk of that money and put it toward job training,” McCoy said.

Sen. Bill Kintner of Papillion also spoke in opposition. He questioned the wisdom of expanding a government program, which already has grown exponentially and at a greater cost than anticipated. As an example, Kintner said Medicaid accounted for a little less than 3 percent of Nebraska’s state budget when

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he graduated from high school in 1979. Currently, he said, that proportion is 19 percent.

“This is a government program; it grows like a wild weed,” Kintner said. “That is what government programs do.”

Following rejection of the committee amendment, Omaha Sen. Ernie Chambers offered a motion to bracket the bill until June 5. The motion was adopted on a vote of 28-16, effectively ending debate on the bill for this session. ■



Tax exemption on zoo and aquarium fees advanced

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civic leaders,” he said. “Many of those leaders are aging and there’s no promise that their families will keep up that generosity.”

Henderson Sen. Curt Friesen opposed exempting membership and admission fees to zoos and aquariums.

“I fully support exempting [zoos and aquariums] from having to pay sales tax on input costs, but when it comes to exempting membership and entrance fees, that’s where I have a problem,” Friesen said. “I don’t think paying sales tax is a deterrent to people going to the zoo.”



Sen. Heath Mello said that the exemption would promote reinvestment in tourism, the state’s third-largest industry.

Senators advanced the bill to select file on a 33-5 vote. ■

UNICAMERAL YOUTH LEGISLATURE



High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2015 Unicameral Youth Legislature, which will convene June 7-10.

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.

MEET THE SENATOR

Senator's hard work pays off

Sen. Mike Groene enjoys hard work—the more, the better. Describing himself as someone who “hates to sit still,” the new senator said he realized early in life that it was best to embrace his nature.

Groene was raised in Olean, in Colfax County, and was the second to youngest of seven siblings. When you grow up in agriculture, he said, you learn the value of a day's work. So, after graduating from Dodge High School and the University of Nebraska-Lincoln, he built a career in agricultural management and sales.

“You do what you know and I knew agriculture,” Groene said.

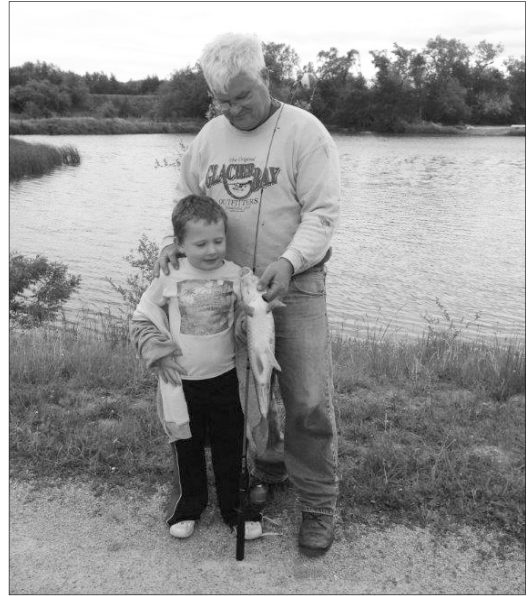
But, after establishing his career, Groene thought it might be time to

explore a hobby.

“When you reach the middle class, you figure you're supposed to take up golf,” Groene said. So, he tried it. “I found myself waiting and waiting and standing around on that golf course, and I realized, I don't like this. I've got to keep moving.”

That was the beginning and the end of golf as a hobby.

Although he says he has no time for hobbies these days, Groene enjoys spending time outdoors, especially on the South Loup River near his North Platte home. He recently finished building a cabin near



the river, where his children, Rebecca and Jebb, and their families come to relax and fish. He said a photo of his grandchildren holding up their first catches is one of his favorite possessions.

“I go home every weekend to restore my sanity,” he said. “Family is what matters most.”

While he's busy at the Legislature, Groene's wife Barb fills in at his regular occupation, which includes staffing the show booths at agricultural conferences.

“It's works out,” he laughed. “They like her better than me, anyway.”

Groene said he is looking forward to bringing his agricultural and business experience to the Legislature and working for less government involvement in the lives of Nebraskans.

“Good government is less government,” he said. “I'm just a country kid who lived the American dream and that's what I want for the people I represent.” ■

Sen. Groene shares his love of the outdoors with family at the cabin he built on the South Loup River. Below: granddaughter Correy. Above: grandson Hudson.



AGRICULTURE

Dry bean checkoff increase approved with new lobby limit

Senators passed a bill April 7 that increases the checkoff levied on dry beans.

The current checkoff rate on dry beans is 10 cents per 100 pounds of beans, which was set in 1987. LB242, introduced by Gering Sen. John Stinner, increases the checkoff to 15 cents beginning Aug. 1, 2015, and authorizes the Dry Bean Commission to adjust the checkoff to a maximum of 24 cents.



Sen. John Stinner

LB242 repeals a provision that allows dry bean producers to apply for a refund of their checkoff paid within 30 days of the sale of dry beans. It also adjusts the amount of money that can be used for lobbying, from 25 to 15 percent of revenue.

The bill passed on a 42-1 vote.

APPROPRIATIONS

Fiscal volatility, corrections strategic report bill approved

Lawmakers gave final approval April 7 to a bill that requires the Legislature's fiscal office to report on revenue volatility.

LB33, introduced by Omaha Sen. Heath Mello, requires the fiscal office to produce a revenue volatility re-



Sen. Heath Mello

port in advance of new biennial budgets.

A strategic plan requirement for the state Department of Correctional Services, originally introduced by Mello as LB32, was amended into the bill during select file debate.

As amended, LB33 requires the state Department of Correctional Services to include a strategic plan in their budget appropriation requests for the biennium ending June 30, 2019, and the biennium ending June 30, 2021. The plan will identify the main purpose of each departmental program and provide key goals as measures of progress.

The plan also will include benchmarks for improving performance on key goals and time frames for meeting them. The department will be required to report to the Judiciary and Appropriations committees by Sept. 15, 2017, and each year after until 2021.

The bill passed 44-0.

Small business loan increases amended, advanced

More funds would be available for small business development in Nebraska under a bill amended and advanced from general file April 9.

Introduced by Omaha Sen. Heath Mello, LB449 would increase the maximum amount of microloan funds from \$1 million to \$2 million that could be awarded annually by the state Department of Economic Development (DED). The department would be required to increase from \$500,000 to \$1 million the minimum amount it awards each year.

A microloan is financial assistance designed specifically for a microenterprise, which, under the 2011 Business Innovation Act, is defined as a for-profit business with up to 10 full-time employees.

As introduced, the bill also would require that 50 percent of microloan funds be used for loans not to exceed \$100,000 and 50 percent of the loans

be used for small business technical assistance. Currently, 70 percent of the loans distributed must not exceed \$50,000 and 30 percent of the loans must be used for small business technical assistance.

Since the loan program began, Mello said, the DED has awarded 409 microloans totaling \$5.3 million. The program has helped entrepreneurs bridge the gap between dreams and reality for small business ownership, he said.

"We have a small business initiative that works," Mello said. "When you find something that works, you should do more of it."

An Appropriations Committee amendment, adopted 31-0, incorporated provisions of two other bills.

Provisions of LB569, introduced by Bancroft Sen. Lydia Brasch, would increase from \$1 million to \$4 million the maximum amount the department may award annually through matching federal grant programs for:

- small business planning;
- agriculture enterprise development;
- companies or individuals wanting to market a product prototype or process;
- companies using Nebraska public or private colleges or university faculty and facilities for new product research and development; and
- companies or individuals seeking to create a product prototype developed in a Nebraska business, public or private college or university, in which case the grant limit would be raised from \$50,000 to \$150,000 per project.

Documents used by the department in administering the grants would be deemed confidential under the amendment.

Provisions of LB450, also introduced by Mello, would require the state Tourism Commission to expand

the use of tourism promotion funds for marketing assistance grants to communities and organizations.

The commission would be required to develop a marketing grant program specifically for communities and organizations hosting events that have the potential to attract large numbers of out-of-state visitors. The commission director would be required to form a committee to review grant applications. Grant applicants would submit a marketing plan for their events and recipients would file a final report regarding attendance, fund use and marketing impact within 90 days of event completion.

Other provisions of LB450 would create a fund for use by the commission to defray conference expenses and would require any state agency operating a grant program to encourage tourism to consult the commission in its grant review process.

The amendment also would remove the requirement that 50 percent of microloans be disbursed in loans not exceeding \$100,000.

Mello said the amendment would allow the DED to have more flexibility in deciding how to most efficiently appropriate small business loans.

Brasch supported the bill and amendment, saying the program has had proven success in both rural and urban communities.

“This is how we grow Nebraska,” she said.

Lawmakers advanced the bill on a 33-0 vote.

BUSINESS & LABOR

Pregnancy accommodation clarifications approved

Senators passed a bill April 7 that updates the Nebraska Fair Employ-

ment Practices Act to clarify workplace protections for pregnant workers.

LB627, introduced by Omaha Sen. Heath Mello, specifies protections for pregnant workers by applying the same reasonable accommodation standard applied to individuals with disabilities.

Reasonable accommodations with respect to pregnancy, childbirth or related medical conditions for workers outlined in the bill include:

- periodic rest;
- equipment for sitting;
- more frequent or longer breaks;
- assistance with manual labor;
- job restructuring;
- light duty assignments;
- modified work schedules;
- temporary transfers to less strenuous or hazardous work;
- time off to recover from childbirth; or
- break time and appropriate facilities for breast-feeding or expressing breast milk.

The bill also prohibits discrimination against an individual who is pregnant, given birth or has a related medical condition in regard to job application procedures or the hiring, compensation, job training, advancement or discharge of employees.

LB627 passed on a 45-0 vote.

EDUCATION

School repair bill passed

Senators passed a bill April 7 that gives school districts increased spending authority.

Currently, school districts are not required to initiate a bidding process for construction, remodeling



Sen. Roy Baker

or repairs when the expenditure is estimated to cost less than \$40,000. LB431, introduced by Lincoln Sen. Roy Baker, increases the threshold to \$100,000.

The state Board of Education will adjust the threshold to account for inflation every five years, based upon the percentage change in the consumer price index.

The bill passed on a 43-0 vote.

Reallocation of school lottery funds advanced

Lawmakers gave first-round approval April 9 to a bill that would reallocate lottery fund dollars dedicated to education.

LB519, introduced by Cedar Rapids Sen. Kate Sullivan, would direct funds to establish competitive innovation grant programs. Sullivan



Sen. Kate Sullivan

said that all current uses of lottery dollars dedicated to education, known as the Education Innovation Fund, are set to expire on June 30, 2016.

“There is wide support and a belief that we have a quality education system in this state,” she said. “Is it perfect? Absolutely not—and that’s why we need to try to find ways to make it better.”

An Education Committee amendment, adopted 33-0, replaced the bill. It would provide for the state Board of Education to establish a competitive innovation grant program with funding from the Nebraska Education Improvement Fund, created by LB519. An appropriation of \$3 million would be transferred from the Education Innovation Fund to the Education Improvement Fund for fiscal year 2016-17.

Money in the Education Improvement Fund would be allocated as follows:

- 1 percent to the state Department of Education for the Expanded Learning Opportunity

Grant Program Act;

- 10 percent to the state Board of Education for competitive innovation grants;
- 10 percent to the Coordinating Commission for Postsecondary Education for competitive innovation grants;
- 9 percent to the Community College Gap Assistance Program;
- 8 percent to the Excellence in Teaching Cash Fund; and
- 62 percent to the Nebraska Opportunity Grant Fund.

Grantees could be a school district, an educational service unit (ESU) or a combination of entities that includes at least one school district or ESU. The board would award grants to applicants that are deemed innovative and to have a high chance of success.

The state Board of Education could designate an innovation project as a best practice. That program then could be included as a best practice allowance under the Tax Equity and Educational Support Opportunities Act, beginning with school year 2021-22.

The bill also would provide for the Coordinating Commission for Postsecondary Education to establish a similar competitive innovation grant program. Grantees could be a public postsecondary education institution or a combination of entities that include at least one participating public postsecondary education institution.

Norfolk Sen. Jim Scheer opposed LB519, saying it would direct too much funding away from K-12 education.

“If you want to challenge schools to do a better job, you can’t take away their funding,” he said. “We have to allow them to be innovative and try something new. Without it, we’re going to have the same thing day after day and expect different results. That just won’t work.”

Sullivan introduced an amendment, adopted 31-0, which increased to 20

percent the proposed funding to the state Board of Education for competitive innovation grants. It also removed funding for a similar competitive innovation grant program that the bill initially proposed for the Coordinating Commission for Postsecondary Education.

Provisions of LB527, also introduced by Sullivan, were incorporated by the committee amendment. These would change the terms for loan forgiveness under the Enhancing Excellence in Teaching Program, decreasing the annual amount forgiven from \$3,000 to \$1,500. Those qualifying for accelerated loan forgiveness would see a decrease from \$6,000 to \$1,500 the first year and to \$3,000 in subsequent years.

The committee amendment also incorporated provisions of several other bills, including:

- LB380, introduced by Lincoln Sen. Adam Morfeld, which would direct the Education Committee to study the affordability of postsecondary education and explore strategies to address the high cost of education;
- LB379, introduced by Lincoln Sen. Kate Bolz, which would provide after school and out-of-school programming, funded through school-community partnership grants; and
- LB36, also introduced by Bolz, which would provide funding to community colleges to award gap assistance to students in eligible non-credit accumulating programs.

Bolz said LB36 would contribute to expanding the skilled workforce in Nebraska.

“Demand is great from employers and students for postsecondary programs that fulfill specific workforce needs,” she said. “However, financial aid is not available for these short-term certificate programs currently.”

Following the adoption of two technical amendments, senators voted 34-0 to advance the bill to select file.



Joint public agency bonding power change advanced

Lawmakers gave first-round approval April 9 to a bill that would change the bonding power of any joint public agency (JPA).

LB132, introduced by Crete Sen. Laura Ebke, would require a JPA to follow the bond issuance procedures required by law for the participating public agency from which the JPA derived taxation powers.



Sen. Laura Ebke

Ebke said the JPA Act—created in 1999 to encourage cooperation among local public agencies—contains a loophole that allows JPAs to issue bonds without public hearings or a public vote.

“By closing this loophole, it returns JPAs to their original purpose,” Ebke said. “We’re ensuring that citizens have a say in taxation that might affect them.”

A Government, Military and Veterans Affairs Committee amendment, adopted 27-0, specifies election procedures that would be required prior to a JPA issuing a general obligation bond paid by a property tax. The amendment also clarifies the electorate that would vote on a bond issue if the participating public agencies have overlapping jurisdiction of a geographic area.

Lincoln Sen. Adam Morfeld supported the bill, but said some concerns remained regarding the authority to refinance bonds at a better rate. Mor-

feld suggested that an amendment on select file might address those concerns.

“If we can save a few million of taxpayers’ funds by refinancing, I think it’s important to allow for that explicitly in the bill,” he said.

The bill advanced from general file on a 28-0 vote.

Pay-per-signature petition bill passed

Petition circulators in Nebraska can be paid by the signature under a bill passed by lawmakers April 7.

LB367, introduced by North Platte Sen. Mike Groene, removes a prohibition on circulators being paid by the number of signatures collected.

The bill passed on a 42-0 vote.



Sen. Michael Groene

Irrigation district election changes advanced

A bill that would clarify requirements for irrigation district elections cleared the first round of debate April 9.

Gering Sen. John Stinner, sponsor of LB561, said laws regulating election procedures for irrigation districts have not been updated in decades and do not reflect modern land ownership choices.

Among other provisions, the bill would allow an irrigation district of less than 15,000 acres to eliminate subdistricts and hold at-large elections. Stinner said farm sizes are increasing and the result is fewer people available to serve on irrigation district boards.

“Currently, it is common that a



Sen. John Stinner

single farm can be larger in size than a district,” he said.

The bill specifies that in the case of land owned or leased by a corporation, trust or other legal entity, the entity would identify an elector-designee in writing not less than 30 days prior to an irrigation district election.

LB561 would provide a process for determining who is entitled to vote if two or more persons claim conflicting rights to vote on the same acreage. The bill also would allow irrigation districts, at their discretion, to conduct elections by mail.

Stinner said such elections would be more convenient for electors and encourage greater participation in irrigation district voting.

The bill advanced to select file 33-0.

Public vote requirement stalled

A bill concerning the record of public officials’ votes was bracketed April 10.

LB649, introduced by Papillion Sen. Bill Kintner, would have clarified that all votes taken by public officials in the course of their public duties should be considered public record. This would include any voting procedures for internal leadership positions that currently are private. Kintner said that public officials still are allowed to hide behind secret votes.

“People in Nebraska need to know whom their elected officials are voting for and supporting within any public body,” he said. “The public would be better served if the light of public scrutiny is shone on all votes taken by public officials.”

The Government, Military and Veterans Affairs Committee proposed an amendment to provide an exception allowing leadership position votes to be



Sen. Bill Kintner

cast secretly as long as each public official’s vote is recorded and becomes public record afterward. The bill was bracketed before senators voted on the amendment.

Committee chairperson Sen. John Murante of Gretna said allowing a secret ballot only during the vote on leadership positions would preserve working relationships among public officials.

“In institutions like ours, collegiality and friendship is very important to maintaining a high functioning level of government,” he said.

Omaha Sen. Ernie Chambers moved to bracket the bill until June 5, saying that the Legislature’s Rules Committee already rejected the idea.

“I have an obligation to rescue this institution from [a bill] that is so obviously irrational that it ought not be given serious consideration,” Chambers said.

Sen. Beau McCoy of Omaha supported LB649 and opposed the bracket motion. He said the bill would preserve the Legislature’s tradition of nonpartisanship while also promoting transparency.

“Transparency is a hallmark of good government in Nebraska,” he said. “[The committee amendment] is an attempt to preserve what we hold dear while still achieving transparency so voters know what’s going on.”

Lincoln Sen. Adam Morfeld supported the bracket motion, saying that Nebraska has one of the most transparent legislatures in the country.

“In my district, there was no one who contacted me wanting to know how I voted. They want to know what I’m voting for in terms of which laws we are or are not passing,” Morfeld said. “Intent matters and I believe the intent of this legislation is to create the ability to settle political scores.”

Senators voted 31-15 to bracket the bill. It is unlikely to be debated again this session.

HEALTH & HUMAN SERVICES

Extension of behavioral health program advanced

Lawmakers gave first-round approval April 7 to a bill that would extend a behavioral health screening and referral program.

In 2013, the Legislature created the Behavioral Health Screening and Referral Pilot Program at the University of Nebraska Medical Center (UNMC) to develop ways to address unmet children's behavioral health needs that could be replicated statewide.

LB240, introduced by Lincoln Sen. Matt Hansen, would remove the Sept. 6, 2015, termination date for the program and an existing cap on the number of clinic sites.



Sen. Matt Hansen

Hansen said the program screened over 1,900 young people during visits to family health providers since its inception in November 2013. Approximately 23 percent of those children screened positive for a behavioral health concern, he said.

"It has been a successful program and one I feel that we, as a state, should continue," Hansen said. "Effectively, [LB240] will continue the program and make it permanent."

Lincoln Sen. Kathy Campbell supported the bill, saying the pilot program grew out of the state's safe haven "debacle" in 2008. In the years following passage of the law, she said, it became clear that Nebraska needed to do more to identify and treat behavioral health disorders in young people.

Campbell said carrying on the work established by the pilot program is

critical to early detection of depression, anxiety and other disorders.

"We need to move this program from a pilot situation to making sure that it exists all across the state of Nebraska," she said.

Columbus Sen. Paul Schumacher questioned the efficacy of the pilot program, saying more data regarding its success should be offered before removing the sunset date.

Senators need to know what form of treatment children received, how it was paid for and how effective it was, he said—as well as how those results compare to children who were not screened or treated.

"As a pilot program, we should learn something before we 'un-pilot' it and make it a permanent program," Schumacher said. "Our only result from this two years is that kids were screened."

Senators voted 32-11 to advance the bill to select file.

Family finding pilot project advanced

A bill advanced from general file April 10 that would create a pilot project to establish family connections for wards of the state.

Lincoln Sen. Kate Bolz, sponsor of LB243, said research shows that children have better outcomes in kinship placements. Nebraska needs to do a better job of searching for family and engaging them in the decision-making process for state wards, she said.

"Extended families are a solution to many of the challenges that we see in our child welfare system," Bolz said. "In other words, when families step up, children benefit."

As introduced, LB243 would create a four-year statewide pilot program to pro-

vide family finding services in each service area. The state Department of Health and Human Services (DHHS) would contract with providers to carry out the program and would provide oversight.

The department also would be required to establish a data collection system and contract with an academic institution to complete an independent evaluation of the pilot project's effectiveness.

A Health and Human Services Committee amendment, adopted 26-0, limits the pilot project to two or more service areas.

Lincoln Sen. Kathy Campbell, chairperson of the committee, said the change would reduce the bill's fiscal impact from \$3 million to \$1.5 million. She said a current pilot program being conducted in the southeast service area has been successful, but that a larger pilot should be implemented before taking the program statewide.

"I believe that once we have the program and it shows its worth, the department will make it part of what they do," Campbell said.

Sen. Colby Coash of Lincoln said the bill might be seen as the Legislature "micromanaging" DHHS. He questioned why the department had not asked for funds to provide family finding services if the program is considered a best practice.

"This body has taken on the task of picking and choosing programs and I think that's a dangerous road that we are heading down," Coash said.

Campbell said she is confident that new leadership at DHHS will improve relations between the Legislature and the department.

"But, we still need to protect our kids and find them a home with a relative, or good friend or neighbor that's willing to step in. That's how we got to this bill," she said.

Bellevue Sen. Sue Crawford agreed, saying DHHS has expressed interest in the program and that the Legislature



Sen. Kate Bolz

needs to provide funding to keep the pilot project going until new leadership is established.

"I agree that in this transition over the next two years or so we're going to have an important new negotiation on roles," Crawford said. "However, this is still a critical transition year."

Sen. Beau McCoy of Omaha expressed concern with the bill's inclusion of the terms "domestic partner" and "fictive kin," saying they are ambiguous and open to differing interpretations.

"I think we're opening ourselves up to a great deal of speculation," he said.

Bolz said she would work on an amendment before select file debate to address McCoy's concerns. LB243 advanced from general file on a 26-0 vote.

JUDICIARY

Child protection registry restrictions advanced

A bill intended to keep children off the registry of child abuse offenders was advanced April 10.

Introduced by Lincoln Sen. Colby Coash, LB292 would prohibit youth ages 11 and younger from being placed on the state Department of Health and Human Services (DHHS) central registry of child protection cases. Only youth ages 12 and older designated as agency- or court- substantiated could be entered into the registry under the bill.



Sen. Colby Coash

Currently, the department uses the central registry of child protection cases to maintain a record of all reports of child abuse and neglect opened for investigation.

The department also would be required to submit an annual report

providing the number, ages and classification of youth entered in the registry to the governor and the Legislature's Health and Human Services and Judiciary committees.

The bill also would require the department to notify court- and agency- substantiated subjects ages 12 to 18 who are entered into the registry that a mandatory expungement hearing has been scheduled. Unless waived, hearings would be conducted within 60 days after the subject receives the notification and within 60 days after the subject's 19th birthday.

Coash said he discovered DHHS erroneously was including children on the registry after reviewing the ages of perpetrators on the list. His inspections of the registry showed that four children under age 1 and 87 children ages 11 and younger were listed as child abuse offenders.

"It's unbelievable to me that any child be listed as a perpetrator of a crime," he said.

Coash said the bill would give youth the ability to remove themselves from a list that could affect their lives as adults.

"Something that was part of their past is going to come back to haunt them and they won't even know it until they apply for a job," Coash said. "We can protect future children from something that could have been pretty tragic."

A Judiciary Committee amendment, adopted 26-0, would require both the subject and guardian to sign the expungement hearing waiver and also would prohibit the department from signing a waiver form for any subject in its custody. The amendment would grant registry subjects a second mandatory expungement hearing 60 days after the subject's 19th birthday, unless waived by the subject.

Lincoln Sen. Patty Pansing Brooks supported the amendment and bill. Subjects on the registry sometimes have no knowledge they are on the list,

she said, and deserve to be notified of potentially damaging information.

"Senator Coash has gone above and beyond," Pansing Brooks said. "He has found information that could have lifelong impacts on Nebraska citizens."

Senators advanced the bill from general file on a 28-0 vote.

REVENUE

Increased angel investment tax credits advanced

Senators gave first-round approval April 7 to a bill that would increase tax credits available to business investors.

Currently, investors can apply for up to \$3 million in annual refundable tax credits for investments made in a business with at least 51 percent of its workforce and payroll in Nebraska and 25 or fewer employees primarily engaged in researching, developing or using products and services in the high-tech field.

LB156, as introduced by Gering Sen. John Stinner, would have increased the annual maximum available amount of the angel investment tax credit to \$5 million. Stinner said that Nebraska currently ranks very low in access to capital.



Sen. John Stinner

"In its first year in 2012, the funds were gone by mid-July. In 2015 the funds were gone Jan. 1, the first day they were available," he said. "Clearly the demand is greater than the available credits. This program has demonstrated success and needs to be expanded."

A Revenue Committee amendment, adopted 25-0, changed the proposed increase from \$5 million to \$4 million.

According to state statute, the high-tech field includes aerospace, agricultur-

al processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biosolutions, medical device products, pharmaceuticals, diagnostics, biologics, chemistry and veterinary science.

To qualify for tax credits, an individual must invest at least \$25,000 in a calendar year and qualified funds—composed of three or more investors—are required to invest at least \$50,000.

Refundable credits equaling 35 percent of the investment are granted to investors with caps of \$350,000 for married couples filing joint returns and \$300,000 for all other filers.

Refundable credits of 40 percent are offered for investments made in a business located in a distressed area, which is defined as a city, a county with a population of fewer than 100,000 residents, an unincorporated area within a county or a census tract that has an unemployment rate that exceeds the statewide average, a per capita income below the statewide average or a population decrease between the two most recent censuses.

Following the adoption of a technical amendment, senators advanced the bill to select file on a 25-0 vote.

Rent-restricted property appraisal changes adopted

Senators passed a bill April 7 that adjusts the property appraisal calculation for rent-restricted housing.

LB356, introduced by Omaha Sen. Burke Harr, requires county assessors to use an income approach calculation for all rent-restricted housing projects to determine taxable valuation.



Sen. Burke Harr

Rent-restricted housing project is defined as a project consisting of five or more houses or residential units that is financed, in whole or in part, with an allocation of federal low-income housing tax credits.

The bill creates the Rent-Restricted Housing Projects Valuation Committee, which will develop a market-derived capitalization rate to be used by county assessors when determining assessed value for qualified projects.

The committee will include the state tax commissioner, as well as:

- a representative of local government assessing officials appointed by the commissioner;
- a representative of the low-income housing industry appointed by the commissioner; and
- an appraiser from the private sector appointed by the tax commissioner.

Owners of a rent-restricted housing project are required to file a detailed income and expense data statement with the committee and the county assessor by Oct. 1 of each year.

The bill passed on a 45-0 vote.

Fraternal benefit society tax exemption advanced

Lawmakers gave first-round approval April 9 to a bill that would provide tax relief to fraternal benefit societies.

LB414, introduced by Omaha Sen. Burke Harr, would exempt all fraternal benefit societies from property taxes. Harr said there currently is no consistency in how counties tax organizations like Omaha’s Woodmen of the World.

“Even within counties, there are differences in how properties with similar organization are taxed,” he said. “[Woodmen of the World] is an important organization and has the desire to be treated fairly under the law.”

State statute defines fraternal ben-

efit society as any incorporated, not for profit society, order or supreme lodge without capital stock that is conducted solely for the benefit of its members and their beneficiaries.

Norfolk Sen. Jim Scheer supported the bill, saying that not providing the exemption could mean the loss of hundreds of jobs.

“[Woodmen of the World] has been in Omaha for a hundred years and hasn’t asked for much. We have to be competitive, not only to attract business, but to retain business,” he said. “I’d rather keep a high quality, community oriented business in Omaha, keep the jobs and keep the possibility of expansion.”

Calling retention of Woodmen of the World a local issue, Grand Island Sen. Mike Gloor opposed LB414.

“We depend on the insurance industry in the state for a lot of jobs,” he said. “Nonetheless, what is Omaha doing to keep this business in place? If you want to keep business, you need to come up with the money to retain that business in your community.”

Omaha Sen. Ernie Chambers introduced a motion to indefinitely postpone the bill, which failed 12-20, saying LB414 would give a specific entity special treatment.

“This is obviously a bill that would [primarily] benefit Woodmen of the World. To present this under the guise that it would help entities across the state is disingenuous at best and worst,” Chambers said.

Sen. Mike Groene of North Platte supported the motion, saying the property tax burden should be shared equally across the state.

“Woodmen of the World is a good corporate citizen in this state, but we’re all paying too many taxes. Giving just one entity a tax break creates more of a burden for the rest of us,” he said.

Senators advanced the bill to select file on a 29-14 vote. ■

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