

## Budget package clears first round

Lawmakers gave first-round approval March 15 to three bills comprising the Appropriations Committee's adjustment proposal to the state's \$8.7 billion budget.

The state budget is structured on a two-year basis, with the budget enacted during legislative sessions held in odd-numbered years. Adjustments are made during sessions in even-numbered years.

Appropriations Committee chairperson Sen. Heath Mello of Omaha said the adjustments reflect the same priorities that guided the budget package enacted in 2015.

"The decisions in the biennial budget recognize the priorities of both the governor and the Legislature, reflect the values of Nebraskans and respond to the needs of our communities across the state," Mello said.



Sens. Bill Kintner and Heath Mello discuss adjustments in the committee's proposal.

### Mainline budget bill

LB956, introduced by Kearney Sen. Galen Hadley at the request of

the governor, was replaced by an Appropriations Committee amendment, adopted 35-0.

The amendment proposes adjust-

**(continued page 3)**

## Transportation infrastructure fund advances

A proposal to create a transportation infrastructure bank to fund new roads and bridges advanced from general file March 15.

As introduced by Sen. Jim Smith of Papillion, LB960 would create a transportation infrastructure bank funded with \$150 million from the state's cash reserve and up to \$150 million of state motor fuel tax over the next seven years.

An Appropriations Committee amendment, adopted 38-0, replaced the bill and would create an infrastructure bank fund composed of three programs overseen by the state Department of Roads. The first would ac-

celerate capital improvement projects, including the state's expressway system and other high-priority roads projects. Another program would provide funds to repair and replace deficient county bridges and the third would finance improvements to the state's transportation infrastructure that would support new and expanding businesses.

The bank fund would receive a one-time transfer of \$50 million from the state's cash reserve in July 2016. More than \$400 million in state motor fuel tax generated between July 2016 and June 2033 also would be directed to the fund.

Smith said the proposal would be

a major step toward fixing many of the state's roads and bridges that have fallen into disrepair. The measure also would speed completion of the state's expressway system, which has been under construction for nearly 30 years, he said.

The bill also would authorize the department to hire a construction manager who would advise the department on project scheduling and enter into contracts in which a single contractor designs and builds a project.

"This alternative contracting method will allow for large-scale projects to be delivered in a more efficient man-

**(continued page 2)**

## COMMITTEE HEARING

**Thursday, March 24**

**Revenue**

**Room 1524 - 2:00 p.m.**

AM2617 to LB958 (Gloor) Change provisions relating to budgets, the valuation of agricultural land, and levy limitations

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## Transportation infrastructure bank fund advances

(continued from front page)

ner, helping to stretch those state dollars farther," Smith said.

Up to \$40 million would be used for the county bridge match program, which would terminate in 2023. Up to \$20 million would be used for the economic development program and a project would need to demonstrate its positive economic impact before it is approved. Any funds remaining on June 30, 2033, would be transferred to the state's cash reserve.

Sen. Kate Bolz of Lincoln supported the proposal, saying that the large transfer from the state's cash reserve is justified by transportation infrastructure's key role in Nebraska's economic development.

"I think it's important to recognize that this is an investment in our future economy," Bolz said.

Sen. John Stinner of Gering agreed,



Sen. Jim Smith said the bill would provide funding to complete the state's long-awaited expressway system.

saying that the infusion of funds is necessary to complete long-delayed sections of the state's expressway system, which is critical to economic development in many rural areas.

"I am not sure anything we do as legislators can be any more impactful on our economy both in the short and long term than expressway construction and completion," he said.

Senators voted 43-0 to advance the bill to select file. ■

## UNICAMERAL UPDATE

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# Budget package clears first round

(continued from front page)

ments to appropriations for state operations, aid and construction programs in the current and next fiscal year.

Mello said the provisions would address a budget gap from the end of the 2015 legislative session—the result of a downward revision in forecasted tax receipts and requests for additional appropriations in state aid.

The projected gap was resolved mainly by utilizing \$98.9 million in prior year unexpended funds in several state Department of Health and Human Services (DHHS) programs, he said. The reductions were made possible by savings in the state's Medicaid program, the lack of an expected federal penalty regarding use of behavioral health funds and lower than expected needs in the Children's Health Insurance Program and public assistance.

The amendment includes provisions from LB733, introduced by Syracuse Sen. Dan Watermeier, which would appropriate \$1.5 million in general funds this fiscal year to recruit and retain quality staff in workforce shortage areas within the state Department of Correctional Services.



Sen. Dan Watermeier

Mello said the funding is an extension of work done by the Legislature to investigate and resolve systemic problems within the state's correctional system.

"The actions taken by the Appropriations Committee in this area are a piece of the larger conversation around how we approach criminal justice reform in our state and the



Sen. Colby Coash raised concerns about funds to address correctional system staffing issues.

critical impact it has on public safety in all of our communities," Mello said.

Lincoln Sen. Colby Coash expressed concern that the funds would not be spent by the department and, as a result, would not have the intended impact.

"You can allocate more money but unless the culture changes, retention will continue to be an issue," Coash said. "Corrections does not have a recruitment problem, they have a retention problem. It is more than pay that needs to change in order to provide for the ongoing safety of corrections workers within our system."

Watermeier acknowledged that the department may choose not to utilize the funds, but said the appropriation sends a message that the Legislature prioritizes the safety and security of correctional employees.

"It's an effort that we can make," he said. "We're recognizing the need."

The amendment also includes \$1.8 million to address capacity and

programming needs within the state Department of Correctional Services while the Lincoln Community Corrections Center project is being completed.

Following adoption of a technical amendment offered by Mello, LB956 advanced to select file on a 32-1 vote.

## Fund transfers

LB957, also introduced by Hadley at the request of the governor, would make transfers between funds and create and eliminate funds. An Appropriations Committee amendment, adopted 33-1, became the bill.



Sen. Galen Hadley

The amendment includes three significant transfers from the state's Cash Reserve Fund and would leave a projected, unobligated ending cash reserve balance of \$643.2 million. Mello said that amount is approximately 14 percent of general fund revenues.

Among other provisions, the amendment would transfer from the cash reserve:

- \$50 million to the newly created Transportation Infrastructure Fund as provided for in LB960, a bill introduced by Papillion Sen. Jim Smith;
- \$27.3 million to the Nebraska Capital Construction Fund to cover the three-year cost of adding capacity to the Lincoln Community Corrections Center; and
- \$13.7 million to the Military Installation Infrastructure Fund.

The amendment would create the Military Installation Infrastructure Fund within the state Department of

Natural Resources. The fund would serve as a mechanism to provide grant funds to a political subdivision where a military installation is located to assist with infrastructure related to management of water and soil resources.

Mello said the provisions would ensure that the state is able to successfully complete federally mandated modifications to two levy systems in Sarpy County. The levy project—which has been mandated by the Federal Emergency Management System—would protect many valuable assets in the Omaha metro area, including Offutt Air Force Base, he said.

Gering Sen. John Stinner spoke in favor of the levy funds and the budget package as a whole. He said the levy project is critical to avoid the loss of Offutt AFB, which would be detrimental to the entire state’s economy.

“Our state budget is a numerical depiction of our priorities,” Stinner said.

North Platte Sen. Mike Groene questioned whether the state should make a habit of funding local entities that have their own taxing authority—such as natural resources districts—when those entities encounter a crisis. Doing so would not set a good precedent for the next generation of lawmakers, he said.

“We take care of our own,” Groene said. “We handle our own problems.”

Sen. Bob Krist of Omaha said the levy project is a concern for all Nebraskans, given the economic impact of Offutt AFB as well as the hundreds of acres of commercial property and a wastewater treatment plant serving 50,000 people that the levy also protects.

The amendment also included provisions of LB923, introduced by Stinner, which would provide a total of \$1 million in FY2016-17 to the state’s seven federally qualified health centers. The appropriation would be

funded by 5 percent of the state portion of Medicaid fraud settlement funds.

Papillion Sen. Bill Kintner said the one-time spending items in the committee’s proposal are a concern and represent more than just adjustments to the established budget passed last session. He said that while he supported many of the important priorities within the proposal, he voted against it coming out of committee.

“This budget proposes growth that I’m not comfortable with,” Kintner said.

LB957 advanced to select file 37-1.

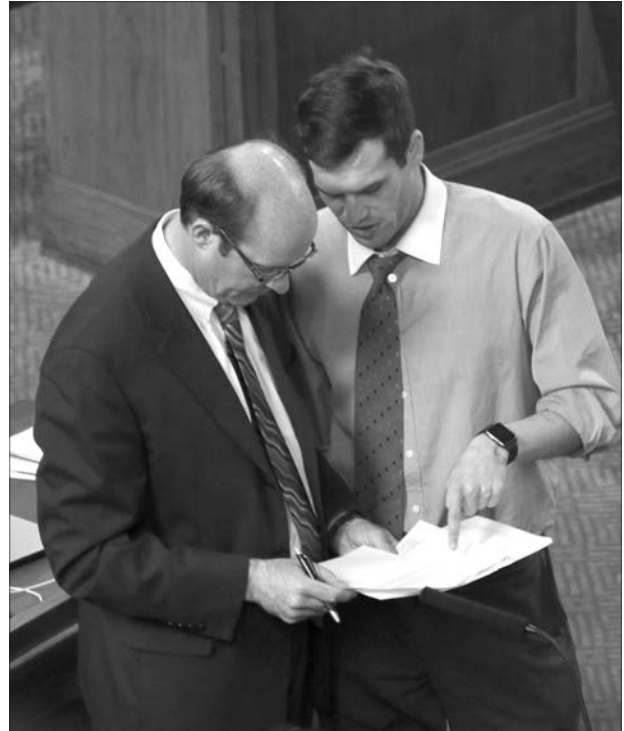
### Additional provisions

Finally, LB981, introduced by the Business and Labor Committee, would approve claims against the state and agency write-offs.

Omaha Sen. Burke Harr, chairperson of the committee, offered an amendment that was adopted 37-0. It added several additional claims that were settled or adjudicated after the bill was introduced, including three tort claims and two workers’ compensation claims.

Among the additional claims were:

- \$800,000 for a tort claim against the state Department of Roads involving a vehicle accident resulting from a traffic control system problem;
- \$243,000 for a tort claim against DHHS for failure to provide Medicaid coverage for medically



Sens. Burke Harr and Tyson Larson consult on provisions of the state claims bill.

necessary autism treatment; and

- \$185,000 in negotiated attorney fees to the American Civil Liberties Union of Nebraska for a claim filed by seven couples who challenged the Nebraska constitutional prohibition against same-sex marriage.

Harr offered an amendment, adopted 35-0, which would authorize a \$230,000 payment to Nebraska Appleseed for attorney fees related to a claim settled by the state regarding non-timely processing of applications for the Supplemental Nutrition Assistance Program (SNAP).

Haar said the state chose to settle the lawsuit in light of improvements to the SNAP processing system and to avoid extended litigation.

“When we don’t follow what we’re supposed to do—our obligations—this is what happens,” he said.

Following adoption of an additional Harr amendment for an \$11,000 lottery write-off, senators advanced LB981 to select file on a 35-0 vote. ■

**GOVERNMENT, MILITARY & VETERANS AFFAIRS**

**Military commission amended, advanced**

Lawmakers amended and advanced a bill from select file March 17 that would create a commission to protect the state's military installations, attract new missions and serve Nebraska's military members and veterans.

LB754, introduced by Bellevue Sen. Sue Crawford, would establish the Commission on Military and Veterans Affairs. The governor-appointed commission would assist the state in attracting and maintaining military missions, Crawford said.



Sen. Sue Crawford

Among other duties, the commission would be authorized to:

- receive and administer funds;
- address matters of military significance in Nebraska;
- conduct activities relating to economic development;
- conduct activities relating to the welfare of veterans; and
- advise the governor, Legislature, Nebraska's congressional delegation and other governmental officials where appropriate.

Bellevue Sen. Tommy Garrett offered an amendment on select file that would authorize the Nebraska National Guard to utilize the Nebraska Code of Military Justice.

Garrett said the amendment would allow National Guard unit commanders to use non-judicial punishment procedures—also known as Article 15—for situations in which a member is accused of a minor offense.

“The potential punishments are administrative in nature and minor in severity,” he said. “The process is command-directed and handled within the unit.”

Omaha Sen. Bob Krist supported the amendment, saying the option of Article 15 is useful to commanders in bringing unbecoming conduct to a member's attention and instilling order in a unit.

“It's a tool that a commander can use on active duty and it is not available currently to our guard members,” Krist said. “It's good for your troops; it's good command discipline.”

The amendment was adopted 30-1 and the bill advanced to final reading on a 40-1 vote.

**Bill to enhance correctional industries program advanced**

A corrections program that provides employment for inmates would be enhanced under a bill given first-round approval March 18.

LB1080, introduced by Hastings Sen. Les Seiler, would increase the purchasing limit for Cornhusker State Industries (CSI) from \$25,000 to \$50,000. Seiler said the purchasing cap for CSI, the state Department of Correctional Services industries program, has not been raised since 1987.



Sen. Les Seiler

The bill also would allow recycling of materials used by CSI in the production of goods and services, and allow CSI to retain the recycling proceeds in order to purchase raw materials for future projects.

“This is a really important project and program that has been in existence for a long time,” Seiler said, adding that CSI provides job training and

other valuable skills to approximately 500 inmates on a daily basis.

The bill advanced to select file 29-0.

**University hiring change advances to final round**

Senators gave second-round approval March 17 to a bill that would update the University of Nebraska's search process for its chancellor and president positions.

LB1109, introduced by Sen. John Murante of Gretna, would require the university's Board of Regents to provide public notice of a preliminarily selected candidate 30 days before the board votes on whether to hire



Sen. John Murante

the candidate. The board would be required to make public the candidate's application materials and provide a forum in which the candidate would meet with and answer questions from the public.

Murante said the university's current search process, in which four finalists are named, deters many sought-after candidates from applying because it publicizes their job search.

He said the proposed change to the hiring process would strike a balance between full transparency and the closed hiring process used by the majority of the university's peer institutions. The 30-day vetting period would ensure public scrutiny of the priority candidate, Murante said.

Sen. John Stinner of Gering spoke in support of the bill, saying that many academic leaders will not consider applying for a position at the university due to the current process. He said keeping a candidate's application confidential is essential to a successful search.

“It is the fiduciary duty of the regents to institute the best process so they can hire the best person for the job,” Stinner said.

Sen. Ernie Chambers of Omaha filed a motion to bracket the bill until April 20, the last day of session. He said the proposed change essentially would guarantee that the priority candidate would be hired for the position. When a candidate applies for a position at a publicly funded institution, he added, that person gives up a measure of privacy.

Sen. Tanya Cook of Omaha also opposed the bill, saying it would not give the public enough input in selecting the university’s leaders.

“I simply can’t support a bill that’s going to give me fewer opportunities to learn the backgrounds [and] the interests of the people who are going to be running the university,” she said.

After four hours of debate, Murante filed a motion to invoke cloture, or cease debate and vote on the bill. The motion prevailed 37-8.

Senators then voted 36-8 to advance the bill to final reading.

## HEALTH & HUMAN SERVICES

### Barber school bill clears first round

A bill that would update Nebraska barber laws to align with federal financial aid requirements advanced to select file March 18.

LB842, introduced by Malcolm Sen. Ken Haar, would require a high school diploma or GED prior to admittance to a



Sen. Ken Haar

barber school if the school operates as a postsecondary barber college. Haar said the change is required by the U.S. Department of Education.

“This is important because it enables barber students to be eligible for financial aid through federal programs,” he said.

The bill also would allow the state barber board to continue to authorize licensed barber schools at the non-postsecondary level.

LB842 advanced to select file on a 35-0 vote.

### Public assistance research exemption advanced

A bill aimed at promoting research on the impact of poverty on children advanced from general file March 16.

LB1081, sponsored by Lincoln Sen. Kathy Campbell, would allow low-income Nebraskans to be part of a nationwide study on the impact of public assistance on early childhood development.



Sen. Kathy Campbell

Sen. Sara Howard of Omaha made LB1081 her priority bill this session and said the research behind the bill will help future senators make smart funding decisions regarding public benefits.

The University of Nebraska Medical Center has been selected as one of four institutions that will conduct the study, she said, and researchers want to ensure that the small stipend provided to participants does not interfere with their ability to continue to receive public assistance.

“LB1081 does not require the state to increase benefits and the increased income [for participants] does not come from the state,” Howard said.

For the study, 1,000 new mothers with incomes below the federal poverty level will receive a stipend for the first 40 months of their child’s life, she said. The study seeks to discover whether the small increase in income has an effect on the cognitive, social and emotional development of low-income children, she said.

“The study is so important to see if there is a causal relationship and not a mere correlation between income and child outcomes,” Howard said.

The bill would exclude the following types of public assistance from a participant’s income when determining eligibility:

- the child care subsidy program;
- Temporary Assistance for Needy Families (TANF); and
- Supplemental Nutrition Assistance Program (SNAP).

The exclusion would be limited to \$4,000 per year for four years.

A Health and Human Services Committee amendment, adopted 26-0, would add the low-income home energy assistance program to the list of exclusions and would specify that all exclusions could be given only if allowed under federal law. The amendment also would discontinue the exclusions at the end of 2022.

Omaha Sen. Heath Mello spoke in support of the bill and the amendment, saying the study—which is funded by nonprofit dollars—would provide the state with additional evidence-based research on how best to assist families living in poverty.

“This falls directly in line with some of the issues that have been raised through the intergenerational poverty task force,” he said.

The bill advanced to select file 30-0.

## JUDICIARY

### Human trafficking immunity amended, advanced

Lawmakers gave first-round approval March 16 to a bill that would provide legal immunity to victims of human trafficking.

LB843, introduced by Lincoln Sen. Patty Pansing Brooks, would provide legal immunity from prostitution charges for any person proven by law enforcement to be a victim of labor or sex trafficking. Pansing Brooks said human trafficking is second only to drug trafficking as a highly profitable commodity.



Sen. Patty Pansing Brooks

“We know that a huge portion of victims are forced or coerced into prostitution,” she said. “They know it is illegal so they avoid seeking help, even though they are victims themselves.”

A Judiciary Committee amendment, adopted 27-0, would establish an affirmative defense for trafficking victims. An affirmative defense allows a defendant to present certain facts that mitigate the legal consequences of his or her unlawful conduct.

Omaha Sen. Nicole Fox supported the bill. She said it is difficult for many Nebraskans to accept that human trafficking happens in the state.

“Unfortunately, it flourishes here,” she said, adding that events like the College World Series in Omaha and University of Nebraska-Lincoln football games are frequent targets for traffickers. “It’s time to increase awareness, prosecute the real offenders and end the suffering of the victims.”

Sen. Paul Schumacher of Columbus raised concerns about allowing law enforcement officers to determine whether or not a person is a victim of human trafficking, thereby granting that person immunity under LB843.

“I don’t know any other section [of law] that allows a police officer to determine if a person is immune from criminal charges,” he said. “I can understand if a prosecutor decides not to prosecute, but police officers do not make a determination of immunity for any other prosecution.”

The amendment also incorporated provisions of LB1097, originally introduced by Lincoln Sen. Adam Morfeld. These provisions would create the Sexual Assault Payment Program to pay up to \$500 for out-of-pocket costs associated with sexual assault medical examinations. Currently, the patient covers the costs for such examinations directly or submits a claim to his or her insurance.



Sen. Adam Morfeld

Morfeld said the change would encourage medical providers to establish or expand the services they provide.

“[LB1097] was designed to provide greater access across Nebraska to trained medical personnel and deliver a higher standard of care [for sexual assault victims].”

Associated costs covered would include patient examination and interview, collection and evaluation of physical evidence, facility fees and laboratory processing fees.

A program administrator would distribute forensic medical examination kits to health care providers at no cost to the providers and oversee examination training throughout the state.

Senators advanced the bill to select file on a 32-0 vote.

## NATURAL RESOURCES

### Game and Parks fee increase advances

Lawmakers gave first-round approval to a bill March 15 that would raise fees that the state Game and Parks Commission is authorized to charge for a wide range of permits, licenses and stamps.

LB745, introduced by Omaha Sen. John McCollister, would increase specific fees, raise the caps on user fee ranges and increase the allowed growth rate for fees the commission is authorized to charge for hunting, fishing and other activities. The fee increases would generate an estimated \$2.5 million in fiscal year 2016-17 and a further \$5 million in FY2017-18.



Sen. John McCollister

Resident fee caps for an annual hunting permit would be raised from \$13 to \$18 and the cap on an annual fishing permit would increase from \$17.50 to \$24. The bill would raise the fee cap for a deer hunting permit for residents from \$29 to \$39.

The minimum fee for an annual park permit for a resident motor vehicle would increase from \$25 to \$30.

McCollister said some of these fees have not been increased since 2010 and most have not increased since 2003. He said that unless the commission is allowed to increase fees, it will be unable to keep up with the growing costs of maintaining the state’s parks and managing its game animals. Fees generated 87 percent of the commission’s revenue in 2015, McCollister added.

“Successful management of the commission’s operations clearly hinges on its ability to set fees in keeping with current costs of operations,” he said.

Sen. Ernie Chambers of Omaha filed several motions and amendments in an attempt to delay a vote on the bill. He said the commission should not have the authority to hold mountain lion hunting seasons, which Chambers said are cruel and unnecessary because of the small number of animals in the state.

After six hours of debate spanning three days, McCollister filed a motion to invoke cloture, or cease debate and vote on the bill. The motion succeeded on a vote of 42-2.

Senators then voted 39-3 to advance the bill to select file.

### Solid waste study advanced

Lawmakers advanced a bill from general file March 18 that would commission a study of the state’s recycling and solid waste management programs.

LB1101, introduced by Omaha Sen. Heath Mello, would authorize the state Department of Environmental Quality (DEQ) to conduct a study examining the status of solid waste management programs operated by the department.

Mello said a 2014 Omaha World-Herald article reported that Nebraskans currently are paying \$34 million in landfill fees to dispose of recyclable material worth \$87 million.

“We need to examine what can be done with existing policies, programs and funding streams that go to the department,” he said. “[LB1101] would allow the department to look at what can be done to drive more cost-effective programs and policies



Sen. Heath Mello

regarding solid waste management in the future.”

The DEQ would study the efficacy of current litter, waste reduction and recycling programs and conduct a needs assessment with regard to recycling and composting programs in the state. Potential funding sources, including public-private partnerships, also would be included in the study.

LB1101 also would authorize the DEQ to create an advisory committee comprising no more than nine people. The committee would provide a report of its findings to the Legislature by Dec. 15, 2017.

The bill advanced to select file on a 27-0 vote.

## TRANSPORTATION & TELECOMMUNICATIONS

### Repeal of motorcycle helmet requirement stalls

A proposal to exempt adult motorcyclists from current state law requiring them to wear helmets in Nebraska failed to advance March 17.

Under LB900, introduced by Sen. Dave Bloomfield of Hoskins, motorcycle and moped riders 21 and older would no longer be required to wear a protective helmet. Instead all riders would be required to use eye protection such as goggles or a windshield.

The bill would increase the motorcycle registration fee by \$19 to fund a new Motorcycle Safety and Brain Injury Trust Fund, which would be used to assist Nebraskans with brain injuries. The fee would add an estimated



Sen. Dave Bloomfield

\$1.1 million to the fund in fiscal year 2017-18. Up to 2.5 percent of the fund would be used for motorcycle safety awareness and education programs and no more than 10 percent would be used to administer the fund.

The bill also would increase the fine for operating a motorcycle without a license and prohibit anyone under the age of 8 from being a passenger on a motorcycle on public roads.

Bloomfield said the bill would restore the right of adult motorcyclists to choose whether to wear a helmet.

“I think it’s time we give these free men and women back their right to decide whether wearing a helmet is something they want to do,” he said.

A similar bill he introduced last year stalled on the first round of debate but Bloomfield said provisions in LB900—the trust fund and the minimum age limit for passengers—are meant to address opponents’ concerns about safety and possible medical expenses for riders injured while not wearing a helmet.

Sen. David Schnoor of Scribner supported the bill. He said that in addition to restoring personal freedom, giving adult motorcyclists the choice to ride without a helmet would generate revenue through increased tourism. He said many riders making cross-country trips or traveling to the annual motorcycle rally in Sturgis, South Dakota, now avoid Nebraska because of the helmet requirement.

Sen. Robert Hilkemann of Omaha filed a motion to bracket the bill until April 20, the last day of the session. He said every state that has repealed motorcycle helmet laws has recorded an increase in deaths and severe head injuries for motorcyclists who choose not to wear helmets. Private insurance often cannot cover the costs of head injuries and disabilities caused by motorcycle accidents, Hilkemann



added, and those costs are passed on to hospitals and taxpayers through Medicaid expenses.

Sen. Kate Bolz of Lincoln also opposed the bill, saying that any repeal would have both a human and economic impact. She cited studies showing that riders who do not wear helmets are less likely to have health insurance and have higher medical costs due to accidents than riders who do wear them. The proposed trust fund would not be enough to cover medical expenses for any increase in traumatic head injuries among riders not wearing helmets, Bolz added.

After six hours of debate over two days, Bloomfield filed a motion to invoke cloture, or cease debate and vote on the bill. The motion failed 30-17. Thirty-three votes were needed.

It is unlikely that LB900 will be scheduled for further debate this session.

## URBAN AFFAIRS

### Planned unit development changes advanced

Procedures for approval of planned unit developments in some second-class cities and villages would change under a bill advanced to select file March 18.

Under current law, a county that has adopted a comprehensive development plan and is enforcing subdivision regulations must approve a planned unit development in a second-class city or village's extraterritorial zoning jurisdiction.

LB875, introduced by Gretna Sen. John Murante, would remove the requirement that the county must approve the plan in a county with a population between 100,000 and

200,000. Sarpy is the only county that would be impacted by the bill, Murante said, and first-class cities in the county currently are not required to obtain county approval.

"LB875 places cities of the second class and villages on virtually the same footing as first-class cities," Murante said.



Sen. John Murante

A second-class city or village still would be required to submit a planned unit development to the county for review.

Under an Urban Affairs Committee amendment, adopted 34-0, submission for approval would be made to the county planning and public works departments rather than the county planning commission.

The bill advanced to select file 31-0. ■

## UNICAMERAL YOUTH LEGISLATURE

High school students with an interest in law, government, leadership or public speaking are encouraged to register for the 2016 Unicameral Youth Legislature, which will convene June 5-8.

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](http://www.NebraskaLegislature.gov/uyl).

The registration deadline is May 15.



# 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 70<sup>th</sup> day to place its budget bills on general file. During a short session, the deadline is the 40<sup>th</sup> 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 45<sup>th</sup> day.

By rule, the Legislature must pass

appropriations bills by the 80<sup>th</sup> day in a long session or the 50<sup>th</sup> 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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Former senators were invited to the Legislature March 16 to be recognized for their service.