

THE NEBRASKA LEGISLATURE'S
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UPDATE

Child care reimbursement rates discussed

Nebraska child care reimbursement rates would no longer be based on a market rate survey under a bill heard by the Appropriations Committee March 14.

Under LB464, introduced by Lincoln Sen. Kathy Campbell at the request of the governor, the state Department of Health and Human Services would no longer be required to set rates according to the market survey, which would continue to be conducted every other year as required by federal law.

Currently, rates must be set at a level between the 60th and 75th percentile of the market rate survey.

Campbell said she hoped the committee would consider a proposed amendment to the bill that would reinstate the requirement that reimbursement be tied to market rates in the next budget biennium. Quality care for at-risk children is important to the state, she said.

"In two years, we hope things are better and that we can get back on track," Campbell said.

Todd Reckling, director of the division of children and family services for HHS, testified in support of the bill. Basing provider rates on the market rate will cost the state approximately \$2.8 million per year in general funds over the current budget cycle, he said.

"By removing this language the department has greater flexibility in
(continued on page 2)

New economic development program advances

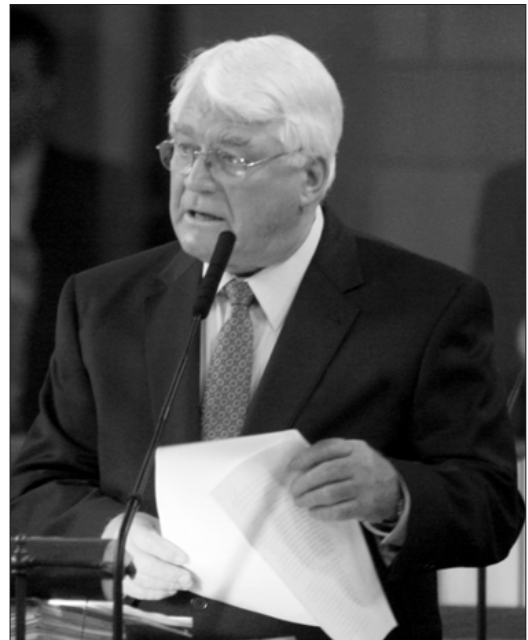
Senators advanced a measure March 16 that would eliminate three existing economic development programs and replace them with the Business Innovation Act.

LB387, introduced by Kearney Sen. Galen Hadley at the request of the governor, would require the Department of Economic Development (DED) to establish five programs to provide financial assistance to:

- microenterprise entities;
- companies or individuals creating prototypes;
- programs to identify commercial products and processes;
- companies receiving federal Small Business Innovation Research (SBIR) grants; and
- companies using Nebraska public college and university researchers and facilities for applied research projects.

The bill also would repeal the Agriculture and Value-Added Partnerships Act, the Microenterprise Development Act and the Building Entrepreneurial Communities Act.

Hadley said the bill resulted from a consulting firm's examination of economic development in Nebraska that found weaknesses in the state's current approach. He said Nebraska needs a



Sen. Galen Hadley introduces LB387.

state-level program to help local companies create winning projects in order to leverage federal SBIR dollars.

"We have a low application rate compared to other states," Hadley said.

Lincoln Sen. Danielle Conrad supported the bill, saying research indicated that approximately 60 percent of Nebraska entrepreneurs and business owners were not familiar with SBIR programs.

"Nebraska has a real opportunity for improvement and growth in this policy area," she said. "We need to make sure that the end result is good, quality jobs."

An amendment offered by Hadley and adopted 35-1 would require
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A CLOSER LOOK

Econ. development program advances

(continued from front page)

DED to establish an innovation in value-added agriculture program to support small enterprise formation in Nebraska's agricultural sector.

An entity receiving financial assistance under the agriculture program would be required to provide a 25 percent match and assistance would be capped at \$1 million per year.

The amendment also would place caps of between \$1 million and \$3 million on each of the programs created by the bill and would appropriate \$7 million per year in general funds to operate the Business Innovation Act.

The Hadley amendment's definition of a distressed area was the focus of general file debate that spanned two days. Under the bill, 40 percent of financial assistance funds are reserved for economically distressed areas of the state.

Under the amendment, a distressed area is defined as a municipality, a county with a population of fewer than 100,000 according to the most recent census, an unincorporated area within a county or a census tract that:

- has an unemployment rate that exceeds the statewide average;
- has a per capita income below the statewide average; or
- had a population decrease between the two most recent federal censuses.

Omaha Sen. Burke Harr said the inclusion of counties with a population under 100,000 in the definition means that no area in Douglas County could qualify for the 40 percent of funds set aside for distressed areas.

"We've created a definition that de facto picks on one county," he said.

"We need rural support - there's no doubt about that - but we have to do it in a fair and equitable way."

Harr offered an amendment to Hadley's amendment that would have removed counties from the definition of a distressed area.

Hadley opposed the amendment, saying economic development funds historically have gone to urban areas and that lawmakers should focus on statewide solutions to Nebraska's economic challenges.

"We're looking for a formula that does the best for the most people in the state," he said. "The problems, generally speaking, for distressed areas are in rural Nebraska."

Hadley added that 60 percent of funds remains available to any area of the state under the bill as amended.

Conrad also opposed the Harr amendment, saying development in any area of the state benefits all Nebraskans.

"We have a shared interest in Nebraska's economic success," she said. "We have a shared tax base."

The Harr amendment was defeated by a vote of 11-29.

Hastings Sen. Dennis Utter offered an amendment, adopted 38-0 that would sunset the bill's provisions in 2016. He said the Legislature has a duty to evaluate the programs it funds.

Hadley supported the Utter amendment, saying it would encourage DED to make the programs successful.

"I think in five years we will have indicators of whether this is a success or not," he said.

LB387 advanced to select file on a 33-0 vote. ■

Child care reimbursement rates discussed

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setting rates," he said.

Reckling said other provider rates are being reduced by as much as 5 percent under the governor's proposed budget. The choice to forego an increase for those providing care to approximately 19,000 of the state's at-risk children was not made lightly, he said.

Jen Hernandez of the Nebraska Children and Families Foundation testified against the bill, saying failure to peg reimbursement rates to the market survey will decrease access to quality child care for individuals trying to transition off of welfare.

"This will result in fewer providers accepting this child care subsidy," she said. "It will leave at-risk children eligible for care but with nowhere to go."

A child is considered at-risk if his or her family is in poverty or if he or she was born at low birth weight, is learning English as a second language or a has a parent who is a teenager or has not completed high school, Hernandez said.

Aubrey Mancuso of Voices for Children Nebraska also testified in opposition, saying Nebraska's reimbursement rates already are low. The federal government recommends setting provider rates at 75 percent of the market rate, she said, adding that HHS currently may set rates as low as 60 percent of the market rate.

The committee took no immediate action on the bill. ■

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Business & Labor

State funding for rehab program serving mothers proposed

The state would provide funding for a drug rehabilitation program serving mothers under a bill heard by the Appropriations Committee March 15.

LB325, introduced by Omaha Sen. Gwen Howard, would annually appropriate \$250,000 in the next biennium to the Behavioral Health Aid program for allocation to Heartland Family Service's Family Works program.



Sen. Gwen Howard

Howard said Family Works is a residential drug and alcohol treatment program for pregnant women and mothers with young children. The program is unique because it allows families to stay together while the mother receives treatment, she said, adding that some mothers may avoid traditional treatment programs to retain custody of their children.

While LB325 would cost the state \$250,000 a year, Howard said, the bill would result in an annual net savings of \$85,000 in averted incarceration and foster care costs.

"LB325 will save the state money, preserve families and, likely, save lives," Howard said.

Heartland Family Service president John Jeanetta testified in support of



LB325, saying the bill would permit the Family Works program to expand from 10 families to 16 families. The program has a success rate of 68 percent, he said, which is 20 percent greater than the national average for residential addiction treatment facilities.

Federal funds support Family Works, Jeanetta said, but state funds could enable the program to serve more families. Because the program is at capacity, he said, Family Works had to refer 72 mothers to other programs in 2010.

Sarah Wells, a recent graduate of the program, testified in support of LB325. Wells said she had been addicted to drugs since 1999 and relapsed after entering a 28-day standard treatment program in 2009. When she entered the standard treatment program, she said, her motivation was not to rid herself of addiction, but to get her children back.

Wells said Family Works gave her the tools to prevent a relapse while permitting her to remain united with her children.

"This program has given me so much to live for," Wells said.

No one testified in opposition to LB325 and the committee took no immediate action on the bill.

Banking, Commerce & Insurance

Proposal would allow real estate brokers to form business corporations

The Banking, Commerce and Insurance Committee heard testimony March 15 on a proposal that would exempt realtors from the Nebraska Professional Corporation Act.

Schuyler Sen. Chris Langemeier introduced AM673 as an amendment to LB315, a bill originally introduced by Boys Town Sen. Rich Pahls regarding allowing real estate salespeople to form corporations.



Sen. Chris Langemeier

Langemeier said that during the course of the committee hearing on LB315, it became apparent that many real estate brokers in Nebraska have formed corporations other than professional corporations, as required by current law.

Under the provisions of the Lange-

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meier amendment, a designated broker under the Nebraska Real Estate License Act could be organized as a business corporation.

Secretary of State John Gale, who testified in a neutral capacity, explained that the professional corporation act covers physicians, dentists, certified public accountants, lawyers and real estate agents among others. Those who are governed by the act are personally responsible for their conduct as professionals, he said, and as a result have personal liability for their conduct.

"They cannot shelter themselves from liability by becoming a business corporation," he said.

Gale said there are approximately 400 designated real estate brokers in Nebraska who would be exempted under the proposal.

"I think that it's a practical reality that exempting designated brokers does not do damage to the public interest," he said.

The committee voted 8-0 to strike the original language of LB315, insert the Langemeier amendment in its place and advance the bill to general file.

Business & Labor

Workers' compensation benefits could exclude pre-existing conditions

The Business and Labor Committee heard testimony March 14 on a bill that would limit employers' liability for accidents primarily resulting from pre-existing conditions.

Under LB348, introduced by Omaha Sen. Scott Lautenbaugh, workplace injuries resulting from degenerative

conditions would not be compensable.

Lautenbaugh said the bill is designed to protect employers from liability for injuries that are not work-related. The bill would make a change in workers' compensation law, he said, to require that a work-related accident be the prevailing cause of a disability in order to qualify for workers' compensation.

Lincoln attorney Timothy Clarke testified in support of the bill. Currently, Clarke said, employers are liable for work-related accidents as well as any pre-existing conditions that may have caused them.

Lincoln attorney Todd Bennett testified in opposition to the bill, saying it would discriminate against older workers. Furthermore, he said, it would violate the equal protection of workers who have no symptoms and are not aware of pre-existing conditions.

The committee took no immediate action on the bill.

Bills would approve, reject claims against the state

Claims against the state would be approved or rejected under two bills heard by the Business and Labor Committee March 14.

LB585, introduced by the committee, would approve \$2 million in tort claims and \$380,000 in workers' compensation claims against the state. The bill also includes \$1 million in write-offs for fiscal year 2010-11.

State Risk Manager Shannon Anderson testified in support of the bill. If



Sen. Scott Lautenbaugh

someone sues the state of Nebraska, she said, he or she files with the state claims board. If a claim is denied or a claimant is not satisfied with the awarded amount, Anderson said, he or she can file suit in district court for a tort claim or file an application for review by the Legislature for miscellaneous claims.

Anderson said approved claims that exceed \$50,000 must be reviewed by the Legislature.

Of the claims submitted for approval, \$475,000 and \$325,000 were for Joseph White and Kathleen Gonzalez. Chief Deputy Attorney General David Cookson said the claims resulted from the wrongful convictions of White and Gonzalez for the 1986 murder of Helen Wilson in Beatrice.

Under legislation passed by the 101st Legislature, those wrongly convicted may receive compensation for their time in prison.

LB586, also introduced by the committee, is a placeholder for claims made against the state that are rejected.

Anderson said no such claims existed at the time of the hearing.

The committee took no immediate action on either bill.

Education

Civic education requirements advance

Senators advanced a bill from general file March 15 that would add requirements to high school civic education curricula.

High school students currently must take a civic course in at least two grade levels.

LB544, introduced by Boys Town

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Sen. Rich Pahls, would require that those courses include students' active participation in improving their society and the practice of civil discourse between opposing interests.



Sen. Rich Pahls

The state Department of Education currently is developing social studies standards, Pahls said, so now is a good time to make the requirements.

"The standards will set where social studies will go in the future," Pahls said. "Students are starting to see the need for positive change and they can have a tremendous effect on us."

York Sen. Greg Adams spoke in support of the bill, saying the additions would not be burdensome for teachers and would improve the social studies curricula.

Sen. Gwen Howard of Omaha also spoke in support of the bill, saying students need the opportunity to have pride in their government and its process.

The bill advanced from general file on a 40-0 vote.

State could measure school performance

The Education Committee heard testimony March 15 on a bill that would require the state Board of Education to establish an index to measure the performance of public schools.

LB635, introduced by York Sen. Greg Adams, would require the board to measure a school's graduation rate, student growth and performance and other indicators established by the board.

Under the bill, a school that does not meet the minimum level of performance would be designated as a priority school. An intervention team, in collaboration with a priority school, would develop a progress plan, subject to board approval, that would outline specific actions a school must take in order to meet performance standards. A school that does not comply with their progress plan would lose its accreditation.

Federal standards have identified schools throughout the state as low performing schools, Adams said, but the measurement they used is "unfair" because not enough factors are taken into account. Instead of using one measurement to determine a school's performance, he said, multiple measurements should be used to disaggregate data so the board can set growth models and realistic goals for low performing schools.

"We can develop a Nebraska model that deals with [low performing schools] better than a federal model would," Adams said.

Mark Quandahl, member of the state Board of Education, testified in support of the bill, calling federal standards "inflexible" and not reflective of the state's educational needs.

"We believe it is in the best interest of Nebraska to come up with our own standards and accountability," Quandahl said.

Jay Sears of the Nebraska State Education Association also testified in support and said Nebraska educators understand the value of accountability

in education systems. Sears said the bill provides the framework for Nebraska to develop a system that supports education, instruction and learning while closing achievement gaps.

No opposing testimony was given and the committee took no immediate action on the bill.

General Affairs

Savings promotion bill amended, advanced

Lawmakers gave first-round approval March 14 to a bill that would allow credit unions to conduct a savings promotion raffle.

Under LB524, introduced by Lincoln Sen. Amanda McGill, savings promotion raffles would be added to the definition of a gift enterprise. Currently, credit unions are authorized to conduct a gift enterprise - a business promotion contest or game of chance - under Nebraska law.

According to McGill, a savings promotion raffle is a contest where depositing a specific amount of money into a savings account or program earns an individual a chance at winning a designated prize. Each entry must have an equal chance of winning.

McGill said a pilot program in Michigan helped participants save over \$28 million dollars last year. Participants earned a chance at winning a prize each time they made a deposit to a savings account, she explained, with the prize money supplied by credit unions.



Sen. Greg Adams



Sen. Amanda McGill

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"[LB524] is an innovative and fun idea to encourage people to save more money," McGill said. "Fifty-six percent of the people who opened these savings products had never saved before."

A General Affairs Committee amendment, adopted 35-0, prohibits credit union employees from participating in a savings promotion raffle, requires disclosure of raffle terms and conditions to participants and allows credit unions to limit the number of chances to win a prize but not the number of deposits.

Omaha Sen. Jeremy Nordquist supported the bill, saying the Michigan pilot project demonstrated that such programs encourage people to save who normally do not. The bill would incentivize low-income Nebraskans to accumulate assets and save for future needs, he said.

"When people have assets they think about the long term," Nordquist said.

Sen. Bob Krist of Omaha also supported the measure, saying it would help establish trust in financial institutions, which could encourage savings further.

"We have a financial literacy problem all over this country," he said.

LB524 advanced to select file on a 38-0 vote.

Government, Military & Veterans Affairs

Repeal of campaign finance law proposed

The Government, Military and Veterans Affairs Committee heard testimony March 16 on a bill that would

repeal Nebraska's Campaign Finance Limitation Act (CFLA) and amend the Accountability and Disclosure Act.

Omaha Sen. Scott Lautenbaugh said he introduced LB142 because the CFLA has not limited the influence of money on politics in Nebraska as intended.

"It has been a failure of historic magnitude and should be done away with," he said.

Instead, Lautenbaugh said, the state's current campaign finance system has fostered the growth of independent expenditure groups that influence campaigns anonymously.

The CFLA limits contribution amounts that candidates can accept from nonindividual donors, Lautenbaugh said, but independent expenditure groups face virtually no limits. He said such groups often sponsor negative mailings about candidates who do not have the campaign resources to defend themselves.

"The public has a right to know who is saying what," Lautenbaugh said. "We should stop limiting our ability to respond."

He added that eliminating the CFLA likely would result in more money being donated to campaigns rather than anonymous independent expenditure groups, resulting in greater transparency.

Jack Gould of Common Cause Nebraska testified against the bill, saying it would "open the flood gates" to the influence of independent committee money on campaigns. Gould said his organization would like to see greater



Sen. Scott Lautenbaugh

disclosure requirements regarding who finances independent expenditure groups, but said eliminating the CFLA is not the answer.

LB142 also would require disclosure of campaign expenditures and contributions over \$50. The current requirement is \$250.

Testifying in a neutral capacity, Secretary of State John Gale said lowering the minimum dollar amount likely would not add value to the state's disclosure requirements. The disclosure requirement is meant to provide transparency regarding substantial donations, he said.

"Fifty dollars isn't a significant influence on a candidate," Gale said.

The bill also would require daily electronic filing of contributions and expenditures starting voluntarily in 2012 and becoming mandatory by 2014.

Frank Daley, executive director of the Accountability and Disclosure Commission, testified in a neutral capacity on the portion of the bill affecting filing requirements.

While in favor of increased online filing, Daley said complying with the bill's provisions would require a one-time cost of approximately \$315,000 and \$10,000 per year to maintain a new system.

The committee took no immediate action on the bill.

Bill seeking to protect public utilities advances

Senators gave first-round approval March 15 to a bill intended to protect sensitive public utility information.

Sen. Kate Sullivan of Cedar Rapids said she introduced LB230 to protect utilities and citizens from individuals who could use infrastructure information to commit terrorist acts or

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otherwise harm the public. Currently, Nebraska public power entities must comply with the state's public records act, Sullivan said, resulting in sensitive information being vulnerable to misuse.

"In Nebraska, the majority of critical infrastructure facilities are publicly owned and operated," she said.

A Government, Military and Veterans Affairs Committee amendment, adopted 40-0, clarified that public utility infrastructure specifications or design drawings may be withheld from the public unless otherwise provided by state or federal law if such disclosure would create a substantial likelihood of endangering public safety or property.

Bellevue Sen. Scott Price said the bill is necessary due to the danger of allowing access to infrastructure information without the ability to trace where the requests come from or for what purpose they may be used.

The bill also would allow a public utility to withhold personally identified private citizen account and customer use information.

LB230 advanced from general file on a 42-0 vote.

Health & Human Services

Elimination of state benefits for noncitizens advances

Senators gave first-round approval March 16 to a bill that would eliminate



Sen. Kate Sullivan

state benefits for some noncitizen permanent residents.

LB465, introduced by Lincoln Sen. Kathy Campbell at the request of the governor, would eliminate state-only benefits for certain noncitizen permanent residents who are in the United States legally but do not qualify for benefits under federal guidelines. Current federal guidelines require permanent residents to be in the U.S. for five years to qualify for benefits, but states can choose to provide benefits without using federal funds.

Currently, lawful noncitizens who meet income and other requirements are eligible to participate in Nebraska's state-option Medicaid program, Supplemental Nutrition Assistance Program, Temporary Aid to Needy Families and aid to the aged, blind and disabled regardless of when they entered the country.

Campbell said LB465 would bring Nebraska law in line with federal law and that exceptions for children and pregnant women would lessen the impact on the approximately 1,100 individuals currently receiving benefits under the state's program. She said the bill is projected to save the state \$3.9 million annually.

"We all know the options we are facing in the budget," Campbell said. "Many of them are not good."

Malcolm Sen. Ken Haar expressed concern that Nebraska cities and counties would be called upon to fill the gaps created by elimination of state-only benefits. The need for assistance will not disappear when the

benefits stop, he said.

LB465 advanced on a 31-2 vote.

Medicaid cost containment bill advanced

Lawmakers gave first-round approval March 16 to a bill designed to encourage the fiscal integrity of Nebraska's Medicaid program.

Introduced by the Health and Human Services Committee, LB541 would require the state Department of Health and Human Services to contract with one or more recovery audit contractors for the following services:

- provider claim review and overpayment recovery;
- cost avoidance through identifying third-party liability;
- cost recovery of third-party liability through postpayment reimbursement; and
- identification and recovery of claims that were the result of accident or neglect and payable to a casualty insurer.

The bill also would require HHS to contract for a health insurance premium assistance payment program and would allow the department to enter into any other contract that would promote the integrity of the state's Medicaid program. All contracts would be entered into on a contingent fee basis.

Lincoln Sen. Kathy Campbell, chairperson of the committee, said 40 states use specialized contractors to help contain Medicaid costs and ensure that funds are well spent. She said LB541 would build on current HHS efforts to recover overpayments.

"The committee feels strongly that we need to make a statement of how



Sen. Kathy Campbell

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important it is to contain Medicaid costs,” Campbell said.

Sen. Danielle Conrad of Lincoln expressed concern about placing an additional bureaucratic burden on Medicaid providers but supported the bill’s intent.

Campbell acknowledged that the bill would require more time and paperwork from providers but said it is projected to save the state at least \$4 million annually.

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

Judiciary

Advanced bill would end temporary insanity from intoxication defense

Senators advanced a bill March 15 that would eliminate the defense of temporary insanity when a defendant committed crimes while voluntarily under the influence of drugs or alcohol.

Under LB100, introduced by Lincoln Sen. Colby Coash, a defendant charged with committing a crime while intoxicated could no longer use intoxication as a defense, unless he or she can prove they did not know that the substance was a toxicant when they used it.

Coash referred to a 2006 Lincoln case in which Shane Tilley fatally stabbed a friend, Andy Lubben, after intentionally overdosing on cold medication. Tilley was found not guilty by reason of insanity.

A person who makes a conscious

choice to drink or get high should be held responsible for their actions, Coash said.

A Judiciary Committee amendment, adopted 37-2, made the bill apply only to temporary conditions.

Ashford said the amendment would ensure the bill would not pertain to mental conditions resulting from years of chronic drug abuse. In order to meet constitutional requirements, he said, the bill cannot exclude insanity as a defense.

Lincoln Sen. Amanda McGill spoke in support of the bill.

“Injustice was done in this case,” McGill said of the Tilley case. “I hope this bill will prevent other families from going through the things this family has had to go through.”

Sen. Brenda Council of Omaha opposed the bill and said taking away individuals’ rights is problematic.

“It was a bad decision that Shane Tilley was found not guilty by reason of insanity,” Council said. “But I am troubled by the fact that we are going to make a new law based upon a bad decision.”

“If we want to correct juries every time [they] make improper decisions ... we will be going back and trying to rewrite every criminal code in the State of Nebraska,” she said.

The bill advanced from general file on a 40-2 vote.

Bills would add residency and name change restrictions for sexual predators

The Judiciary Committee heard testimony March 16 on two bills that would change provisions related to registered sex offenders.

Under LB508, introduced by Hoskins Sen. Dave Bloomfield, a political subdivision could restrict sexual predators from living within 500 feet of a park that covers at least 2,500 square feet.



Sen. Dave Bloomfield

Currently, sexual predators are prohibited from living within 500 feet of a school or daycare.

The ordinance would not apply to a sexual predator who has established his or her residence before the effective date of the bill, if a park is established near a predator after the effective date of the bill or to a predator who resides in a correctional or treatment facility near a park.

“We must do something to restrict people who have harmed children in the past from living near where children play,” Bloomfield said.

South Sioux City Police Chief Scot Ford testified in support of the bill. Because sexual predators have committed crimes against minors, he said, they should be prevented from living near parks in the interest of child safety.

“Sexual predators – as opposed to sexual offenders – are in an entirely different class and are part of a classification that deals with a stronger likelihood to reoffend,” Ford said. “We feel that it is imperative to do everything we can do to keep our children safe.”

Brian Kitt, a registered sex offender in Douglas County, testified in opposition to the bill, saying it would not stop sexual predators from preying on children. Molesting children is already a felony, he said, so a residency restriction would not prohibit a sexual predator who is already willing to com-



Sen. Colby Coash

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mit a felony.

A second bill, LB671, was introduced by Norfolk Sen. Mike Flood and would prohibit a registered sex offender from changing his or her name.

Flood said the state patrol currently must determine if a person seeking a name change is a registered sex offender and must notify the county sheriff of the offender's residency. This bill would eliminate that process, he said.

Furthermore, Flood said, concerns have been expressed in Norfolk about the significant number of name change requests made in recent months by sex offenders.

Kitt testified in opposition to the bill, saying too many restrictions are placed on sex offenders, making it difficult for them to know whether they are violating a law.

There was no proponent testimony given to LB671 and the committee took no immediate action on either bill.

Inmates could be required to pay incarceration costs

The Judiciary Committee heard testimony March 16 on a bill that would permit a city correctional facility, county or the state to seek reimbursement of an inmate's incarceration costs.

LB609, introduced by Omaha Sen. Pete Pirsch, would require an inmate to disclose his or her assets on a form developed by the state Department of Corrections and evaluated by a prosecuting attorney.



Sen. Pete Pirsch

Under the bill, an inmate would

be required to pay some incarceration costs if he or she has assets that would cover the lesser of 10 percent of the total cost, or 10 percent of the cost of two years' incarceration. The amount of reimbursement could not exceed \$35 per day or 90 percent of the inmate's total assets. The court also would consider an inmate's legal obligations to a spouse, children or other dependents.

Failure to pay could affect an inmate's eligibility for parole. An inmate without sufficient funds would not be required to pay for his or her incarceration costs.

Pirsch said the elimination of state aid to counties that accrue costs for incarceration is becoming a problem. The goal of the bill is to provide counties with a mechanism that could offset their pending losses, he said.

Sean Kelley of the Douglas County Board of Commissioners testified in support of the bill, saying it could provide revenue for a department costing \$44 million annually to operate.

"We are constantly looking for ways to help alleviate the financial stress of [our] department," Kelley said.

Jeff Lux, deputy county attorney for Douglas County, testified in opposition to the bill, saying it could be expensive and unconstitutional.

Approximately 2,200 people enter correctional facilities monthly, Lux said, so smaller county attorneys' offices may not have the necessary resources to determine inmates' assets. Furthermore, he said, punishing inmates twice by requiring them to pay for their incarceration costs could be considered double jeopardy.

Greg London of the Nebraska Sheriffs' Association also testified in

opposition to the bill. A significant number of inmates have no assets, he said, so the bill would not generate a large amount of revenue.

The committee took no immediate action on the bill.

Statute of limitations for child sexual assault victims could increase

The Judiciary Committee heard testimony March 17 on a bill that would increase the statute of limitations for victims who were sexually assaulted as children.

LB612, introduced by Omaha Sen. Pete Pirsch, would increase the statute of limitations to 12 years for children who were victims of sexual or attempted sexual assault. The current statute of limitations is four years or when the victim reaches 21 years of age.

Children often are singled out as victims because they are the most vulnerable, Pirsch said, and they may not seek immediate help due to feelings of shame, embarrassment or fear. This bill recognizes these unique circumstances, he said, and would give victims a more reasonable amount of time to take action against their perpetrator.

Jack Hosking testified in support of the bill and said the current law does not recognize the emotional control that a perpetrator could have over his or her victim. A child may not realize the long-lasting psychological effects they could suffer until later in life, he said, and by then it is too late to take action.

No opponent testimony was given and the committee took no immediate action on the bill.

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Redistricting

Redistricting resolution considered

The Redistricting Committee heard testimony March 16 on a resolution that would guide the Legislature's 2011 redistricting efforts.

LR102, introduced by the committee, would establish criteria to guide the Legislature in drawing district boundaries for the U.S. House of Representatives, Legislature, Nebraska Supreme Court, University of Nebraska Board of Regents, Public Service Commission and state Board of Education. District boundaries must be redrawn every 10 years to reflect population changes throughout the state.

Sen. Chris Langemeier of Schuyler, chairperson of the committee, said the criteria would ensure that redistricting plans meet legal parameters and are constitutionally acceptable.

Among other provisions, the guidelines would require that the Legislature:

- use population data and geographical information from the 2010 U.S. Census;
- not dilute the strength of any minority population;
- create districts that are substantially equal in population;
- not favor a political party or consider the political affiliation of registered voters; and
- follow county lines whenever practicable and follow traditional districting principles of compactness and contiguity.

Under the resolution, congressional districts would be drawn with an overall population range of deviation

of no more than 1 percent, with a goal of zero deviation. The remaining districts would be drawn with an overall range of deviation of no more than 10 percent.

Langemeier said the goal is districts that are as equal in population as possible, but that the Legislature may consider legitimate state objectives if deviation is necessary.

"Population equality - known as one person, one vote - is the most fundamental requirement," he said.

Bob Twiss testified in opposition, saying some of the legislative districts in Sarpy County that were drawn following the last census do not follow traditional districting principles.

"Those districts are not compact and contiguous," he said. "Some of them don't even touch each other."

The committee took no immediate action on the resolution.

Revenue

Civic center funds could help community centers, historic buildings, libraries

The Local Civic, Cultural and Convention Center Financing Fund would be amended to explicitly include community center, library and historic building renovations and expansions under a bill advanced from general file March 14.

The fund is supported by a turn-back of 30 percent of new state sales tax generated by arenas constructed under the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act and retailers near the

arenas. Grants from the fund are awarded to communities based on the project's readiness, financial support and likelihood of attracting new activity to Nebraska.

LB297, introduced by Fullerton Sen. Annette Dubas, would rename the fund as the Civic and Community Center Financing Fund and change the purpose of the fund from supporting projects that attract new civic, cultural and convention activity from outside of Nebraska to supporting projects that foster maintenance or growth of communities.

The bill also would reduce the cash match required from local funds from 80 percent to 50 percent. In addition, current language prohibiting the use of fund assistance for planning would be eliminated and planning would be made a criterion for project selection.

Dubas said the fund has provided approximately \$3 million to Nebraska communities to fund civic centers, community centers and rehabilitation of historical buildings. LB297 would clarify project eligibility to increase use of the fund, she said.

"Programs such as these are going to be more critical for municipalities to meet their needs," Dubas said.

Cedar Rapids Sen. Kate Sullivan spoke in support of LB297, saying renovations or expansions of community centers help small communities by attracting businesses.

Speaker Mike Flood of Norfolk offered an amendment to add libraries to the definition of civic centers. Libraries already are included in state



Sen. Annette Dubas

ISSUES UPFRONT

Department of Economic Development regulations for the fund, he said, adding that Tobias and Tekamah have received grants for library projects.

Flood's amendment was adopted 29-0 and LB297 advanced from general file 36-0.

Bill terminating Energy Conservation Improvement Fund advances

Revenues from designated sales tax revenues deposited to the Energy Conservation Improvement Fund would transfer to the general fund under a bill advanced from general file March 17.

The fund supports the Low-Income Home Energy Conservation Act, which offers grants to public and nonprofit electric utilities providing matching funds to complete energy conservation improvements for Nebraska homeowners whose income is at or below 150 percent of the federal poverty level. The fund receives revenues from up to 5 percent of state sales taxes collected on electric bills of participating utilities.

LB385, introduced by Hastings Sen. Dennis Utter at the request of the governor, would terminate the fund on June 30, 2012.

Utter said the fund has been underutilized and the conservation program duplicates other energy efficiency programs that receive federal funding, such as the Low Income Home Energy Assistance Program and the Low Income Weatherization Assistance Program.



Sen. Dennis Utter

LB385 could result in a savings of \$4.6 million to the general fund, he said, adding that the fund could be resurrected if needed.

"There are other programs out there that will provide weatherization programs for low-income residents in the state of Nebraska," Utter said. "I don't think state government needs a pile of unused programs in storage."

Omaha Sen. Heath Mello spoke in opposition to the bill, saying the program was just created in 2008 and will become more important when federal funds for energy efficiency programs expire or diminish.

Further, he said, the Low-Income Home Energy Conservation Act grants fund larger energy efficiency projects such as heat pumps, while alternative programs presented by Utter focus more on smaller projects such as caulking, weather stripping and insulating.

Mello offered an amendment that he later withdrew to cap the sales tax revenue deposited to the fund at the amount established by the Legislature's Appropriations Committee as part of the state budget. He also offered and withdrew a motion to bracket the bill.

LB385 advanced from general file 29-0.

Tax exemption proposed for some college events

Admissions for events sponsored by college student organizations would be exempt from state sales tax under a bill heard by the Revenue Committee March 16.

LB603, introduced by Lincoln Sen. Danielle Conrad, would exempt

from sales tax fees charged by a student organization at any public or private college for approved events.



Sen. Danielle Conrad

Conrad said events sponsored by K-12 student organizations are not subject to sales taxes. LB603 would make sales tax applicability consistent among all student organizations, she said.

The University of Nebraska — Lincoln has the greatest number of student organizations in the state, Conrad said, and sales tax collected from events sponsored by its student organizations totaled only \$4,106 in 2009 and \$2,900 in 2010.

Micah Wullschleger, representing the Association of Students of the University of Nebraska, testified in support of the bill. Wullschleger said Amnesty International UNL was notified by the state Department of Revenue that admission fees it charged for a dance party held to raise funds for the Haitian relief effort were subject to sales tax.

"A tax like this discourages those of us who are trying to change the world for the better," Wullschleger said.

No one testified in opposition to LB603 and the committee took no immediate action on the bill.

Urban Affairs

Bill would establish new minimum energy standard

Lawmakers gave first-round approval March 17 to a bill that would adopt

ISSUES UPFRONT

a new minimum energy standard for the state.

LB329, introduced by Omaha Sen. Tanya Cook, would adopt the 2009 International Energy Conservation Code (IECC) as the Nebraska Energy Code. The bill also would update language regarding existing structures



Sen. Tanya Cook

and historic buildings to conform to the 2009 code and would provide for IECC training for builders and inspectors.

Cook said she introduced the bill on behalf of the Nebraska Energy Office because the state is required to make a reasonable effort to update its energy code as a condition of receiving \$31 million in federal American Recovery and Reinvestment Act funds.

An Urban Affairs Committee

amendment, adopted 32-0, removed a section of the bill that would have required a city, county or village to receive written approval from the State Energy Office prior to proceeding with enforcement of an ordinance, resolution or code that waived a specific requirement of the Nebraska Energy Code if meeting the requirement was not economically justified.

LB329 advanced to select file 32-0. ■

PRIORITY BILLS

Priority bills generally are scheduled for debate ahead of other bills. Each senator may select one priority bill, and each committee may select two priority bills. The Speaker may select up to 25 priority bills per session.

Senator priority bills

Priority	Bill	Introducer	One-line description
Adams	LB235	Adams	Change provisions relating to state aid to schools
Ashford	LB357	Ashford	Authorize an increase in local option sales and use tax
Avery	LB606	Avery	Require reporting of electioneering communication under the Nebraska Political Accountability and Disclosure Act
Bloomfield	LB521	Fulton	Provide how certain drugs used to induce an abortion shall be administered
Brasch	LB690	Brasch	Change consent and parental notification provisions regarding abortion
Campbell	LB600	Campbell	Adopt the Nursing Facility Quality Assurance Assessment Act
Carlson	LB698	Christensen	Eliminate labeling requirements for alcohol-blended fuel
Christensen	LB648	Christensen	Change provisions relating to notice for foster care reviews and hearings
Coash	LB100	Coash	Change provisions relating to the criminal responsibility of intoxicated persons and the insanity defense
Conrad	LB345	Conrad	Adopt the Economic Gardening Technical Assistance Act
Cook	LB152	Lathrop	Change applicability of a medical fee schedule under the Nebraska Workers' Compensation Act
Cornett	LB642	Cornett	Authorize the Department of Revenue to enter into contracts for products and services
Council	LB204	Council	Require blood-lead testing prior to enrollment in school
Dubas	LB297	Dubas	Change the Local, Civic, Cultural, and Convention Center Act
Fischer	LB84	Fischer	Adopt the Build Nebraska Act and authorize bonds for the highway system
Flood	LB670	Flood	Authorize court-ordered conditions for dispositions under the Nebraska Juvenile Code
Fulton	LB564	Fulton	Change and eliminate provisions of the Industrial Relations Act and the State Employees Collective Bargaining Act
Gloor	LB546	Gloor	Change provisions relating to the state building code and local building or construction codes

PRIORITY BILLS

Priority	Bill	Introducer	One-line description
Haar	LB283	Haar	Provide school boards with tax levy and bond authority relating to energy efficiency projects
Hadley	LB431	Hadley	Adopt the Health Care Quality Improvement Act
Hansen	LB181	Hansen	Establish a surcharge under the Livestock Brand Act
Harms	LB35	Harms	Change provisions relating to oversize vehicle permits
Harr	LB387	Hadley	Adopt the Business Innovation Act and eliminate economic development programs
Heidemann	LB386	Heidemann	Provide job training grants for interns
Howard	LB237	Howard	Provide for creation of a prescription drug monitoring program
Janssen	LB279	Karpisek	Change provisions regarding an interest in licensed wholesalers under the Nebraska Liquor Control Act
Karpisek	LB490	Karpisek	Change restrictions on keno
Krist	LB284	Krist	Change provisions relating to unlawful picketing of a funeral
Langemeier	LB549	Council	Create Nebraska Youth Conservation Program and provide duties for the Game and Parks Commission
Larson	LB229	Fischer	Transfer funds from the Nebraska Environmental Trust Fund to the Water Resources Cash Fund
Lathrop	LB479	Lathrop	Authorize a minor to give consent to evidence collection and examination and treatment in cases of sexual assault
Lautenbaugh	LB142	Lautenbaugh	Change campaign statement and report filing provisions and repeal the Campaign Finance Limitation Act
Louden	LB106	Schilz	Authorize a county sales tax for capital improvements for public safety services and transportation infrastructure
McCoy	LB22	McCoy	Adopt the Mandate Opt-Out and Insurance Coverage Clarification Act
McGill	LB524	McGill	Authorize credit unions to conduct savings promotion raffles
Mello	LB682	Mello	Adopt the Major Gas, Water, and Sewer Infrastructure Improvement and Replacement Assistance Act
Nelson	LB664	Nelson	Repeal the Industrial Relations Act and the State Employees Collective Bargaining Act and prohibit public collective bargaining and work stoppage
Nordquist	LB558	Nordquist	Change provisions relating to focus schools, focus programs, and magnet schools
Pahls	LB544	Pahls	Change provisions relating to civics education for students
Pankonin	LB421	Pankonin	Change fees and display requirements for motor vehicle park entry permits
Pirsch	LB675	Pirsch	Provide and change penalties and enforcement relating to driving under the influence and the duty to stop at motor vehicle accidents and create an offense relating to certain controlled substances
Price	LB575	Price	Adopt the Military Children Educational Opportunity Act
Schilz	LB389	Cornett	Adopt the Angel Investment Tax Credit Act
Schumacher	LB230	Sullivan	Change access to public records
Smith	LB252	Cornett	Exempt admissions to indoor tanning services from sales and use taxes
Sullivan	LB629	Sullivan	Adopt the Hazardous Liquid Pipeline Reclamation and Recovery Act
Utter	LB482	Utter	Change provisions governing industrial disputes involving municipal corporations under the Industrial Relations Act
Wallman	LB667	Flood	Change provisions governing motor vehicle homicide, alcohol violations involving minors, driving under the influence of alcohol or drugs, bail, ignition interlock devices, and administrative license revocation
Wightman	LB388	Wightman	Adopt the Site and Building Development Act and change provisions relating to the Affordable Housing Trust Fund

PRIORITY BILLS

Committee priority bills

Priority	Bill	Introducer	One-line description
Agriculture	LB305	Larson	Implement a state meat and poultry inspection program
Agriculture	LB200	Council	Adopt the Nebraska Healthy Food Financing Initiative Act
Appropriations	LB464	Campbell	Change child care reimbursement
Banking, Commerce & Insurance	LB90	Harr	Change provisions relating to secured transactions under Article 9 of the Uniform Commercial Code
Banking, Commerce & Insurance	LB70	Pahls	Change the Surplus Lines Insurance Act
Business & Labor	LB151	Lathrop	Change location, hearing, and document provisions of the Nebraska Workers' Compensation Court
Business & Labor	LB397	Lathrop	Redefine a term in the Industrial Relations Act
Education	LB637	Adams	Adopt the Postsecondary Institution Act and change provisions relating to the Coordinating Commission for Postsecondary Education
Education	LB333	Education	Change allocation provisions relating to the Education Innovation Fund
Exec. Board	LB576	Wightman	Create the Nebraska Statutes Cash Fund
General Affairs	LB407	Karpisek	Provide for mail and electronic delivery of certain notices under the Nebraska Liquor Control Act
General Affairs	LB286	Krist	Change provisions relating to a direct sales shipping license fee under the Nebraska Liquor Control Act
Government, Military & Veterans Affairs	LB176	Avery	Authorize the Nebraska Accountability and Disclosure Commission to order violators to pay hearing costs
Government, Military & Veterans Affairs	LB499	Price	Change provisions relating to filing for office, registering to vote, and voting under the Election Act
Health & Human Services	LB177	Campbell	Change foster care provisions
Health & Human Services	LB95	Howard	Require accreditation for lead agencies contracting with the Department of Health and Human Services
Judiciary	LB463	Ashford	Change juvenile penalty, records, service plan, probation sanctions, and truancy provisions
Judiciary	LB251	Council	Change court fees
Legislative Performance Audit	LB617	Mello	Create the Administrative Rules Review Committee of the Legislature
Natural Resources	LR40CA	Pirsch	Constitutional amendment to declare fishing, trapping, and hunting to be rights forever preserved subject to reasonable restrictions
Natural Resources	LB595	Carlson	Adopt the Water Resources Revolving Loan Fund Act and change provisions regarding certain revenue
Retirement	LB382	Nordquist	Change deposit and contribution rates for certain retirement systems
Retirement	LB509	Retirement	Change provisions relating to retirement
Revenue	LB384	Cornett	Eliminate a commissioner of the Tax Equalization and Review Commission and authorize single commissioner hearings
Revenue	LB383	Cornett	Eliminate state aid for municipalities, counties, and natural resources districts
Transportation & Telecommunications	LB112	Coash	Provide an exemption from motor carrier regulations for comprehensive services transport
Transportation & Telecommunications	LB477	Fischer	Change regulation provisions under the Motor Vehicle Industry Regulation Act
Urban Affairs	LB329	Cook	Update the International Energy Conservation Code and change Nebraska Energy Code provisions
Urban Affairs	LB54	Mello	Change provisions relating to the Community Development Law

PRIORITY BILLS

Speaker priority bills

Bill	Introducer	One-line description
LB137	Lautenbaugh	Change provisions relating to postconviction relief
LB156	Utter	Change air pollution emission fee provisions
LB226	Gloor	Create the offense of assault with a bodily fluid against a public safety officer
LB289	Mello	Authorize the operation on public highways of low-speed vehicles as prescribed
LB316	Heidemann	Change provisions relating to the practice of optometry
LB337	Fulton	Change timeframes for audits by the Auditor of Public Accounts
LB360	Cornett	Change provisions governing wind energy tax credits and property taxation
LB385	Utter	Terminate provisions of the Low-Income Home Energy Conservation Act
LB390	Ashford	Change provisions relating to jails and corrections and create the Community Corrections Division of the Nebraska Commission on Law Enforcement and Criminal Justice
LB400	Janssen	Eliminate the Long-Term Care Savings Plan Act
LB404	Pirsch	Change reporting provisions relating to the Department of Economic Development
LB449	Nelson	Change the Election Act
LB465	Campbell	Eliminate provisions relating to eligibility of non-United-States citizens for public assistance
LB468	Campbell	Change reporting provisions relating to the medical assistance program
LB500	Cook	Change penalties relating to unlawful obstruction or interference of the view of an operator of a motor vehicle
LB512	Christensen	Change provisions relating to mental health determinations regarding the possession and purchase of handguns
LB535	Utter	Require a license to sell portable electronics insurance
LB541	Health & Human Services Committee	Provide for third-party contracts to promote medicaid integrity and cost containment
LB589	Smith	Allow for encroachments on state highways for special events as prescribed
LB590	Gloor	Change provisions relating to cigarette taxation
LB628	Cook	Authorize certain political subdivisions to donate certain motor vehicles to charitable organizations
LB665	Pirsch	Change provisions relating to criminal child enticement
LB669	Flood	Change provisions relating to sealing of juvenile court records
LB673	Flood	Change support liens and provide for military parents and children in cases of divorce
LB684	Schilz	Change provisions relating to an advisory committee for travel and tourism

COMMITTEE HEARINGS

Tuesday, March 22

Education

Room 1525 - 8:00 a.m.

Progress Report on Attainment of Higher Education Priorities - Coordinating Commission for Postsecondary Education pursuant to §85-1429

Wednesday, March 23

Education

Room 1525 - 8:30 a.m.

Appointment: Seline, Steve - Educational Telecommunications Commission
Appointment: Engles, Robert - Board of Trustees of the Nebr. State Colleges
Appointment: Baack, Dennis - Educational Telecommunications Commission

Natural Resources

Room 1525 - 1:00 p.m.

Appointment: Clouse, Stan - Natural Resources Commission

Thursday, March 24

Health & Human Services

Room 1510 - 1:00 p.m.

Appointment: Kralik, Shawn - Rural Health Advisory Commission
Appointment: Stuberg, Wayne - State Board of Health
Appointment: Wills, Daryl - State Board of Health

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