

THE NEBRASKA LEGISLATURE'S
WEEKLY PUBLICATION

UPDATE

Learning community revisions passed

After sorting through a long list of amendments, lawmakers advanced the metro area schools bill to final reading May 21, and then voted 33-14 to pass the bill May 24.

In 2006, the Legislature passed LB 1024, which resulted in a learning community comprised of the school districts in Douglas and Sarpy counties. Among the many provisions of LB 1024, the law allowed for the creation of learning communities, required schools in a learning community to have a common property tax levy and resulted in the reorganization of the Omaha Public School District into separate districts with at least two high

schools effective July 1, 2008.

Efforts to find alternative solutions have con-

tinued since the passage of LB 1024 last year as implementation of the law was put on hold by a court

injunction.

LB 641, sponsored by Lincoln Sen. Ron Raikes, was developed this session

to replace LB 1024 and to address issues related to school funding, boundaries and student achievement in the Omaha metropolitan area.

During general file debate, LB 641 was re-written by an amendment

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Lincoln Sen. Ron Raikes speaks about LB 641 regarding metro area schools.

Lawmakers let governor's budget vetoes stand

Several attempts by lawmakers to override Gov. David Heineman's budget vetoes fell short May 23.

Heineman sent back \$23.6 million in vetoes of general fund appropriations for the next two years. The governor also reduced the appropriation from the state Department of Roads Highway Cash Fund by \$19 million. Override attempts were focused on funding

for increases in state court staff salary and Health and Human Services provider rates. Other override attempts centered on restoring funding for prostitution diversion, aging and special education services and area health education centers that the governor had vetoed in the budget.

Tekamah Sen. Kent Rogert moved to override several of the governor's

vetoes. Rogert's motion included restoring funding for state Supreme Court staff salary increases, provider rate increases and the creation of a prostitution diversion court. The funding in this motion totaled \$4.5 million.

Rogert's motion failed on a 20-26 vote. Thirty votes are needed to override a veto. Later in the debate, each of the three

vetoes within Rogert's motion were considered separately but remained unsuccessful.

The governor reduced Supreme Court staff salary increases from 7 percent to 4.5 percent, resulting in a general fund appropriation reduction of \$1.47 million.

Grand Island Sen. Ray Aguilar made a separate motion to override the

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Agriculture

Bill authorizes committee to study corporate farming

Senators passed a bill May 22 relating to the state's corporate farming policy.

Nebraska's corporate farming law, known as Initiative 300, was ruled unconstitutional by the courts. **LB 516** was introduced in response to the court's ruling.

LB 516 authorizes the Agriculture Committee and the attorney general's office to contract with various experts in order to study options and create a plan regarding corporate farming in Nebraska.

LB 516 passed on a 45-0 vote.

Appropriations

Bill to create behavioral health task force passes

Senators passed a measure May 22 relating to children's behavioral health.

LB 542, introduced by Omaha Sen. John Synowiecki, creates the Children's Behavioral Health Task Force and sets evaluation and treatment procedures for the behavioral health centers in Kearney and Geneva.

LB 542 requires youth development centers to evaluate



Sen. John Synowiecki



each patient and develop individualized plans of treatment that may or may not include a referral to the Hastings Regional Center.

The bill also creates a task force to study children's behavioral health policy in the state. The task force will include, among others, the chairpersons of the Health and Human Services and Appropriations committees, a member of the Behavioral Health Oversight Commission, consumers of behavioral health services, a juvenile court judge and representatives from the state Department of Health and Human Services. The task force will prepare a report and recommendations for a statewide behavioral health plan and present it to the Legislature by Dec. 4.

LB 542 passed on a 46-0 vote.

Banking, Commerce and Insurance

Operational assistance for businesses approved

Lawmakers gave final legislative approval May 24 to a bill that continues funding for a venture capital economic development

program.

LB 425, introduced by Louisville Sen. Dave Pankonin, reestablishes a program within the state Department of Economic Development intended to provide operational assistance to potential high-growth businesses in an effort to attract private venture capital equity financing. The program will receive \$250,000 in each of the next two fiscal years.

LB 425 was passed by a 48-0 vote.



Sen. Dave Pankonin

Education

School breakfast reimbursements passed

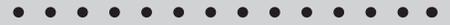
A bill dealing with reimbursements to schools for school breakfasts served to students passed May 24.

Introduced by Lincoln Sen. Amanda McGill, **LB 73** will provide full reimbursement for school



Sen. Amanda McGill

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breakfasts based on the use of the program during the school year two years prior.

Lawmakers voted 48-0 to pass the bill.

Special education services task force passes

Senators passed a bill May 24 that will create a task force to review the manner in which special education services are provided and financed in Nebraska.

The task force, created by Omaha Sen. Mike Friend's **LB 316**, will make recommendations for legislative and policy changes by the end of 2007. Led by the chairperson of the Legislature's Education Committee, the task force will examine:

- existing federal and state laws;
- special education services in other states;
- application of the "least-restrictive-environment" doctrine;
- the availability of services across the state;
- the use of private providers by public school districts;
- the use of private providers by private citizens; and
- the provision of services for wards of the state or wards of the court.

The task force will be authorized to hold one or more public hearings to obtain input. The Legislature's Education Committee, the fiscal analyst's office and the state Department of Education will provide staff support.

The 15 members will include:

- the chairperson and one

other member of the Education Committee;

- one member of the Legislature who is not a member of the Education Committee;
- one parent who has a child receiving special education services in a private setting;
- two parents who have children receiving special education services in a school district;
- two educational service unit special education teachers;
- one public school special education teacher;
- one public school or ESU special education director;
- one private school principal or director;
- one school board member;
- one representative of the state Department of Education who has expertise in special education;
- one representative of the state Department of Health and Human Services who has expertise in the placement of state wards; and
- one representative of a private provider of special education services.

Members will be appointed by the governor, except the senators, who will be appointed by the Legislature's Executive Board.

LB 316 passed 48-0.

Community college aid formula to be revised

Lawmakers gave final legislative approval May 24 to a measure that changes the way community colleges are funded.

LB 342, introduced by Lincoln Sen. Ron Raikes, establishes

a state aid funding formula for community colleges based on concepts similar to those used in the formula for state aid to K-12 schools.

Community colleges are funded through a combination of state aid, property tax revenues, tuition and other receipts.

The new formula attempts to equalize funding for community colleges statewide. The formula is based on the idea that a community college area's needs minus its resources will result in the amount of state aid it receives.

The bill establishes the manner in which a community college area's formula needs are calculated, taking into account foundation need, reimbursable education units, adjustments based on average spending per full-time equivalent student and a revenue remainder allowance. An area's formula resources will be based on local property tax revenues, tuition receipts, foundation aid and reimbursable education unit aid.

A common local effort property tax rate is set for the purpose of determining total aid and the property tax levy limit. The levy limit is set at 15 percent above the local effort rate used in the aid formula. An area's minimum levy will be 20 percent below the local effort rate.

LB 342 also makes adjustments in state higher education scholarship programs. The mission of a state-supported scholarship program intended for minority students is changed to provide scholarships for students from diverse racial, ethnic and cultural backgrounds, rather than from specific racial groups. Also, the maximum award under a general state-supported scholarship program is increased from 25



Sen. Mike Friend



Sen. Ron Raikes

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percent to 50 percent of the tuition and mandatory fees for a full-time, resident undergraduate student.

LB 342 was passed by a 41-6 vote.

ESU funding bill passed

A bill that changes the funding formula for educational service units received final legislative approval May 24.

LB 603, sponsored by Lincoln Sen. Ron Raikes, incorporates six bills relating to the operation of ESUs.



Sen. Ron Raikes

ESUs are groups of local school districts within a geographical area that share and collaborate on various educational services, such as technology and professional development. There are currently 17 ESUs across the state. Omaha Public Schools and Lincoln Public Schools each operate their own ESU.

Last year, the committee conducted an interim study that examined various policy issues related to ESUs. LB 603 addresses the findings of that study.

LB 603 combines core services and technology infrastructure funding for ESUs beginning in fiscal year 2008-09 and provides a new equalized distribution formula. The new equalized aid formula takes into account factors such as distance education and telecommunications costs, satellite offices, sparsity, the number of students served and a base amount for each ESU.

The bill also incorporates several other bills relating to ESUs.

LB 600 requires the State

Board of Education to adjust ESU boundaries when the boundaries do not align with the boundaries of member school districts.

The boundaries will be adjusted to match member school districts as they exist on July 1 each year. The adjustments will be referred to the appropriate county and ESU officials for implementation and necessary changes to maps and tax records.

LB 600 also clarifies the use of a hearing officer to conduct a public hearing on an ESU reorganization petition.

LB 601 creates the Educational Service Unit Coordinating Council on July 1, 2008, and transfers the responsibilities, assets and liabilities of the Distance Education Council to the new coordinating council. The coordinating council will be composed of one administrator from each ESU and will be funded by 1 percent of the state aid to ESUs, appropriations for distance education and fees established for services provided to educational entities.

LB 602 requires ESU board members to be elected by district beginning in 2008.

Each ESU board is required to divide its territory into equally populated districts by Dec. 31, 2007, and after each decennial census.

Two other provisions related to distance education also are included in LB 603. Under the bill, up to \$200,000 of the School District Reorganization Fund can be used for aggregation routing equipment and network transport costs for Network Nebraska. The other provision modifies distance education financial incentives.

In addition to changing the formula, the bill provides a \$4.7 million funding increase for ESU

core services and technology infrastructure. If future budgets do not allow for an increase of that size, each ESU will receive funding over the next three years of at least 95 percent of its funding level from the previous year.

Finally, nonequalized school districts that have been receiving early childhood education grants will continue receiving that funding for the 2007-08 school year.

LB 603 was passed 42-0.

Student assessment bill advanced

Lawmakers advanced a bill to final reading May 23 that would regulate the tracking and assessment of student achievement throughout the state.

LB 653, sponsored by Lincoln Sen. Ron Raikes, would require the state Department of Education to implement a statewide system for the assessment of student learning and for reporting the performance of school districts and learning communities.

As amended, the bill directs the department to identify criteria for rating assessment instruments and contract with assessment experts to review and rate locally developed assessment instruments. These would be developed through collaboration among educational service units and approved by a majority of the ESU administrators.

The experts would identify model assessment instruments and select up to four instruments for the five subject areas of reading, math, science, social studies and history for each of the three selected grade levels based on such ratings.

The assessment and reporting plan would include all public schools and all public school students while

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providing individual students confidentiality. The state board would adopt criteria for the inclusion of students with disabilities, students entering school for the first time and students with limited English proficiency.

Currently, student assessment is accomplished using the recently-developed School-based Teacher-led Assessment and Reporting System, or STARS standards. Raikes said LB 653 was based on the results of a legislative performance audit.

The result of the study, he has said, reflected that the department had not met requirements enacted in 1999 to narrow the number of assessment instruments used to four. The department instead identified six guidelines for developing an assessment and four alternatives for meeting those six guidelines, essentially leaving teachers 24 ways to do testing, he said.

The definitions provided in LB 653 would eliminate any confusion about the required assessments to ensure a consistent system, Raikes said. The bill defines an assessment instrument as a test aligned with state and local standards.

York Sen. Greg Adams said he understands that teachers may be worried when they hear of the changes made by the bill. He speculated that were he still a classroom teacher, he, too, may have wondered "what in the heck is the Legislature doing now?"

However, he said teachers throughout the state should welcome the bill's changes.

"This allows us to keep doing what we're doing and improve upon

it," Adams said.

After adopting two technical amendments, senators advanced the bill to final reading by voice vote.

Government, Military and Veterans Affairs

Robocalling regulatory measure vetoed

A bill that would have restricted the use of robocalls in political campaigns was vetoed by the governor May 21.

A robocall is a prerecorded telephone call made using a computer or automated dialing device typically used in election campaigning and telemarketing.

LB 198, introduced by Lincoln Sen. DiAnna Schimek, would have required that robocalls

made by an automatic dialer device identify, at the beginning of the message, the person on whose behalf the message is being transmitted.

The use of robocalling would have been limited to between the hours of 8 a.m. and 9 p.m. at the location of the person receiving the message. Campaigns would have been limited to making two robocalls per residence per day. The bill would have applied to federal, state and local campaigns.

The bill also would have required robocalls to include a statement of whether the message was authorized by a particular candidate for office and, if so, the name of the candidate who authorized the message.

Ballot counting measure advanced

Lawmakers voted May 22 to advance a bill intended to allow the counting of some ballots before polls close on Election Day.

LB 646, sponsored by Omaha Sen. John E. Nelson, would allow counting boards to begin counting early ballots no earlier than 24 hours prior to the opening of the polls on Election Day.



Sen. John E. Nelson

The bill also would make other changes related to the opening and counting of early ballots.

A Government, Military and Veterans Affairs Committee amendment, adopted 31-2, would incorporate provisions of **LB 528**, a bill introduced by Sen. Ray Aguilar of Grand Island that would make technical changes to state election law.

Nelson said that since 2006, when local election officials were no longer allowed to collect ballots during Election Day, the release of initial results to the public have been slowed down and are much less reflective of the final result.

Early voting has skyrocketed, he said, and there are estimates that 25 percent of the ballots in 2008 will result from early voting.

LB 646 would allow officials to release more accurate and timely reports of results on Election Day, Nelson said.

After the adoption of a Nelson amendment, LB 646 was advanced to select file on a 37-0 vote.



Sen. Greg Adams



Sen. DiAnna Schimek

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Health and Human Services

Bill would adopt federal welfare guidelines

Lawmakers advanced a bill May 23 that would make changes to the Welfare Reform Act and the Aid to Dependent Children program.

Among other provisions, **LB 351**, introduced by Platte Center Sen. Arnie Stuthman, provides that cash assistance under the Welfare Reform Act may not exceed 60 months.



Sen. Arnie Stuthman

The bill also provides for monthly ongoing transitional payments for five months after a family becomes ineligible for ADC payments if the family income is at or below 185 percent of the federal poverty level.

The payments are intended to meet the recipient family's ongoing basic needs, including food, clothing, shelter, utilities, household goods, personal care items and general incidental expenses.

Stuthman estimated that the change would boost Nebraska's work participation by 30 percent.

Stuthman said the bill would bring Nebraska within the federal guidelines reauthorized by Congress in 2006. Nebraska must comply with the changes in the federal Temporary Assistance to Needy Families program to avoid fiscal penalties of up to \$2.9 million dollars, he said.

A committee amendment, adopted 26-0, restored postsecondary education as a recognized work activity under the Welfare Reform Act. It is considered

work activity at the state level but was not included in the federal program.

Debate focused on an amendment brought by Omaha Sen. John Synowiecki incorporating provisions of **LB 82** into the bill, which would remove the family cap in the state's ADC program.



Sen. John Synowiecki

Family cap policies exclude children from the calculation of the family's monthly cash grant if they are conceived while their mothers receive public assistance. The limitation provides that any child born into the recipient family after the first 10 months of participation in the program shall not increase the cash assistance payment.

Synowiecki said the cap was intended to limit the number of children born out of wedlock to mothers using the program. Not only has the program not had the desired result, but it is discriminating against a child based on the timing of their conception, he said.

"This is a socially unjust attempt to use funds as a behavior modification program," he said. "It maintains the presumption that poor families have children for the additional \$71 a month."

Omaha Sen. Steve Lathrop agreed that the cap should be removed. He said the program's failure proved that the state cannot stop people from having children by telling them they won't get more benefits. That's not why people have



Sen. Steve Lathrop

more children, he said.

"Poverty may be the leading cause of abortion," he said. "We encourage it when we say we will not provide for these children."

Senators adopted the amendment 39-0 and the bill advanced to select file 38-0.

Autism pilot program established

Lawmakers voted May 22 to adopt the Autism Treatment Program Act.

LB 482, introduced by Kearney Sen. Joel Johnson, creates a pilot program to provide intensive early intervention for autistic children in Nebraska.



Sen. Joel Johnson

The program is funded through a combination of private contributions and transfers from the Nebraska Health Care Cash Fund. The bill requires the state Department of Health and Human Services to apply for a Medicaid waiver or an amendment to an existing waiver for provision of autism treatment.

The program will be administered by the Center for Autism Spectrum Disorders at the University of Nebraska Medical Center.

The bill becomes operative on July 1.

LB 482 passed by a 44-1 vote.

Judiciary

Colleges, hospitals added to facilities prohibiting concealed weapons

Omaha Sen. Brad Ashford asked lawmakers May 24 to allow the consideration of an amendment to

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concealed carry handgun laws to **LB 97**, a bill originally introduced by Norfolk Sen. Mike Flood to repeal settlement escrow provisions.

The Ashford amendment would modify a law passed last year that allows



Sen. Brad Ashford

permitted individuals to carry concealed handguns in some locations. Exceptions to the law include schools, but the attorney general issued an opinion that universities and colleges are not included in the definition of schools, as was previously thought. This oversight has allowed the carrying of concealed handguns on college campuses, unless the institution posted signs to the contrary.

Lawmakers voted 26-0 to adopt the amendment that would explicitly include colleges and universities in

the list of locations prohibiting concealed guns.



Sen. Ernie Chambers

Omaha Sen. Ernie Chambers brought another amendment to add hospitals to the list.

“People who are admitted to the hospital should not have to worry about someone carrying a concealed weapon,” he said.

The law currently excludes emergency rooms and trauma centers from allowing the carrying of concealed guns. It is logical to ban concealed handguns in the buildings where these facilities are located, Chambers said.

Lawmakers adopted the Chambers amendment 32-1 and advanced the bill to final reading by voice vote.

Lawmakers pass judge salary increase

LB 377, introduced by Omaha Sen. Brad Ashford, will increase the salaries of supreme court judges and other judges by 3.5 percent.

Lawmakers voted 42-2 to pass the bill May 24.

Sexual orientation discrimination bill indefinitely postponed

Senators voted May 22 to indefinitely postpone a bill that would have prohibited employment discrimination on the basis of sexual orientation.

Under current law, employment discrimination based on race, color, religion, sex, disability, marital status or national origin is prohibited. **LB 475**, sponsored by Omaha Sen. Ernie Chambers, would have added sexual orientation to the list. Chambers said the bill would create a necessary protection against discrimination.

“The state has an obligation to do something about it,” he said.

The bill also would have changed the name of the Nebraska Fair Employment Practice Act to the Employment Nondiscrimination Act.

The bill would not have included sexual orientation in the definition of affirmative action and would not have required numerical goals, quotas or other types of affirmative action programs with respect to sexual orientation.

As amended by a Judiciary Committee amendment, adopted 25-8, religious organizations would have been excluded from the bill’s provisions.

Opponents of the bill voiced concerns about elevating sexual

orientation to the status of a protected class.

Omaha Sen. Mike Friend pointed out that other factors may cause people to be discriminated against but are not protected under law. Friend cited people with unusual physical characteristics as an example.

“If we really think we can save the world from inside this place, we’ve got another thing coming,” Friend said.

During the debate, spanning two days, Lincoln Sen. Tony Fulton cited a 1991 report from the Wall Street Journal that listed the national average annual income of homosexual households as significantly higher than those averages of other minorities. Based on that, Fulton said **LB 475** is not necessary because homosexuals are able to earn comparable incomes.

Lincoln Sen. Danielle Nantkes said the bill was a “common sense approach” to employment issues.

“We’re talking about the right to work and be judged on the merit of your performance,” Nantkes said.

Sen. Philip Erdman of Bayard made a motion to indefinitely postpone, or kill, the bill. The motion, which requires a simple



Sen. Mike Friend



Sen. Tony Fulton



Sen. Danielle Nantkes

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majority, was successful on a 24-15 vote.

Parole and probation merger study passed

A bill that authorizes a study of a proposed merger of the functions of probation and parole passed May 24.

Currently, parole functions are administered by the state Department of Corrections, in the state's executive branch, while probation is administered by the judicial branch. Voters approved a measure on the November 2006 ballot that permits the Legislature to merge the offices responsible for probation and parole.

Introduced by Omaha Sen. John Synowiecki, **LB 540** directs the Community Corrections Council to conduct a study that will:



Sen. John Synowiecki

- identify areas of overlap in services provided by probation and parole and assess the potential for coordination of services and resources;
- evaluate the optimum delivery methods for offender services and analyze whether a single system would be beneficial to the state and offenders;
- undertake a comparative analysis of other state's probation and parole administrative systems, including personnel salary and benefits, hiring standards, caseloads and training curriculum; and
- assess the service needs of juvenile probationers and the appropriate level of services that should be available to juveniles statewide.

The findings of the study will be reported to the speaker of the Legislature, the governor and the state Supreme Court by Dec. 31.

The bill passed 49-0.

Child custody mediation amended, advanced

A bill requiring mediation to help divorcing parents negotiate child custody issues advanced to final reading May 23.

LB 554, introduced by Norfolk Sen. Mike Flood, would direct parents to develop a parenting plan either on their own or through mediation. If the parents were unable to do so in a particular case, the court would create a parenting plan that is in the best interests of the child.



Sen. Mike Flood

Parents involved in custody and parenting time cases would be required to attend at least one session with a mediator. Cases involving allegations of domestic abuse or unresolved parental conflict would be referred to a specialized alternative dispute resolution process with mediators trained to deal with high-conflict cases.

Flood has called the bill the first substantive rewrite of Nebraska's parenting laws in 20 years. Among other things, LB 554 would:

- retain the "best-interests of the child" standard as the standard by which child custody and parenting time issues are resolved;
- recognize the importance of maintaining parent-child relationships while at the same time protecting victims of abuse and neglect;

- codify the court-recognized distinction between joint legal and joint physical custody arrangements;
- require parenting plans to include considerable detail as to what will happen in the life of children after a divorce; and
- require parents involved in custody and parenting time cases to attend a parenting education course.

All parties who have not submitted a parenting plan within the time ordered by the court would be required to participate in an initial individual screening session with a mediator and an initial mediation session.

LB 554 would require judges, attorneys and mediators involved in parenting cases to participate in training focused on recognizing abuse and unresolved parental conflict. Mediation centers would be required to provide services to those who can't afford them. It would raise the filing fee for a divorce by \$50 to cover the cost of the program. Those who cannot afford the fee could apply to waive it.

As amended, the operative date of the mandatory mediation law would be July 1, 2010. The bill also would make changes to child support liens and make the father of a child liable for the reasonable and necessary medical expenses associated with the pregnancy and birth of the child.

The bill includes provisions of **LB 682**, originally introduced by Lexington Sen. John Wightman, which would stop the accrual of child support payments for parents who



Sen. John Wightman

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are incarcerated. Under a Flood amendment adopted 32-0, the bill would extend only to those individuals incarcerated for one year or more and who were up to date on their child support payments. Parents who are imprisoned for failure to pay child support would continue to accrue child support due while incarcerated.

Flood said those who are sentenced for a year or less often serve in county jails, where they are eligible for work release. Those inmates who are earning income should be liable for their child support payments, he said.

Omaha Sen. John Synowiecki supported the provisions added by Flood's amendment.

"Why would we give individuals the luxury of not accruing child support during incarceration if they didn't keep up with their payments before they were incarcerated?" he asked.

The amendment was adopted 32-0. Two technical amendments were adopted and the bill advanced to final reading by voice vote.

Bill would increase penalties for providing alcohol to minors

Lawmakers advanced a bill May 23 intended to curb minors' access to alcohol.

As amended, **LB 573** provides that social hosts who allow minors to drink on their property, adults who procure alcohol for a minor and retailers who sell alcohol to a minor would be liable for injuries or other damages caused by the negligence of the intoxicated minor.

Retailers who act in good faith and rely on false identification that a reasonable and prudent person would believe is a valid ID would be

protected from liability, nor would they be held liable for damages if the minor's intoxication did not contribute to their negligent conduct.

The bill would establish a two-year statute of limitations for claims and provide that defendants in an action are jointly and severably liable.

Debate focused on an amendment by Omaha Sen. Lowen Kruse, the bill's sponsor, incorporating provisions of **LB 261** that would prohibit minors from drinking at home.

Current law allows a parent to provide alcohol to his or her own minor child at home or as part of a religious ritual or ceremony.

Kruse said prohibiting minors from drinking at home would send a message to parents and teens that minors should not be drinking. However, after hearing from senators wishing to retain parents' ability to make that decision, Kruse brought another amendment to retain that right.

Sen. Tom White of Omaha said the amendment would be difficult to enforce and would infringe on the parents' ability to decide what is best for their own children.

"Laws are not made to be messages," he said. "If you want to send a message, make a commercial."

The amendment was adopted 25-8, and the remaining technical

provisions of Kruse's previous amendment were adopted 30-0.

An amendment by Omaha Sen. Steve Lathrop, adopted 33-0, changed the language from allowing minors to drink only at home to allowing minors to drink in the company of their parents and with their permission.

Kruse said, even with the amendments, the bill would reduce the problem of minors drinking alcohol. Nebraska ranks as the top state for teen drinking, he said.

"I would dare to predict, friends, that Nebraska is about to lose its number one rating," Kruse said.

LB 573 advanced to final reading by voice vote.



Sen. Steve Lathrop



Sen. Lowen Kruse



Sen. Tom White

Natural Resources

Senators advance storm water program funding bill

Senators advanced a bill May 22 that would clarify the distribution of Storm Water Management Plan Program funding.

LB 530, sponsored by Lincoln Sen. Danielle Nantkes, would clarify that each county's share of the funding would be based on its population after the subtraction of its city applicants.

Nantkes said the distribution of the funding is currently based on a literal interpretation of the law,



Sen. Danielle Nantkes

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which results in the double counting of populations.

As an example, Nantkes said that in Douglas County both the county and the individual cities got the financial benefit of the cities' populations even though Douglas County is not responsible for clean water requirements within the cities.

Ellsworth Sen. LeRoy Loudon offered an amendment that would make the bill applicable to the entire state. The amendment was adopted 31-0.

LB 530 advanced to select file on a 32-1 vote.

Retirement Systems

State Patrol retirement adjustments pass

A measure that makes changes in the State Patrol retirement plan was passed May 24.

LB 324, introduced by Speaker Mike Flood at the request of the governor, maintains both the existing employer contribution rate of 15 percent

of pay and the current employee contribution rate of 13 percent of pay. Those contribution rates were scheduled for a reduction to 13 percent and 12 percent respectively.

The bill also establishes a deferred retirement option plan for members of the State Patrol plan. The deferred retirement option was originally offered as part of **LB 303**, a bill introduced by Omaha Sen. John Synowiecki.

LB 324 was passed by a 46-0 vote.



Sen. Mike Flood

Omnibus retirement bill passed

Lawmakers passed a bill May 24 containing several retirement proposals affecting public employees.

LB 328, introduced by the Retirement Systems Committee, provides for the immediate reenrollment of state and county employees who return to employment in the system within five years of terminating their employment. Previously, a 60-day waiting period was required before such an employee could reenroll in the plan. The bill also creates separate administrative expense funds for the various retirement plans.

LB 370, originally introduced by Bayard Sen. Philip Erdman, calls for a survey of retirement plans currently in place for law enforcement officers. A report will be issued to the Retirement Systems Committee by Oct. 1.



Sen. Philip Erdman

LB 665, originally introduced by Sen. Russ Karpisek of Wilber, gives state and county employees who participate in the defined contribution retirement plan a second opportunity to choose a cash balance benefit option. Initially, the option was given to state and county



Sen. Russ Karpisek

plan members in 2002, at which time they were required to make a permanent choice of retirement plan options. The cash balance benefit option is designed to provide a more stable rate of

return on contributions. Under the bill, employees will have from Nov. 1, 2007, to Jan. 1, 2008, to make their choice.

LB 328 was passed by a 48-0 vote.

Revenue

Long term care savings account bill passed

The Legislature gave final legislative approval May 24 to a bill that makes changes in long-term care savings accounts.

LB 304, sponsored by Papillion Sen. Tim Gay, reduces the age at which taxpayers may make tax deferred payments out of a long-term care savings account to pay the premiums of a long-term care insurance policy from 62 to 50.



Sen. Tim Gay

The bill also:

- allows qualified withdrawals at any age for long term care expenses that have been incurred; and
- allows taxpayers to have long-term care accounts for the benefit of any person for whom the owner of the account has an insurable interest.

LB 304 was passed by a 48-0 vote.

Revenue-DPAT merger approved

Lawmakers passed a bill May 22 that will merge the state Department of Property Assessment and Taxation into the state Department of Revenue.

DPAT was created in 1999 in response to concerns about the need

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for an independent agency to handle property assessment issues. Under **LB 334**, sponsored by Sen. Cap Dierks of Ewing, the position of Property Tax Administrator will be maintained as the administrative head of the Property Assessment Division within the Revenue Department. The position will continue to be separately appointed and will be responsible for:



Sen. Cap Dierks

- developing a sales file;
- determining the value of centrally assessed entities;
- issuing reports and opinions on the level of value to the Tax Equalization and Review Commission;
- producing assessment manuals;
- conducting courses for county assessors;
- setting the adjusted value for purposes of school aid; and
- serving as the assessor for the nine state-assessed counties.

The bill also contains provisions from three other bills.

LB 627, originally introduced by Dierks, defines trade fixtures as personal property, not real property, as is currently the case. Trade fixtures include machinery and equipment used directly in commercial, manufacturing or processing activities.

LB 484, originally introduced by Sen. Vickie McDonald of St. Paul, requires county treasurers collecting tax funds on behalf of fire districts and county agricultural societies to remit the tax



Sen. Vickie McDonald

proceeds to these local governments in the same manner as they now provide tax proceeds to other types of local government. Previously, fire districts applied to the county treasurer to acquire such funds through a process which required two officers of the fire district to sign a warrant requesting tax funds.

LB 519, originally introduced by Omaha Sen. Gwen Howard, requires each county assessor to conduct a systematic inspection and review of property in the county. The assessor is required to review and inspect all property in the county every six years. The purpose of the review is to establish uniform and proportionate valuations and to make sure that the property record accurately reflects the property.



Sen. Gwen Howard

LB 334 was passed 38-4.

College savings plan adjustments passed

A plan to increase the incentive for people to deposit money in college savings plans was given final legislative approval May 24.

LB 338, sponsored by Papillion Sen. Tim Gay, increases the state income tax deduction for contributions to a Nebraska educational savings plan trust account, also commonly known as a "529 plan."

A 529 plan allows people to place money in an investment account for the purpose of generating interest



Sen. Tim Gay

and providing funding for their children's future college education.

The maximum deduction for those married taxpayers filing separately is increased from \$500 to \$2,500. The maximum deduction for all other participating taxpayers is increased from \$1,000 to \$5,000. The changes are effective beginning with the 2007 tax year.

LB 338 was passed by a 46-0 vote.

Biofuel incentive bill passed

A bill that provides incentives for biodiesel fuel development and creates a capital gains exclusion was passed May 24.

Introduced by Sen. Chris Langemeier of Schuyler, **LB 343** provides an income tax credit equal to 30 percent of investment in a biodiesel fuel facility. The maximum credit allowed is \$250,000. The credit is limited to no more than half of the taxpayer's liability.



Sen. Chris Langemeier

If the investment is withdrawn, the credit can be recaptured by the state. The entire investment must be expended at the facility for the plant, equipment, research and development, marketing or working capital.

To qualify, a facility must produce a type of biodiesel fuel known as B100. All processing must take place within the state and Nebraska individuals or organizations must own at least 51 percent of the investment.

The credit is available beginning with tax year 2007 and only for

ISSUES UPFRONT



investments made prior to 2015. Eligible companies can claim the credit over a four-year period. No more than 10 percent of the credit can be claimed during the first two years, with the remainder divided between the last two years of the eligibility period. To qualify, facilities must be operating at 70 percent of their rated capacity during the first two years of eligibility.

The bill also allows individuals to exclude extraordinary dividends from their capital gains tax liability. Extraordinary dividends are those that are greater than 20 percent of the stock's value at the time the dividend is taken.

LB 343 was passed by a 46-0 vote.

Proposal addressing convention center shortfall advanced

Lawmakers advanced a proposal May 23 that would address shortfalls in funding to pay back the cost of constructing Omaha's convention center.

In 1999, lawmakers passed a bill allowing local governments that construct convention center facilities to apply to the state for a return of sales tax proceeds generated by the presence of the convention center, also known as attributable revenue.

According to Norfolk Sen. Mike Flood, the sponsor of **LB 551**, the funding program has produced less than 35 percent of the anticipated "turnback" revenue being returned to the city of Omaha and other communities that built facilities through a similarly funded program.



Sen. Mike Flood

Omaha issued general obligation bonds for the construction of the Qwest Center through the turnback program.

LB 551 would replace the present formula with a simple division of those sales tax proceeds generated by the facility. Sales taxes collected by retailers doing business at the convention center, arena or hotel facility serving the complex would be certified to the state treasurer. Sixty percent of the funding would be used to help retire Omaha's original convention center bond, 10 percent for showcasing historical aspects of areas within Omaha with high concentrations of poverty and 30 percent for use by cities other than Omaha.

When determining whether to provide state assistance, the state would consider the fiscal and economic capacity of the applicant to finance the local share of the project.

The bill also would allow similar projects in Lincoln and other communities to receive turnback funding. Communities would be prohibited from participating in both the turnback revenue program and the other portion of the funding program. The funding program would end in 2010.

Flood offered an amendment, adopted 39-0, that would restore a \$75 million limit on the amount of assistance a project could receive.

Several senators expressed concern about the inclusion of Lincoln and other communities in the funding assistance program. That provision was included as part of an amendment offered by Lincoln Sen. Bill Avery during general file debate.

Flood offered an amendment that removed Lincoln and other

communities from the program. Avery said he would reluctantly support the amendment and that he would bring the issue back before the Legislature next year. The amendment was adopted 32-1.

After Omaha Sen. Ernie Chambers expressed concern about how the funds intended for poverty areas would be distributed, Omaha Sen. Brad Ashford offered an amendment, adopted 34-0, clarifying the distribution process.

LB 551 was advanced to final reading by voice vote.

Transportation and Telecommunications

Gold Star license plates bill advanced

Senators advanced a bill May 24 that would create Gold Star specialty license plates.

LB 570, sponsored by Ellsworth Sen. LeRoy Loudon, would authorize the state Department of Motor Vehicles to create designs for the plates in consultation with the state Department of Veterans' Affairs and the Nebraska Military Department.



Sen. LeRoy Loudon

The plates would be available to applicants who are a surviving spouse, parent, grandparent, sibling or child of a person who died while serving on active military duty.

Loudon said the license plates would be a way to express appreciation to families whose loved ones are killed while on active military duty.

"This is something that needs to

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be done,” Louden said. “It’s a small thing that we can do for the people who have served from Nebraska.”

Under the bill, two types of Gold Star plates would be created. One type would be consecutively numbered and would cost \$15, with \$5 going to the DMV and \$10 going to the Nebraska Veteran Cemetery System. The other type of plate would be personalized message plates. The personalized plates would cost

\$40, with \$30 going to the department and \$10 going to the veteran cemetery system.

Omaha Sen. Ernie Chambers opposed the bill.

“A license plate should not be a billboard,” he said. “I don’t care what the issue is.”



Sen. Ernie Chambers

Chambers offered an amendment that would have taken out a provision in the bill requiring the plates’ design to honor the United States armed forces.

The amendment failed 0-35.

Chambers offered two unsuccessful motions to indefinitely postpone the bill.

After invoking cloture, or voting to cease debate, LB 570 was advanced to select file on a 47-1 vote.

STATE CAPITOL SNAPSHOT



The C-SPAN bus visited the Capitol May 22. The bus is a 45-foot, mobile multimedia demonstration center and TV production unit that brings the world of public affairs to students and communities nationwide.

A CLOSER LOOK

Learning community revisions passed

(CONTINUED FROM FRONT PAGE)

offered by York Sen. Greg Adams. Raikes offered a select file amendment, adopted 25-2, that further rewrote parts of the proposal, addressing issues primarily related to learning community governance, open enrollment and funding.

Without legislative action this year, LB 1024 would remain law despite the court's temporary injunction against it. Senators had different opinions about the necessity of taking action.

Omaha Sen. Tom White said the courts would ultimately rule that LB 1024 is unconstitutional because he believes it represents de facto segregation. This could leave resolving the metro area schools issues to the courts, which he said are not well equipped to deal with such issues.

"Does anyone think the courts will do a good job of this?" White asked.

Omaha Sen. Ernie Chambers argued that LB 1024 is constitutional and would be upheld by the courts. Last year's legislation allows for management and control of education by those in the areas where their children attend school, he said.

Chambers said the Legislature needed to seize the moment and deal with educational issues in a comprehensive manner.

"There will never be this much momentum again to make a change of this kind," he said.

White and Chambers agreed, though, that the current system has not served many students in the metro area well. The challenges faced by students in eastern Omaha are overwhelming and not shared

throughout the city, White said.

Chambers added that OPS students have tested in the 23rd percentile on the California Achievement Test.

"This is unconscionable. This is criminal," Chambers said.

One of the issues that has been at the center of the controversy is the need for integration and diversity throughout the area's schools. The bill as advanced from general file contained a requirement that each regular middle school building and high school building reserve 5 percent of its capacity for students from outside its attendance area. The Raikes amendment, however, removed that requirement from the bill.

Omaha Sen. John Synowiecki said OPS is effectively "landlocked," which has made it difficult to address diversity issues in the district. The 5-percent requirement would have mandated diversity throughout the broader community, he said.

Synowiecki stressed that school districts should be prevented from artificially indicating that they have reached capacity to avoid taking in students from outside their area.

Gretna Sen. Gail Kopplin responded that capacity should not be an issue. Schools in fast growing portions of the metropolitan area are building more schools as the districts outgrow existing capacity, he said.

"That's the way it is in the suburbs. You're constantly building buildings," Kopplin said.

Papillion Sen. Tim Gay said he is not opposed to the proposal's overall goals. However, he expressed concern that the burden for resolving metro-area issues related to diversity

and poverty is being placed on the educational system and that the state should look to existing programs to provide the services needed in the learning community.

Raikes said the open enrollment policies proposed in LB 641 would allow students to move throughout the learning community area for educational opportunities.

"Transportation is a key part of seeing that the goal is met," he said.

Governance also was a key issue in the debate on LB 641. Chambers said he would oppose any plan that would turn governance of the learning community over to the teachers, administrators and "those who have created the problems that brought us here."

Lincoln Sen. Bill Avery offered a compromise amendment that revised the composition of the learning community coordinating council. The bill had suggested an 18-member council with three members elected by limited voting from each of six districts.

Under the Avery amendment, the council will still consist of 18 members. However, six of those members will be appointed from among the learning community's elected local school board members. The remaining 12 members will be elected, two from each of the learning community's six districts.

Avery said his amendment will observe and enhance each community's ability to participate in the learning community. The amendment was adopted 29-2.

Adams said he was skeptical of the Avery amendment at first, but later changed his mind. The amendment fits within the goals of the bill's governance structure, which he said

A CLOSER LOOK

are to coordinate the area's school districts, retain local control and provide for minority representation.

Bellevue Sen. Abbie Cornett offered, and later withdrew, an amendment relating to school boundary issues in Sarpy County.

The amendment would have required that land annexed by a first class city adjacent to a metropolitan class city – Omaha is the state's only metropolitan class city – also be transferred to the school district serving the annexing city. The school district to which the land is transferred would have been required to pay the district losing the land 10 times the taxes attributable on the date of the transfer.

Cornett said Sarpy County is the fastest growing county in the state. Development activity has increased, but developers are reluctant to continue that growth if the county's cities and school districts cannot grow together, she said.

However, Sen. Dave Pankonin of Louisville said the proposal would damage the ability of the South Sarpy County school district to negotiate an agreement with other Sarpy County school districts.

"They are dismayed that it is their boundaries that are up for grabs in this debate," he said.

Immediately preceding the vote to pass LB 641, Speaker Mike Flood announced that negotiations involving Cornett and Pankonin had produced a boundary agreement between the Bellevue and South Sarpy County school districts. Flood said the agreement will allow Bellevue to grow while giving South Sarpy County the stability in boundaries it was seeking.

Kopplin offered an amendment

that would have removed Sarpy County from the learning community.

Cornett supported the amendment, saying that Sarpy County never asked to be part of the learning community. She acknowledged that there are issues with OPS and Douglas County districts that need to be dealt with.

"We're just saying we shouldn't have to be included in their problems," Cornett said.

Raikes said taking Sarpy County out of the learning community

the state aid formula for learning community school districts.

Omaha Sen. Brad Ashford offered an amendment, adopted 32-0, clarifying that all elementary school students in the learning community can access the services at elementary learning centers.

Lincoln Sen. DiAnna Schimek offered an amendment that would have limited the learning community law to the metropolitan area. That amendment was rejected 10-26.

Bayard Sen. Philip Erdman offered an amendment, adopted 27-0, that eliminated a proposed duty for the learning community to assist planning commissions with the deconcentration of affordable housing. Erdman and Ashford agreed to work together on the issue during the upcoming interim.

Erdman also offered an amendment, adopted 25-9, that restores the existing manner in which learning communities can be formed.

Gay offered an amendment that would have lowered a maximum levy for certain school building projects. The amendment failed on a 17-20 vote.

Several other select file amendments that made technical changes in the bill also were adopted.

LB 641 rewrites the learning community law as follows:

Establishment of learning communities—LB641 retains current law regarding the procedure for establishing a learning community. The existing requirement for a learning community comprised of districts within and adjacent to a metropolitan class city remains in place. Learning communities also can be established outside a city of

“
There will never
be this much
momentum again
to make a change
of this kind.

Sen. Ernie Chambers

would deprive the county's students of educational opportunities and hamper efforts to achieve diversity throughout the learning community. Hopefully, he said, school district boundaries will become less important over time because of a common effort among districts to address the educational needs of their students.

The Kopplin amendment failed on a 9-15 vote.

Raikes offered two amendments related to the finance portions of LB 641. The first amendment, adopted 25-8, eliminated proposed adjustments to the state aid student growth factor. The second amendment, adopted 31-0, eliminated proposed weighting in

A CLOSER LOOK

the metropolitan class at the request of one or more local school boards provided that all school districts headquartered in a specific county are participating and either the school districts are all sparse or very sparse for the purpose of calculating state aid or the requesting school districts have at least 2,000 students.

Governance – Learning communities will be governed by an 18-member coordinating council. Six of the members are selected by the learning community’s local school board members. Twelve of the members are elected from six districts. The 12 elected council members are chosen through a process known as limited voting. Limited voting means

that each voter can vote for one candidate to fill the two elected seats. The intent of limited voting is to increase the likelihood of diversity on the coordinating council. The board members will be entitled to a per diem of up to \$200 for council and subcouncil meetings with a maximum of \$12,000 per year.

The three members from each election district will serve as an achievement subcouncil for their district. Achievement subcouncils are responsible for:

- operating elementary learning centers;
- reviewing and approving the poverty and limited English proficiency plans for the schools located in their districts; and
- receiving community input and complaints regarding achievement in their territory.

School district boundaries – Existing law that would have divided



Lincoln Sen. Ron Raikes confers with Holdrege Sen. Tom Carlson and Imperial Sen. Mark Christensen during debate on LB 641.

the Omaha Public Schools district into three separate districts is eliminated. Instead, school districts within the learning community are not allowed to expand into territory of another school district without a mutual agreement with the other district.

Learning community authority – Learning communities are charged with the following responsibilities:

- levying and distributing common tax levies;
- collecting, reporting and

- analyzing data;
- approving focus schools and magnet pathways;
- administering and marketing open enrollment programs within the learning community;
- developing integration and diversity plans that would include open enrollment, focus schools and programs and magnet pathways;
- approving or disapproving

poverty plans for member school districts;

- establishing as well as administering elementary learning centers;
- developing reorganization plans;
- establishing a procedure for receiving community input and complaints regarding the learning community;
- and

• providing access to mediation centers for parents, citizens and member school districts to resolve disputes involving member school districts or the learning community.

School finance – The learning community will annually receive up to \$1 million, plus basic allowable growth, that is for administration, learning centers, teacher supplements, transportation and pilot projects. The learning community is subject to financial audit and program evaluation.

A CLOSER LOOK

Each school district within the learning community will be allowed a property tax levy of up to \$1.05 per \$100 of valuation. Within that levy:

- up to 95 cents will be a common levy for all of the school districts in the learning community;
- up to 2 cents can be levied throughout the learning community for a common special building fund; and
- the remainder can be levied at the discretion of each individual school district.

The minimum levy in learning communities will be based on a common levy of 93 cents.

Transition aid will be available from the state for school districts within the learning community for five years. State aid changes include allowance and adjustments for summer school, poverty plans and limited English proficiency plans.

Educational opportunities – The learning community will provide an open enrollment program for its students. The learning community will establish procedures for determining the number of students attending each school building from its attendance area or as continuing students. Preference in open enrollment among learning community school districts will be given to reflect the socioeconomic balance of the learning community.

Free transportation will be provided to a student who transfers from one school to another within the learning community if he or she is:

- a poverty student, generally defined as a student who qualifies for free milk or lunches;
- contributing to the socioeconomic diversity of the school building he or she will attend; or
- attending a focus or magnet

school more than one mile from his or her home.

Poverty and LEP plans – Each school district within a learning community is required to develop and adopt plans addressing needs created by poverty and limited English proficiency. The poverty plans must address:

- attendance;
- student mobility;
- parental involvement;
- class size;
- uninterrupted teaching time;
- access to early childhood education programs for poverty students;
- student access to social workers;
- access to summer school;
- mentoring for new and reassigned teachers;
- professional development for teachers focused on the educational needs of poverty students and students from diverse backgrounds;
- coordination with elementary learning centers; and
- evaluation of the poverty plan.

The limited English proficiency plans must address:

- identification of students with limited English proficiency;
- instructional approaches;
- assessment of students' progress toward mastering the English language; and
- evaluation of the limited English proficiency plan.

Professional development – Educational service units are charged with developing professional development for staff that addresses the achievement of students in poverty and with diverse backgrounds.

Elementary learning centers – An elementary learning center is required for every 25 elementary

schools in which at least 35 percent of the students attending the school from its attendance area are poverty students.

Programs offered by elementary attendance centers will be designed to enhance the academic success of elementary students, and will include:

- summer school, extended school day programs and extended school year programs;
- literacy centers for providing intensive assistance to elementary age children and their parents;
- computer labs;
- tutors and mentors for elementary students;
- services for transient students;
- assistance in resolving truancy issues;
- transportation for truant students;
- English classes for parents and other family members;
- health and mental health services;
- childcare for parents working on their own or their child's literacy skills at the center;
- nutritional services for families working on skills at the center;
- transportation for participating families;
- distribution of clothing and school supplies;
- information on other resources to assist participating families; and
- interpreter services for educational needs.

Student achievement coordinator – The state education commissioner will appoint a student achievement coordinator responsible for evaluating and coordinating resources for programs serving students in poverty, limited English proficiency and highly mobile students across the state.

A CLOSER LOOK

Lawmakers let governor's budget vetoes stand

(CONTINUED FROM FRONT PAGE)

vetoed salary increase. He said after speaking with several court employees in his district, he was convinced of the necessity of a pay raise.

"Their workload is terrible," he said.

Aguilar said he understood the desire to keep a tight budget, but said this appropriation was an important one.

"Don't do it on the backs of state employees who've been loyal employees for years," he said.

Aguilar's motion failed 18-21.

Sen. Lowen Kruse of Omaha made a motion to override the veto of the Legislature's 2 percent increase in rates for providers who care for people with mental health disorders and developmental disabilities. The governor reduced that increase to 1 percent.

Describing the situation as a "crisis," Kruse urged lawmakers to increase provider rates by 2 percent in the second year of the biennium.

Elk Creek Sen. Lavon Heidemann, chairperson of the Appropriations Committee, said the Legislature should accept the governor's compromise. He said the committee would look at increases in the future.

The motion failed 18-21.

Omaha Sen. John Synoweicki made a motion to override the prostitution diversion court funding veto.

In the budget passed by the Legislature, \$60,000 would have

been appropriated in each year of the biennium to create a prostitution diversion court. Synoweicki said the court would be an important change in the prosecution of prostitutes. The court would provide specialized case management for the unique needs of prostitutes, such as chemical dependency and mental illness treatment.

"Prostitutes have unique and profound needs," Synoweicki said. "This would help them navigate toward hope and rehabilitation."

Synoweicki's motion failed 27-7, falling three votes short of adoption.

Rogert made a motion to override a veto relating to funding for special education aid increases.

The governor reduced the Legislature's increase from 4 to 3 percent.

Sen. Mark Christensen of Imperial supported the motion. Christensen's 10-year-old son has Down syndrome and Christensen said special education services help children meet unique goals that will eventually benefit the rest of the community.

"The goal is to make him self-sufficient," Christensen said. "It's a burden on society if he doesn't become self-sufficient."

Lincoln Sen. Ron Raikes, chairperson of the Education Committee, said he was comfortable with the governor's 3 percent increase. He said current law prohibits the Legislature from increasing aid by more than 5 percent anyway.

Rogert's motion failed on a 21-19 vote.

Omaha Sen. Ernie Chambers made a motion to override a veto of funds for the Eastern Nebraska Office on Aging.

The budget passed by the Legislature included an appropriation of \$290,000 each fiscal year of the biennium to the Eastern Nebraska Office on Aging. The office provides services such as Meals on Wheels to area seniors. Chambers said the office was on the verge of having to cut services because of a lack of funds.

Papillion Sen. Tim Gay said, although he supported the efforts of the office, he would not support the override.

"You cannot do everything every year for everybody," Gay said.

Omaha Sen. Tom White supported the motion.

"The measure of who we are is not what we say," White said.

Chambers' motion failed 26-9, falling four votes short of adoption.

Sen. Vickie McDonald of St. Paul made a motion to override a veto of funding for area health education centers.

The Legislature's budget would have appropriated \$250,000 in FY2007-08 and \$500,000 in FY2008-09 to make up for expiring federal grants. McDonald said the federal grants could be reapplied for in 2011.

Heidemann said the state could not begin a practice of making up for the loss of federal funds.

The motion failed 14-18.

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MEET THE SENATORS

Karpisek brings a hometown perspective

After graduating from the University of Nebraska–Lincoln, Russ Karpisek knew where he wanted to go from there.

He returned to his hometown of Wilber.

“I always did plan on going back,” he said. “I’ve just always been a Wilber kid.”

When he first started college, Karpisek had plans of becoming a veterinarian, but after a few classes he realized it wasn’t for him.

“Chem 109 settled that one right away,” he said with a smile.

He switched to business and said a degree in business administration came in handy when he took over the local meat market his grandmother owned.

Karpisek married a hometown girl. His wife, Jill, was three years behind him in school and the two weren’t even friends at the time. He said while he was home over the weekends during college all that changed.

“We decided we didn’t mind each other so much,” he said, laughing.

The Karpiseks have two children, Tyler and Stephanie,

and still enjoy life in Wilber.

“We’re just pretty tight knit,” Karpisek said of the community. “We’re like one big family.”

Wilber’s Czech Days are always a big event. The town of about 1,800 swells to 50,000 with festivities drawing crowds from across the nation. Karpisek plays trumpet in the Wilber-Clatonia Alumni band.

For 12 years, Karpisek served as mayor of Wilber, which taught him a lot about compromise and communicating with people.

“The world would be a lot easier to live in if everyone looked through someone else’s eyes,” he said.

In the Legislature, Karpisek said he’d like to help his colleagues see life through the eyes of small business owners throughout the state.

“I saw first hand how hard it was for a small business to expand,” he said. “We’re always chasing the big companies.”

Although the meat market has its challenges, Karpisek said he enjoys it.

“I get to be around people all the time,” he said.

During time off, Karpisek said he and his family enjoy camping in their fifth wheel trailer. Camping trips usually involve a little fishing, visiting with friends and a lot of relaxing. After a long day at the Legislature, Karpisek said he sometimes plays video games with his son to wind down.

“It’s nice to just kind of let your brain stop working overtime for a while,” he said.



Russ Karpisek poses for a picture with his wife, Jill, and children, Stephanie and Tyler.

WEEKLY REVIEW

A REVIEW OF LEGISLATIVE ACTION TAKEN MONDAY, MAY 21, 2007, THROUGH THURSDAY, MAY 24, 2007

Agriculture

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
12	Mines	Change the Commercial Dog and Cat Operator Inspection Act	Passed by Legislature
516	Agriculture	Authorize a study with respect to corporate farming and agricultural production in Nebraska	Signed by Governor

Appropriations

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
317	Speaker Flood, req. of Gov.	Provide for deficit appropriations	Signed by Governor
318	Speaker Flood, req. of Gov.	Appropriate funds for salaries of members of the Legislature	Signed by Governor
319	Speaker Flood, req. of Gov.	Appropriate funds for salaries of constitutional officers	Signed by Governor
320	Speaker Flood, req. of Gov.	Appropriate funds for capital construction	Signed by Governor
321	Speaker Flood, req. of Gov.	Appropriate funds for state government expenses	Line-Item Vetoes
322	Speaker Flood, req. of Gov.	Change provisions relating to certain funds and provide for transfers of funds and extend an excise tax	Signed by Governor
323	Speaker Flood, req. of Gov.	Provide for transfers from the Cash Reserve Fund	Signed by Governor
542	Synowiecki	Create the Children's Behavioral Health Task Force	Signed by Governor

Banking, Commerce and Insurance

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
117	Banking	Change provisions relating to insurance	Passed by Legislature
425	Pankonin	Create the Nebraska Operational Assistance Act	Passed by Legislature

Business and Labor

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
88	Business and Labor	Provide for payment of claims against the state	Signed by Governor
211	Business and Labor	Change payment provisions for members of the Commission of Industrial Relations	Passed by Legislature
265	Business and Labor	Change labor laws	Placed on Final Reading
339	Business and Labor	Change provisions relating to claims against the state	Signed by Governor
588	Business and Labor	Change provisions relating to the workers' compensation hospital fee schedule, payment of providers, and disability compensation	Signed by Governor

Education

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
73	McGill	Change school breakfast reimbursement provisions	Passed by Legislature
316	Friend	Create the Special Education Services Task Force	Passed by Legislature
342	Raikes	Adopt the Community College Foundation and Equalization Aid Act and change postsecondary education scholarship provisions	Passed by Legislature
603	Raikes	Change provisions relating to educational service units and early childhood education grants	Passed by Legislature
641	Raikes	Change provisions relating to schools, learning communities, school governance, and school finance	Passed by Legislature
653	Raikes	Require implementation of a statewide school assessment and reporting system and other standards and tracking methods	Placed on Final Reading

Executive Board

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
LR1CA	Preister	Constitutional amendment to change legislative salaries	Placed on Final Reading

WEEKLY REVIEW

A REVIEW OF LEGISLATIVE ACTION TAKEN MONDAY, MAY 21, 2007, THROUGH THURSDAY, MAY 24, 2007

General Affairs

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
441	McDonald	Change liquor shipping license fee distribution and provide an excise tax on grapes	Passed by Legislature
578	McDonald	Change alcohol excise tax provisions, prohibited interests in alcoholic liquor wholesalers and business premises, and penalties for driving under the influence	Signed by Governor

Government, Military, Veterans Affairs

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
198	Schimek	Change requirements for campaign messages	Vetoed
646	Nelson	Change provisions relating to elections	Placed on Select File

Health and Human Services

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
247	Johnson	Change provisions relating to drugs, adoption, certain credentialed health professionals, child care, and health benefit coverage	Placed on Final Reading
351	Stuthman	Change and provide for transitional public assistance payments	Placed on Select File
482	Johnson	Adopt the Autism Treatment Program Act	Signed by Governor

Judiciary

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
97	Flood	Change provisions relating to the Concealed Handgun Permit Act	Placed on Final Reading
142	Friend	Create the offense of enticement by electronic communication device	Placed on Final Reading
221	Lathrop	Change legal procedure complaint and petition provisions	Signed by Governor
274	McDonald	Require a warning label on liquefied petroleum gas tanks and provide a limitation on liability	Signed by Governor
373	Schimek	Provide for inadmissibility of apologies regarding medical care as evidence	Signed by Governor
377	Ashford	Reallocate county, district, and separate juvenile court judgeships and change salary provisions of judges	Passed by Legislature
470	Chambers	Change provisions relating to dissemination of records of arrest	Passed by Legislature
475	Chambers	Prohibit discrimination based upon sexual orientation or marital status	Indefinitely postponed
540	Synowiecki	Adopt the Probation and Parole Services Study Act	Passed by Legislature
554	Flood	Adopt a new Parenting Act	Placed on Final Reading
573	Kruse	Adopt the Minor Alcoholic Liquor Liability Act and change provisions relating to keg identification numbers and minors in possession of alcoholic liquor	Placed on Final Reading
674	Lathrop	Adopt the Credit Report Protection Act and prohibit certain uses of social security numbers	Signed by Governor

Natural Resources

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
299	Hudkins	Change provisions relating to the Game Law	Signed by Governor
504	Mines	Prohibit hunting through the Internet	Signed by Governor
530	Nantkes	Change Storm Water Management Plan Program provisions	Placed on Select File
629	Dierks	Adopt the Rural Community-Based Energy Development Act	Signed by Governor

WEEKLY REVIEW

A REVIEW OF LEGISLATIVE ACTION TAKEN MONDAY, MAY 21, 2007, THROUGH THURSDAY, MAY 24, 2007

Retirement

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
324	Speaker Flood, req. of Gov.	Change provisions relating to state patrol retirement system contributions	Passed by Legislature
328	Nebraska Retirement Systems	Change state and county retirement provisions and adopt the Law Enforcement Officers Retirement Survey Act	Passed by Legislature

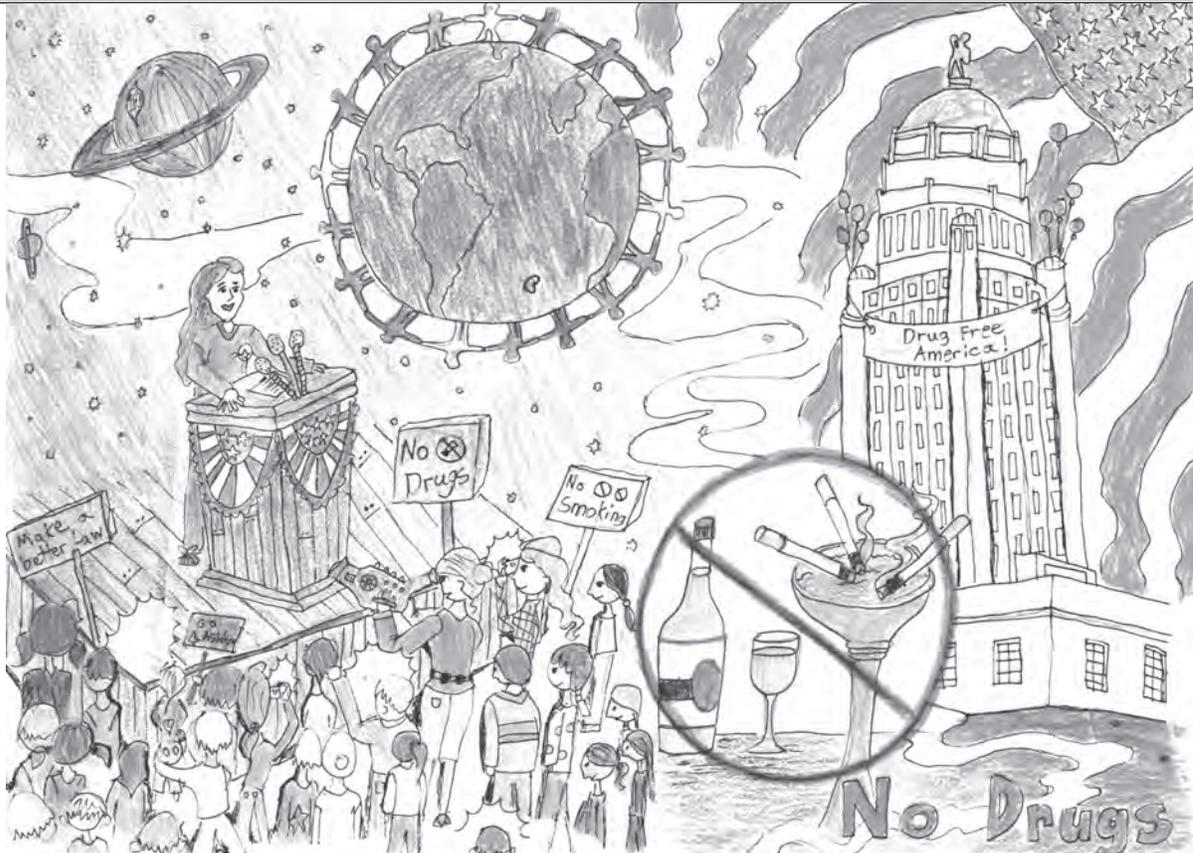
Revenue

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
10	Mines	Terminate estate and generation-skipping taxes	Indefinitely postponed
32	Nantkes	Exempt college textbooks from sales tax	Indefinitely postponed
183	Carlson	Exclude military retirement benefits from income taxation	Indefinitely postponed
282	Stuthman	Terminate estate and generation-skipping taxes	Indefinitely postponed
304	Gay	Change qualifications for tax credits relating to long-term care insurance	Passed by Legislature
334	Dierks	Provide for merger of Department of Property Assessment and Taxation and Department of Revenue and change property tax provisions	Signed by Governor
338	Gay	Change income tax deductions for the Nebraska educational savings plan trust	Passed by Legislature
343	Langemeier	Provide an income tax credit for investments in biodiesel facilities	Passed by Legislature
354	Cornett	Exclude military retirement benefits from income tax	Indefinitely postponed
355	Cornett	Change provisions relating to taxation of air carriers	Indefinitely postponed
362	Raikes	Change budget limitations and require audits of joint entities	Indefinitely postponed
409	Preister	Change tax levy authority of community colleges	Indefinitely postponed
416	Karpisek	Exempt government retirement benefits from income tax	Indefinitely postponed
429	Synowiecki	Exempt certain purchases by museums from sales and use tax	Indefinitely postponed
431	Friend	Provide an income tax credit for certain educational expenses	Indefinitely postponed
456	White	Provide an income tax credit for franchise taxes paid by certain financial institutions	Placed on Final Reading
507	Burling	Change provisions relating to ethanol production incentive tax credits	Indefinitely postponed
512	Fulton	Provide income tax credits	Indefinitely postponed
531	Nantkes	Provide tax credits for employers providing health insurance	Indefinitely postponed
551	Flood	Change provisions relating to financing for convention center, sports arena, and hotel facilities	Placed on Final Reading
565	Avery	Adopt the Entertainment and Tourism Development Act	Indefinitely postponed
582	Preister	Create the Nebraska Educational Trust and change the distribution of certain sales tax proceeds	Indefinitely postponed
628	Dierks	Change budget provisions and levy limitations for cities, villages, and counties	Indefinitely postponed
640	Raikes	Authorize a learning community levy for certain approved capital projects	Indefinitely postponed
683	Dubas	Increase the earned income tax credit	Indefinitely postponed
684	Dubas	Provide for an income tax credit based upon certain property taxes	Indefinitely postponed
698	Fulton	Require local tax rate reports by Department of Revenue	Indefinitely postponed
703	Friend	Change use of the income-approach calculation in determining the assessed valuation for rent-restricted housing projects	Indefinitely postponed

Transportation and Telecommunications

BILL	SPONSOR	ONE-LINE DESCRIPTION	STATUS
358	Hudkins	Change and eliminate provisions relating to motor carriers	Placed on Final Reading
570	Louden	Provide for Gold Star Family license plates	Advanced from General File

IF I COULD MAKE A LAW



First place winner: Ashtyne Kole Nachtigal, age 10, Aurora Elementary School, Aurora. "Drug Free America."

STUDENT ART SERIES

To commemorate the 100th Nebraska Legislature, fourth- through sixth-grade students throughout the state were invited to submit artwork depicting a law they would propose if they were a senator.

Selected entries will be published in each edition of this session's *Unicameral Update* and on the Legislature's website at nebraskalegislature.gov/web/public/learning/makealaw. Published entries were selected by Larry Starr, director of social science education at the state Department of Education, Karen Janovy, curator of education for the University of Nebraska-Lincoln's Sheldon Memorial Art Gallery and Heidi Uhing, civic learning coordinator for the Nebraska Legislature.

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The Unicameral Update is a free, weekly newsletter offered during the legislative session covering actions taken in committees and on the floor of the Legislature.

The Unicameral Update is produced by the Clerk of the Legislature's Office through the Unicameral Information Office.

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