

FOURTEENTH DAY - JANUARY 25, 2012**LEGISLATIVE JOURNAL****ONE HUNDRED SECOND LEGISLATURE
SECOND SESSION****FOURTEENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Wednesday, January 25, 2012

PRAYER

The prayer was offered by Senator Nelson.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Speaker Flood presiding.

The roll was called and all members were present except Senators Conrad and Langemeier who were excused; and Senators Campbell, Cornett, Lautenbaugh, Seiler, and Wightman who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the thirteenth day was approved.

COMMITTEE REPORT

Enrollment and Review

LEGISLATIVE BILL 60. Placed on Select File.

(Signed) Tyson Larson, Chairperson

COMMITTEE REPORTS

Banking, Commerce and Insurance

LEGISLATIVE BILL 879. Placed on General File.

LEGISLATIVE BILL 886. Placed on General File.

LEGISLATIVE BILL 890. Placed on General File.

LEGISLATIVE BILL 854. Placed on General File with amendment.
AM1685

- 1 1. Strike original section 8.
- 2 2. On page 2, line 5; page 3, line 4; page 4, line 21;
- 3 page 6, line 13; page 7, line 12; page 8, line 11; page 9, line 14;
- 4 and page 11, line 13, strike "three" and insert "five".

- 5 3. On page 2, line 6, strike "the" and insert "its".
 6 4. On page 3, line 4, strike the second occurrence of
 7 "the" and insert "its automatic".
 8 5. On page 4, line 22; page 7, line 13; and page 9, line
 9 15, strike "dissolution" and insert "revocation".
 10 6. On page 6, line 13; page 8, line 11; and page 11, line
 11 13, strike the last "the" and insert "its administrative".
 12 7. On page 12, line 18, strike "sections" and insert
 13 "section" and strike "and 21-2611".
 14 8. Renumber the remaining sections accordingly.

(Signed) Rich Pahls, Chairperson

Business and Labor

LEGISLATIVE BILL 911. Placed on General File.

(Signed) Steve Lathrop, Chairperson

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LB1093	Revenue (rereferred)
LB1100	Banking, Commerce and Insurance
LB1110	Health and Human Services (rereferred)
LR381	Government, Military and Veterans Affairs

(Signed) John Wightman, Chairperson
 Executive Board

NOTICE OF COMMITTEE HEARINGS

Business and Labor

Room 1524

Monday, February 13, 2012 1:30 p.m.

LB1072

LB1073

J. L. Spray - Commission of Industrial Relations

Room 2102

Monday, February 6, 2012 1:30 p.m.

LB959
LB997
LB1005
LB1058
LB1152

(Signed) Steve Lathrop, Chairperson

Government, Military and Veterans Affairs

Room 1507

Wednesday, February 1, 2012 1:30 p.m.

LB1070
LB934
LB966
LB757
LB1035

Room 1507

Thursday, February 2, 2012 1:30 p.m.

LB971
LB1053
LB772
LB823

Room 1507

Friday, February 3, 2012 1:30 p.m.

LB765
LB1159
LB792
LB858

(Signed) Bill Avery, Chairperson

Executive Board

Room 2102

Wednesday, February 1, 2012 12:00 p.m.

LB1147
LR358CA
LR372CA
LR365

(Signed) John Wightman, Chairperson

Health and Human Services

Room 1510

Thursday, February 23, 2012 1:30 p.m.

LB1110

(Signed) Kathy Campbell, Chairperson

Judiciary

Room 1113

Wednesday, February 1, 2012 1:30 p.m.

LB737
LB1000
LB899
LB939
LB812
LB1051

Room 1113

Thursday, February 2, 2012 1:30 p.m.

LB1119
LB816
LB817
LB951
LB1009

Room 1113

Friday, February 3, 2012 1:30 p.m.

LB993
LB917
LB933
LB1165

(Signed) Brad Ashford, Chairperson

REVISED CONFLICT OF INTEREST STATEMENT

Pursuant to Rule 1, Sec. 19, Senator Mello has filed a revised Potential Conflict of Interest Statement under the Nebraska Political Accountability and Disclosure Act. The statement is on file in the Clerk of the Legislature's Office.

RESOLUTION

Pursuant to Rule 4, Sec. 5(b), LR374 was adopted.

SPEAKER SIGNED

While the Legislature was in session and capable of transacting business, the Speaker signed the following: LR374.

GENERAL FILE

LEGISLATIVE BILL 304. Senator McGill offered the following amendment:

AM1753

- 1 1. On page 2, strike beginning with the second "a" in
- 2 line 3 through "71-502.01" in line 4 and insert "chlamydia or
- 3 gonorrhea".

SENATOR GLOOR PRESIDING

Senator McGill moved for a call of the house. The motion prevailed with 32 ayes, 0 nays, and 17 not voting.

The McGill amendment was adopted with 25 ayes, 0 nays, 20 present and not voting, and 4 excused and not voting.

The Chair declared the call raised.

Senator McGill moved for a call of the house. The motion prevailed with 33 ayes, 0 nays, and 16 not voting.

Senator McGill requested a roll call vote on the advancement of the bill.

Voting in the affirmative, 21:

Ashford	Cornett	Hadley	Mello	Wightman
Avery	Council	Howard	Nordquist	
Campbell	Dubas	Karpisek	Pahls	
Coash	Gloor	Lautenbaugh	Schumacher	
Cook	Haar, K.	McGill	Wallman	

Voting in the negative, 24:

Adams	Fischer	Harr, B.	Larson	Price
Bloomfield	Flood	Heidemann	Lathrop	Schilz
Brasch	Fulton	Janssen	Louden	Smith
Carlson	Hansen	Krist	McCoy	Sullivan
Christensen	Harms	Lambert	Nelson	

Present and not voting, 1:

Pirsch

Excused and not voting, 3:

Conrad Langemeier Seiler

Failed to advance to Enrollment and Review Initial with 21 ayes, 24 nays, 1 present and not voting, and 3 excused and not voting.

The Chair declared the call raised.

ANNOUNCEMENT

The Education Committee designates LB946 as its priority bill.

COMMITTEE REPORTS

Education

LEGISLATIVE BILL 800. Placed on General File.

LEGISLATIVE BILL 946. Placed on General File.

LEGISLATIVE BILL 895. Indefinitely postponed.

(Signed) Greg Adams, Chairperson

GENERAL FILE

LEGISLATIVE BILL 459. Title read. Considered.

Committee AM720, found on page 820, First Session, 2011, was adopted with 34 ayes, 0 nays, 12 present and not voting, and 3 excused and not voting.

Advanced to Enrollment and Review Initial with 33 ayes, 0 nays, 13 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 473. Title read. Considered.

Committee AM782, found on page 874, First Session, 2011, was adopted with 31 ayes, 0 nays, 16 present and not voting, and 2 excused and not voting.

Advanced to Enrollment and Review Initial with 30 ayes, 0 nays, 17 present and not voting, and 2 excused and not voting.

LEGISLATIVE BILL 633. Title read. Considered.

Committee AM801, found on page 898, First Session, 2011, was adopted with 31 ayes, 0 nays, 16 present and not voting, and 2 excused and not voting.

Senator Adams renewed his amendment, AM1690, found on page 227.

The Adams amendment was adopted with 34 ayes, 0 nays, 13 present and not voting, and 2 excused and not voting.

Senator Adams offered the following amendment:

AM1745

- 1 1. Insert the following new sections:
- 2 Section 1. Section 79-1022, Revised Statutes Supplement,
- 3 2011, is amended to read:
- 4 79-1022 (1) On or before March 10, 2010, and March
- 5 1, 2011, for school fiscal year 2010-11, on or before July
- 6 1, 2011, for school fiscal year 2011-12, on or before May 1,
- 7 2012, for school fiscal year 2012-13, and on or before March
- 8 1 of each year thereafter for each ensuing fiscal year, the
- 9 department shall determine the amounts to be distributed to each
- 10 local system and each district pursuant to the Tax Equity and
- 11 Educational Opportunities Support Act and shall certify the amounts
- 12 to the Director of Administrative Services, the Auditor of Public
- 13 Accounts, each learning community, and each district. The amount
- 14 to be distributed to each district that is not a member of a
- 15 learning community from the amount certified for a local system
- 16 shall be proportional based on the formula students attributed to

17 each district in the local system. The amount to be distributed
 18 to each district that is a member of a learning community from
 19 the amount certified for the local system shall be proportional
 20 based on the formula needs calculated for each district in the
 21 local system. On or before March 1, 2011, for school fiscal
 22 year 2010-11, on or before July 1, 2011, for school fiscal
 23 year 2011-12, on or before May 1, 2012, for school fiscal year
 1 2012-13, and on or before March 1 of each year thereafter for
 2 each ensuing fiscal year, the department shall report the necessary
 3 funding level to the Governor, the Appropriations Committee of
 4 the Legislature, and the Education Committee of the Legislature.
 5 Except as otherwise provided in this subsection, certified state
 6 aid amounts, including adjustments pursuant to section 79-1065.02,
 7 shall be shown as budgeted non-property-tax receipts and deducted
 8 prior to calculating the property tax request in the district's
 9 general fund budget statement as provided to the Auditor of Public
 10 Accounts pursuant to section 79-1024. Increases in state aid for
 11 school fiscal year 2010-11 from the first certification in 2010
 12 to the second certification on or before March 1, 2011, shall not
 13 require a school district to revise its previously adopted budget
 14 statement pursuant to section 13-511 for school fiscal year 2010-11
 15 unless expenditures are increased in such school fiscal year as a
 16 result of such increases in state aid. The amount of such increased
 17 state aid that has not been included in an amended budget for
 18 school fiscal year 2010-11 shall be included in the unencumbered
 19 cash balance pursuant to section 13-504 for the school fiscal year
 20 2011-12 budget for each school district.

21 (2) Except as provided in this subsection, subsection
 22 (8) of section 79-1016, and sections 79-1033 and 79-1065.02, the
 23 amounts certified pursuant to subsection (1) of this section shall
 24 be distributed in ten as nearly as possible equal payments on the
 25 last business day of each month beginning in September of each
 26 ensuing school fiscal year and ending in June of the following
 27 year, except that when a school district is to receive a monthly
 1 payment of less than one thousand dollars, such payment shall be
 2 one lump-sum payment on the last business day of December during
 3 the ensuing school fiscal year. For school fiscal year 2010-11,
 4 payments shall be based on the amounts certified pursuant to
 5 subsection (1) of this section on March 10, 2010, except that on
 6 the last business day of April, the department shall make federal
 7 Education Jobs Fund allocations available pursuant to section
 8 79-1028.04 equal to any increases in state aid for school fiscal
 9 year 2010-11 from the first certification in 2010 to the second
 10 certification on or before March 1, 2011, rounded to the nearest
 11 whole dollar.

12 Sec. 2. Section 79-1022.02, Revised Statutes Supplement,
 13 2011, is amended to read:

14 79-1022.02 Notwithstanding any other provision of law,
 15 ~~the any~~ certification of state aid pursuant to section 79-1022,

16 certification of budget authority pursuant to section 79-1023, and
 17 certification of applicable allowable reserve percentages pursuant
 18 to section 79-1027 completed prior to the effective date of this
 19 act for school fiscal year 2012-13 is null and void. ~~to be paid to~~
 20 school districts during school fiscal year 2010-11 is null and void
 21 with regard to the total state aid to be paid during school fiscal
 22 year 2010-11. State aid to be paid during such school year and the
 23 certifications pursuant to section 79-1022 shall be recertified for
 24 the purpose of determining federal Education Jobs Fund allocations
 25 and adjusting the total state aid to be paid to include such
 26 allocations on or before March 1, 2011, using data sources as they
 27 existed on March 10, 2010.

1 Sec. 3. Section 79-1023, Revised Statutes Supplement,
 2 2011, is amended to read:

3 79-1023 (1) On or before March 10, 2010, on or before
 4 July 1, 2011, on or before May 1, 2012, and on or before March 1 of
 5 each year thereafter, the department shall determine and certify to
 6 each school district budget authority for the general fund budget
 7 of expenditures for the immediately following school fiscal year.

8 (2) For school fiscal years prior to school fiscal
 9 year 2011-12, except as provided in section 79-1028.01, no
 10 school district shall have a general fund budget of expenditures
 11 minus special grant funds and the special education budget of
 12 expenditures more than the greater of (a) the product of the
 13 difference of the general fund budget of expenditures minus special
 14 grant funds and the special education budget of expenditures
 15 for the immediately preceding school fiscal year multiplied by
 16 (i) except as otherwise provided in subdivision (a)(ii) of this
 17 subsection, the sum of one plus the local system's applicable
 18 allowable growth rate or (ii) for school fiscal year 2010-11, the
 19 sum of one plus seventy-five hundredths of one percent plus the
 20 local system's applicable allowable growth rate or (b)(i) except as
 21 otherwise provided in subdivision (b)(ii) of this subsection, the
 22 difference of one hundred twenty percent of formula need for such
 23 school fiscal year minus the product of the sum of one plus the
 24 basic allowable growth rate for such school fiscal year multiplied
 25 by the special education budget of expenditures as filed on the
 26 school district budget statement on or before September 20 for
 27 the immediately preceding school fiscal year or (ii) for school
 1 fiscal years 2009-10 and 2010-11, the difference of one hundred
 2 sixteen and fifteen-hundredths percent of formula need for such
 3 school fiscal year minus the product of the sum of one plus the
 4 basic allowable growth rate for such school fiscal year multiplied
 5 by the special education budget of expenditures as filed on the
 6 school district budget statement on or before September 20 for the
 7 immediately preceding school fiscal year.

8 (3) For school fiscal year 2011-12, except as provided in
 9 sections 79-1028.01, 79-1029, and 79-1030, each school district
 10 shall have budget authority for the general fund budget of

11 expenditures equal to the greater of (a) the general fund budget
12 of expenditures for school fiscal year 2010-11 minus exclusions
13 for school fiscal year 2010-11 that fit within subsection (1)
14 of section 79-1028.01 with the difference increased by an amount
15 equal to one and one hundred fifteen thousandths percent of the
16 formula need calculated for school fiscal year 2010-11, (b) the
17 general fund budget of expenditures for school fiscal year 2010-11
18 minus exclusions for school fiscal year 2010-11 that fit within
19 subsection (1) of section 79-1028.01 with the difference increased
20 by an amount equal to any student growth adjustment calculated
21 for school fiscal year 2011-12, or (c) one hundred ten percent
22 of formula need for school fiscal year 2011-12 minus the special
23 education budget of expenditures as filed on the school district
24 budget statement on or before September 20 for school fiscal
25 year 2010-11, which special education budget of expenditures is
26 increased by the basic allowable growth rate for school fiscal year
27 2011-12.

1 (4) For school fiscal year 2012-13 and each school
2 fiscal year thereafter, except as provided in sections 79-1028.01,
3 79-1029, and 79-1030, each school district shall have budget
4 authority for the general fund budget of expenditures equal to the
5 greater of (a) the general fund budget of expenditures for the
6 immediately preceding school fiscal year minus exclusions pursuant
7 to subsection (1) of section 79-1028.01 for such school fiscal year
8 with the difference increased by the basic allowable growth rate
9 for the school fiscal year for which budget authority is being
10 calculated, (b) the general fund budget of expenditures for the
11 immediately preceding school fiscal year minus exclusions pursuant
12 to subsection (1) of section 79-1028.01 for such school fiscal
13 year with the difference increased by an amount equal to any
14 student growth adjustment calculated for the school fiscal year for
15 which budget authority is being calculated, or (c) one hundred ten
16 percent of formula need for the school fiscal year for which budget
17 authority is being calculated minus the special education budget of
18 expenditures as filed on the school district budget statement on
19 or before September 20 for the immediately preceding school fiscal
20 year, which special education budget of expenditures is increased
21 by the basic allowable growth rate for the school fiscal year for
22 which budget authority is being calculated.

23 (5) For any school fiscal year for which the budget
24 authority for the general fund budget of expenditures for a school
25 district is based on a student growth adjustment, the budget
26 authority for the general fund budget of expenditures for such
27 school district shall be adjusted in future years to reflect
1 any student growth adjustment corrections related to such student
2 growth adjustment.

3 Sec. 4. Section 79-1027, Revised Statutes Supplement,
4 2011, is amended to read:

5 79-1027 No district shall adopt a budget, which includes

6 total requirements of depreciation funds, necessary employee
 7 benefit fund cash reserves, and necessary general fund cash
 8 reserves, exceeding the applicable allowable reserve percentages
 9 of total general fund budget of expenditures as specified in the
 10 schedule set forth in this section.

Average daily membership of district	Allowable reserve percentage
0 - 471	45
471.01 - 3,044	35
3,044.01 - 10,000	25
10,000.01 and over	20

18 On or before March 10, 2010, on or before July 1,
 19 2011, on or before May 1, 2012, and on or before March 1 each
 20 year thereafter, the department shall determine and certify each
 21 district's applicable allowable reserve percentage.

22 Each district with combined necessary general fund cash
 23 reserves, total requirements of depreciation funds, and necessary
 24 employee benefit fund cash reserves less than the applicable
 25 allowable reserve percentage specified in this section may,
 26 notwithstanding the district's applicable allowable growth rate,
 27 increase its necessary general fund cash reserves such that the
 1 total necessary general fund cash reserves, total requirements
 2 of depreciation funds, and necessary employee benefit fund
 3 cash reserves do not exceed such applicable allowable reserve
 4 percentage.

5 Sec. 5. Section 79-1031.01, Revised Statutes Supplement,
 6 2011, is amended to read:

7 79-1031.01 The Appropriations Committee of the
 8 Legislature shall annually include the amount necessary to fund the
 9 state aid that will be certified to school districts on or before
 10 March 1, 2011, for school fiscal year 2010-11, on or before July 1,
 11 2011, for school fiscal year 2011-12, on or before May 1, 2012,
 12 for school fiscal year 2012-13, and on or before March 1 for each
 13 ensuing school fiscal year thereafter in its recommendations to the
 14 Legislature to carry out the requirements of the Tax Equity and
 15 Educational Opportunities Support Act.

16 Sec. 9. Since an emergency exists, this act takes effect
 17 when passed and approved according to law.

18 2. Renumber the remaining sections and correct the
 19 repealer accordingly.

The Adams amendment was adopted with 29 ayes, 0 nays, 18 present and
 not voting, and 2 excused and not voting.

Advanced to Enrollment and Review Initial with 36 ayes, 0 nays, 11 present
 and not voting, and 2 excused and not voting.

LEGISLATIVE RESOLUTION 19CA. Considered.

Committee AM866, found on page 907, First Session, 2011, was considered.

Pending.

NOTICE OF COMMITTEE HEARINGS

Appropriations

Room 1524

Monday, February 6, 2012 1:30 p.m.

LB1015
LB1017
LB960
LB981

Room 1003

Tuesday, February 7, 2012 1:30 p.m.

LB958
LB1048
LB1146

(Signed) Lavon Heidemann, Chairperson

Revenue

Room 1524

Wednesday, February 1, 2012 1:30 p.m.

LB749
LB903
LB983
LB1033

Room 1524

Thursday, February 2, 2012 1:30 p.m.

LB731
LB980
LB1080
LB1118

Room 1524

Friday, February 3, 2012 1:30 p.m.

LB1128
LB752
LB962

(Signed) Abbie Cornett, Chairperson

AMENDMENT - Print in Journal

Senator Brasch filed the following amendment to LB1039:
AM1710

- 1 1. On page 6, lines 9 and 18; and page 7, line 15, strike
- 2 "yellow warning", show the old matter as stricken, and insert
- 3 "red".
- 4 2. On page 7, line 8, strike "alternately" and show as
- 5 stricken; and in line 9 after "lights" insert "and red signal
- 6 lights".

UNANIMOUS CONSENT - Add Cointroducers

Senators Mello and Nordquist asked unanimous consent to add their names as cointroducers to LB996. No objections. So ordered.

Senators Christensen, Larson, Schilz, and Sullivan asked unanimous consent to add their names as cointroducers to LB1156. No objections. So ordered.

Senator Karpisek asked unanimous consent to add his name as cointroducer to LB1165. No objections. So ordered.

Senators Bloomfield, Harms, B. Harr, and Schumacher asked unanimous consent to add their names as cointroducers to LB998. No objections. So ordered.

VISITORS

Visitors to the Chamber were Marcus Wheeler and Alfonzo Robinson from Omaha.

The Doctor of the Day was Dr. Randy Kohl from Firth.

ADJOURNMENT

At 11:55 a.m., on a motion by Senator McGill, the Legislature adjourned until 9:00 a.m., Thursday, January 26, 2012.

Patrick J. O'Donnell
Clerk of the Legislature