

FORTY-SEVENTH DAY - MARCH 21, 2014

LEGISLATIVE JOURNAL

**ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION**

FORTY-SEVENTH DAY

Legislative Chamber, Lincoln, Nebraska
Friday, March 21, 2014

PRAYER

The prayer was offered by Pastor Darin Corder, Bennet Community Church, Bennet, and Chaplain of Hospice Community Care, Lincoln.

ROLL CALL

Pursuant to adjournment, the Legislature met at 9:00 a.m., Senator Krist presiding.

The roll was called and all members were present except Senators Garrett, K. Haar, B. Harr, and Pirsch who were excused; and Senators Ashford, Lautenbaugh, and Murante who were excused until they arrive.

CORRECTIONS FOR THE JOURNAL

The Journal for the forty-sixth day was approved.

PRESENTED TO THE GOVERNOR

Presented to the Governor on March 20, 2014, at 8:00 p.m. were the following: LBs 144, 259, 371e, 371Ae, 474e, and 546.

(Signed) Jamie Kruse
Clerk of the Legislature's Office

REPORT OF REGISTERED LOBBYISTS

Following is a list of all lobbyists who have registered as of March 20, 2014, in accordance with Section 49-1481, Revised Statutes of Nebraska. Additional lobbyists who have registered will be filed weekly.

(Signed) Patrick J. O'Donnell
Clerk of the Legislature

Baier, Richard J.
Nebraska Bankers Association

Nebraska Chamber of Commerce & Industry (Withdrawn 03/14/2014)
Jim Driscoll
Pfizer, Inc.
Sarah Warbelow
Human Rights Campaign

REPORTS

Agency reports electronically filed with the Legislature can be found on the Nebraska Legislature's website at:
<http://www.nebraskalegislature.gov/agencies/view.php>

ANNOUNCEMENT

The Chair announced today is Senator McGill's birthday.

MOTION - Confirmation Report

Senator Schilz moved the adoption of the Agriculture Committee report to not confirm the appointment listed below and suggests the appointment be rejected by the Legislature:

Nebraska State Fair Board
Mark Fahleson

Voting in the affirmative, 4:

Chambers Cook Kolowski Lathrop

Voting in the negative, 31:

Adams	Coash	Karpisek	Murante	Sullivan
Ashford	Davis	Kintner	Nelson	Watermeier
Avery	Gloor	Krist	Scheer	Wightman
Bloomfield	Hadley	Larson	Schilz	
Brasch	Hansen	Lautenbaugh	Schumacher	
Campbell	Janssen	McCoy	Seiler	
Carlson	Johnson	McGill	Smith	

Present and not voting, 8:

Bolz Conrad Harms Nordquist
Christensen Crawford Howard Wallman

Excused and not voting, 6:

Dubas Haar, K. Mello
Garrett Harr, B. Pirsch

The motion to reject the appointment failed with 4 ayes, 31 nays, 8 present

and not voting, and 6 excused and not voting.

The appointment was approved consistent with Rule 3, Sec. 4(e)(iv).

RESOLUTION

LEGISLATIVE RESOLUTION 513. Introduced by Kolowski, 31.

WHEREAS, James A. (Jim) Johnston of Omaha passed away on March 13, 2014; and

WHEREAS, Jim taught biology, human physiology, and athletic training for 32 years and started a student trainers program in the Millard Public Schools; and

WHEREAS, Jim sponsored Health Occupation Students of America, involving his students in American Red Cross blood drives by conducting 54 blood drives at Millard West High School and collecting 4,339 units that impacted over 13,000 lives; and

WHEREAS, Jim served as president of the Nebraska State Athletic Trainers Association and worked internationally with USA Track and Field and the 1996 Summer Olympic Games in Atlanta; and

WHEREAS, Jim was an avid bicyclist and loved riding his bike in the Colorado mountains where he cycled hundreds of miles; and

WHEREAS, Jim is survived by his wife and high school sweetheart, Patty, and by his children, Lindsay and Michael, and son-in-law Joseph.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED THIRD LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Legislature expresses its condolences to the family of James A. Johnston and recognizes Jim's influence as an educator and a mentor to the students of the Millard Public Schools.

2. That a copy of this resolution be sent to the family of James A. Johnston.

Laid over.

AMENDMENT - Print in Journal

Senator Dubas filed the following amendment to LB701:
AM2322

- 1 1. On page 3, line 6, after "has" insert "made at least
- 2 two written attempts and has".

GENERAL FILE

LEGISLATIVE BILL 810. Title read. Considered.

Committee AM1865, found on page 525, was offered.

Senator Watermeier offered his amendment, AM2557, found on page 988,

to the committee amendment.

The Watermeier amendment was adopted with 26 ayes, 0 nays, 16 present and not voting, and 7 excused and not voting.

The committee amendment, as amended, was adopted with 28 ayes, 0 nays, 14 present and not voting, and 7 excused and not voting.

Advanced to Enrollment and Review Initial with 31 ayes, 0 nays, 11 present and not voting, and 7 excused and not voting.

LEGISLATIVE BILL 674. Title read. Considered.

Advanced to Enrollment and Review Initial with 25 ayes, 0 nays, 15 present and not voting, and 9 excused and not voting.

LEGISLATIVE BILL 799. Title read. Considered.

Committee AM1730, found on page 523, was offered.

Pending.

AMENDMENTS - Print in Journal

Senator Wightman filed the following amendment to LB810:
AM2560

1 1. Insert the following new sections:
2 Section 1. Section 76-238.01, Reissue Revised Statutes of
3 Nebraska, is amended to read:
4 76-238.01 (1) Any interest in real property capable
5 of being transferred may be mortgaged to secure (a) existing
6 debts or obligations, ~~to secure (b) debts or obligations created~~
7 ~~simultaneously with the execution of the mortgage, to secure (c)~~
8 ~~future advances necessary to protect the security, and to secure~~
9 ~~even though such future advances cause the total indebtedness to~~
10 ~~exceed the maximum amount stated in the mortgage, or (d) any future~~
11 ~~advances to be made at the option of the parties in any amount~~
12 ~~unless, except as otherwise provided under subsection (2) or (3)~~
13 ~~of this section, a maximum amount of total indebtedness to be~~
14 ~~secured is stated in the mortgage. At no time shall the secured~~
15 ~~principal future advances, not including sums advanced to protect~~
16 ~~the security, exceed a total amount or percentage of a total~~
17 ~~amount stated in the mortgage. If the mortgage authorizes advances~~
18 ~~by a percentage of the mortgage amount, such advances shall not~~
19 ~~exceed that authorized percentage. All such debts, obligations, and~~
20 ~~future advances shall, from the time the mortgage is filed for~~
21 ~~record as provided by law, be secured by such mortgage equally~~
22 ~~with and have the same priority over the rights of all persons~~
23 ~~who subsequent to the recording of such mortgage acquire any~~

1 rights in or liens upon the mortgaged real estate as the debts
2 and obligations secured thereby at the time of the filing of the
3 mortgage for record, except that (a) the mortgagor or his or her
4 successor in title is hereby authorized to file for record, and the
5 same shall be recorded, a notice limiting the amount of optional
6 future advances secured by such mortgage to not less than the
7 amount advanced actually at the time of such filing, and a copy
8 of such filing shall be filed with the mortgagee, and (b) if any
9 optional future advance shall be made by the mortgagee to the
10 mortgagor or his or her successor in title after written notice
11 of any mortgage, lien, or claim against such real property, or
12 after written notice of labor commenced or material furnished or
13 contracted to be commenced or furnished on such real property which
14 is junior to such mortgage, then the amount of such advance shall
15 be junior to such mortgage, lien, or claim, including a claim for
16 materials delivered or labor performed which is ultimately filed as
17 a construction lien and of which such written notice was given.

18 (2) Future advances necessary to protect the security
19 shall include, but not be limited to, advances for payment of
20 real property taxes, special assessments, prior liens, hazard
21 insurance premiums, maintenance charges imposed under a condominium
22 declaration or other covenant, and costs of repair, maintenance,
23 or improvements. Future advances necessary to protect the security
24 are secured by the mortgage and have the priority specified in
25 subsection (3) of this section.

26 (3)(a) Except as provided in subdivision (b) of this
27 subsection, all items identified in subsection (1) of this section
1 are equally secured by the mortgage from the time of filing the
2 mortgage as provided by law and have the same priority as the
3 mortgage over the rights of all other persons who acquire any
4 rights in or liens upon the mortgaged real property subsequent to
5 the time the mortgage was filed.

6 (b)(i) The mortgagor or his or her successor in title
7 may limit the amount of optional future advances secured by the
8 mortgage under subdivision (1)(d) of this section by filing a
9 notice for record in the office of the register of deeds of each
10 county in which the mortgaged real property or some part thereof
11 is situated. A copy of such notice shall be sent by certified mail
12 to the mortgagee at the address of the mortgagee set forth in the
13 mortgage or, if the mortgage has been assigned, to the address of
14 the most recent assignee reflected in a recorded assignment of the
15 mortgage. The amount of such secured optional future advances shall
16 be limited to not less than the amount actually advanced at the
17 time of receipt of such notice by the mortgagee.

18 (ii) If any optional future advance is made by the
19 mortgagee to the mortgagor or his or her successor in title
20 after receiving written notice of the filing for record of any
21 trust deed, mortgage, lien, or claim against such mortgaged real
22 property, then the amount of such optional future advance shall be

23 junior to such trust deed, mortgage, lien, or claim. The notice
 24 under this subdivision shall be sent by certified mail to the
 25 mortgagee at the address of the mortgagee set forth in the mortgage
 26 or, if the mortgage has been assigned, to the address of the most
 27 recent assignee reflected in a recorded assignment of the mortgage.

1 (iii) Subdivisions (b)(i) and (ii) of this subsection
 2 shall not limit or determine the priority of optional future
 3 advances as against construction liens governed by section 52-139.

4 ~~(2)(4)~~ The reduction to zero or elimination of the debt
 5 evidenced by the instruments authorized in this section shall not
 6 invalidate the operation of this section as to any future advances
 7 unless a notice or release to the contrary is filed for record as
 8 provided by law.

9 Sec. 2. Section 76-1002, Revised Statutes Cumulative
 10 Supplement, 2012, is amended to read:

11 76-1002 (1) Transfers in trust of real property may be
 12 made to secure (a) existing debts or obligations, (b) debts or
 13 obligations created simultaneously with the execution of the trust
 14 deed, ~~(b)-(c)~~ future advances necessary to protect the security,
 15 ~~(e)~~ even though such future advances cause the total indebtedness
 16 to exceed the maximum amount stated in the trust deed, (d) any
 17 future advances to be made at the option of the parties, in any
 18 amount unless, except as otherwise provided under subsection (2) or
 19 (3) of this section, a maximum amount of total indebtedness to be
 20 secured is stated in the trust deed, or ~~(d)-(e)~~ the performance
 21 of an obligation of any other person named in the trust deed to a
 22 beneficiary.

23 (2) Future advances necessary to protect the security
 24 shall include, but not be limited to, advances for payment of
 25 real property taxes, special assessments, prior liens, hazard
 26 insurance premiums, maintenance charges imposed under a condominium
 27 declaration or other covenant, and costs of repair, maintenance, or
 1 improvements. Future advances necessary to protect the security are
 2 secured by the trust deed and shall have the priority specified in
 3 subsection (3) of this section.

4 (3)(a) Except as provided in subdivision (b) of this
 5 subsection, all items identified in subsection (1) of this section
 6 are equally secured by the trust deed from the time of filing the
 7 trust deed as provided by law and have the same priority as the
 8 trust deed over the rights of all other persons who acquire any
 9 rights in or liens upon the trust property subsequent to the time
 10 the trust deed was filed.

11 (b)(i) The trustor or his or her successor in title may
 12 limit the amount of optional future advances secured by the trust
 13 deed under subdivision ~~(4)-(e)~~ (1)(d) of this section by filing
 14 a notice for record in the office of the register of deeds of
 15 each county in which the trust property or some part thereof is
 16 situated. A copy of such notice shall be sent by certified mail to
 17 the beneficiary at the address of the beneficiary set forth in the

18 trust deed or, if the trust deed has been assigned, to the address
 19 of the most recent assignee reflected in a recorded assignment of
 20 the trust deed. The amount of such secured optional future advances
 21 shall be limited to not less than the amount actually advanced at
 22 the time of receipt of such notice by the beneficiary.

23 (ii) If any optional future advance is made by the
 24 beneficiary to the trustor or his or her successor in title after
 25 receiving written notice of the filing for record of any trust
 26 deed, mortgage, lien, or claim against such trust property, then
 27 the amount of such optional future advance shall be junior to
 1 such trust deed, mortgage, lien, or claim. The notice under this
 2 subdivision shall be sent by certified mail to the beneficiary at
 3 the address of the beneficiary set forth in the trust deed or, if
 4 the trust deed has been assigned, to the address of the most recent
 5 assignee reflected in a recorded assignment of the trust deed.

6 (iii) Subdivisions (b)(i) and (ii) of this subsection
 7 shall not limit or determine the priority of optional future
 8 advances as against construction liens governed by section 52-139.

9 (4) The reduction to zero or elimination of the
 10 obligation evidenced by any of the transfers in trust authorized by
 11 this section shall not invalidate the operation of this section as
 12 to any future advances unless a notice or release to the contrary
 13 is filed for record as provided by law. All right, title, interest,
 14 and claim in and to the trust property acquired by the trustor
 15 or his or her successors in interest subsequent to the execution
 16 of the trust deed shall inure to the trustee as security for the
 17 obligation or obligations for which the trust property is conveyed
 18 in like manner as if acquired before execution of the trust deed.

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

Senator Lathrop filed the following amendment to LB1072:

AM2559

(Amendments to Standing Committee amendments, AM1955)

- 1 1. Strike section 4.
- 2 2. On page 1, lines 20 through 22, strike the new matter.
- 3 3. Renumber the remaining section accordingly.

Senator Sullivan filed the following amendment to LB967A:

AM2547

- 1 1. Insert the following new section:
- 2 Sec. 4. There is hereby appropriated (1) \$10,227 from
 3 the Board of Educational Lands and Funds Cash Fund for FY2014-15
 4 and (2) \$10,227 from the Board of Educational Lands and Funds Cash
 5 Fund for FY2015-16 to the Board of Educational Lands and Funds, for
 6 Program 582, to aid in carrying out the provisions of Legislative
 7 Bill 967, One Hundred Third Legislature, Second Session, 2014.
 8 Total expenditures for permanent and temporary salaries
 9 and per diems from funds appropriated in this section shall not

- 10 exceed \$10,227 for FY2014-15 or \$10,227 for FY2015-16.
 11 2. On page 4, line 6, strike "\$839,500" and insert
 12 "\$989,500"; and in line 16 strike "\$350,000" and insert "\$500,000".
 13 3. Renumber the remaining sections accordingly.

Senator Mello filed the following amendment to LB559:
 AM2525

- 1 1. Strike the Standing Committee amendments, AM1581.
 2 2. Strike original section 14 and insert the following
 3 new section:
 4 Sec. 14. This act becomes operative on October 1, 2016.
 5 3. On page 2, lines 3, 6, and 8, strike "14" and insert
 6 "13".
 7 4. On page 7, strike lines 9 through 14 and insert the
 8 following new subsection:
 9 "(2)(a) A short-time compensation plan will only be
 10 approved for a contributory employer that (a) is eligible for
 11 experience rating under subdivision (4)(a) of section 48-649, (b)
 12 has a positive balance in the employer's experience account, (c)
 13 has filed all quarterly reports and other reports required under
 14 the Employment Security Law, and (d) has paid all obligation
 15 assessments, contributions, interest, and penalties due through the
 16 date of the employer's application.
 17 (b) A short-time compensation plan will only be approved
 18 for an employer liable for making payments in lieu of contributions
 19 that has filed all quarterly reports and other reports required
 20 under the Employment Security Law and has paid all obligation
 21 assessments, payments in lieu of contributions, interest, and
 22 penalties due through the date of the employer's application."
 23 5. On page 13, strike beginning with "The" in line
 1 19 through line 22 and insert "The department shall not use
 2 General Funds to implement the short-time compensation program.
 3 The department shall use any and all available federal funds to
 4 implement the short-time compensation program, including, but not
 5 limited to, federal funds distributed to the state under sections
 6 903(c), 903(d), 903(f), and 903(g) of the federal Social Security
 7 Act, as amended."

Senator Scheer filed the following amendment to LB916:
 AM2568

(Amendments to Standing Committee amendments, AM1916)

- 1 1. On page 7, line 10, strike the comma and insert "or";
 2 and in line 11 strike ", or nurse practitioner".

Senator Lathrop filed the following amendment to LB699:
 AM2566

(Amendments to Final Reading copy)

- 1 1. Insert the following new section:
 2 Sec. 8. The following section is outright repealed:

- 3 Section 28-1211, Reissue Revised Statutes of Nebraska.
 4 2. On page 1, line 15, after the semicolon insert "to
 5 eliminate certain firearms provisions;" and in line 16 after
 6 the semicolon insert "to outright repeal section 28-1211, Reissue
 7 Revised Statutes of Nebraska;".
 8 3. Renumber the remaining section accordingly.

Senator Nordquist filed the following amendment to LB276:
 AM2554

- 1 1. Strike the original sections and insert the following
 2 new sections:
 3 Section 1. Section 43-2511, Reissue Revised Statutes of
 4 Nebraska, is amended to read:
 5 43-2511 There is hereby established a statewide billing
 6 system for accessing federal medicaid funds for special education
 7 and related services provided by school districts. The system shall
 8 apply to all students verified with disabilities from date of
 9 diagnosis to twenty-one years of age as allowed under the federal
 10 Medicare Catastrophic Coverage Act of 1988. The system shall be
 11 developed, implemented, and administered jointly by the Department
 12 of Health and Human Services and the State Department of Education.
 13 On or before October 1, 2015, the Department of Health and Human
 14 Services and the State Department of Education shall jointly revise
 15 the statewide billing system to streamline and simplify the claims
 16 process, to update reimbursement rates, and to incorporate services
 17 included in the state plan submitted pursuant to subsection
 18 (4) of section 68-911. After the reimbursement rates have been
 19 updated pursuant to this section, such rates shall be reviewed
 20 at least once every five years. School districts, educational
 21 service units, or approved cooperatives providing special education
 22 and related services shall be required to participate in the
 23 statewide billing system. ~~It is the intent of this section that~~
 1 Eleven and fifty-four hundredths percent of federal medicaid funds
 2 received by school districts pursuant to such billing system shall
 3 be considered reimbursement for the costs to school districts
 4 associated with the implementation and administration of such
 5 a system ~~shall be eligible for payment through~~ and such costs
 6 shall be included in the medicaid reimbursement rates to be
 7 established for each ~~therapy~~ service. From the amount provided
 8 pursuant to section 43-2515 to aid in carrying out the Early
 9 Intervention Act, the Department of Health and Human Services
 10 shall retain, for the purposes of implementing and administering
 11 the statewide billing system and early intervention services
 12 coordination services, an amount equal to the lesser of (1)
 13 the statewide total of federal medicaid funds received by school
 14 districts that are considered reimbursement for the costs to
 15 school districts associated with implementation and administration
 16 pursuant to this section or (2) the actual cost of implementing and
 17 administering the statewide billing system and early intervention

18 services coordination services.

19 Sec. 2. Section 43-2513, Reissue Revised Statutes of
20 Nebraska, is amended to read:

21 43-2513 For purposes of the general fund budget of
22 expenditures as defined in section 79-1003, funds received to carry
23 out the services coordination functions ~~and the administration~~
24 ~~of the billing system~~ or designated as reimbursement for costs
25 associated with the implementation and administration of the
26 billing system pursuant to section 43-2511 shall be considered
27 special grant funds.

1 Sec. 3. Section 43-2515, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 43-2515 ~~On~~ For years 1993 through 2014, on or before
4 October 1, ~~1993, and for each year thereafter,~~ the Department of
5 Health and Human Services and the State Department of Education
6 shall jointly certify to the budget administrator of the budget
7 division of the Department of Administrative Services the amount
8 of federal medicaid funds paid to school districts pursuant to the
9 Early Intervention Act for special education services for children
10 five years of age and older. The General Fund appropriation to the
11 State Department of Education for state special education aid shall
12 be decreased by an amount equal to the amount that would have been
13 reimbursed with state general funds to the school districts through
14 the special education reimbursement process for special education
15 services for children five years of age and older that was paid
16 to school districts or approved cooperatives with federal medicaid
17 funds.

18 ~~It~~ For fiscal years through fiscal year 2014-15, it
19 is the intent of the Legislature that an amount equal to the
20 amount that would have been reimbursed with state general funds
21 to the school districts, certified to the budget administrator,
22 be appropriated from the General Fund to aid in carrying out the
23 provisions of the Early Intervention Act and other related early
24 intervention services.

25 For 2014 and each year thereafter, on or before
26 December 1, the Department of Health and Human Services and
27 the State Department of Education shall jointly certify to the
1 budget administrator of the budget division of the Department of
2 Administrative Services the aggregate amount to be included in
3 the local system formula resources pursuant to subsection (16) of
4 section 79-1018.01 for all local systems for aid to be calculated
5 pursuant to the Tax Equity and Educational Opportunities Support
6 Act for the next school fiscal year minus such amount for the
7 current school fiscal year for school districts that are not
8 receiving any equalization aid for such school fiscal year.

9 For fiscal year 2015-16 and each fiscal year thereafter,
10 it is the intent of the Legislature that, in addition to other
11 state and federal funds used to carry out the Early Intervention
12 Act, funds equal to the greater of the amount certified to the

13 budget administrator or two million dollars be appropriated from
 14 the General Fund to aid in carrying out the provisions of the Early
 15 Intervention Act and other related early intervention services.

16 Sec. 4. Section 68-911, Revised Statutes Supplement,
 17 2013, is amended to read:

18 68-911 (1) Medical assistance shall include coverage for
 19 health care and related services as required under Title XIX of the
 20 federal Social Security Act, including, but not limited to:

- 21 (a) Inpatient and outpatient hospital services;
- 22 (b) Laboratory and X-ray services;
- 23 (c) Nursing facility services;
- 24 (d) Home health services;
- 25 (e) Nursing services;
- 26 (f) Clinic services;
- 27 (g) Physician services;
- 1 (h) Medical and surgical services of a dentist;
- 2 (i) Nurse practitioner services;
- 3 (j) Nurse midwife services;
- 4 (k) Pregnancy-related services;
- 5 (l) Medical supplies;
- 6 (m) Mental health and substance abuse services; and
- 7 (n) Early and periodic screening and diagnosis and
- 8 treatment services for children which shall include both physical
- 9 and behavioral health screening, diagnosis, and treatment services.

10 (2) In addition to coverage otherwise required under this
 11 section, medical assistance may include coverage for health care
 12 and related services as permitted but not required under Title XIX
 13 of the federal Social Security Act, including, but not limited to:

- 14 (a) Prescribed drugs;
- 15 (b) Intermediate care facilities for persons with
- 16 developmental disabilities;
- 17 (c) Home and community-based services for aged persons
- 18 and persons with disabilities;
- 19 (d) Dental services;
- 20 (e) Rehabilitation services;
- 21 (f) Personal care services;
- 22 (g) Durable medical equipment;
- 23 (h) Medical transportation services;
- 24 (i) Vision-related services;
- 25 (j) Speech therapy services;
- 26 (k) Physical therapy services;
- 27 (l) Chiropractic services;
- 1 (m) Occupational therapy services;
- 2 (n) Optometric services;
- 3 (o) Podiatric services;
- 4 (p) Hospice services;
- 5 (q) Mental health and substance abuse services;
- 6 (r) Hearing screening services for newborn and infant
- 7 children; and

8 (s) Administrative expenses related to administrative
 9 activities, including outreach services, provided by school
 10 districts and educational service units to students who are
 11 eligible or potentially eligible for medical assistance.

12 (3) No later than July 1, 2009, the department
 13 shall submit a state plan amendment or waiver to the federal
 14 Centers for Medicare and Medicaid Services to provide coverage
 15 under the medical assistance program for community-based secure
 16 residential and subacute behavioral health services for all
 17 eligible recipients, without regard to whether the recipient has
 18 been ordered by a mental health board under the Nebraska Mental
 19 Health Commitment Act to receive such services.

20 (4) On or before October 1, 2014, the department, after
 21 consultation with the State Department of Education, shall submit
 22 a state plan amendment to the federal Centers for Medicare and
 23 Medicaid Services, as necessary, to provide that the following are
 24 direct reimbursable services when provided by school districts as
 25 part of an individualized education program or an individualized
 26 family service plan: Early and periodic screening, diagnosis, and
 27 treatment services for children; medical transportation services;
 1 mental health services; nursing services; occupational therapy
 2 services; personal care services; physical therapy services;
 3 rehabilitation services; speech therapy and other services for
 4 individuals with speech, hearing, or language disorders; and
 5 vision-related services.

6 Sec. 5. Section 79-1018.01, Revised Statutes Cumulative
 7 Supplement, 2012, is amended to read:
 8 79-1018.01 Except as otherwise provided in this section,
 9 local system formula resources include other actual receipts
 10 available for the funding of general fund operating expenditures
 11 as determined by the department for the second school fiscal year
 12 immediately preceding the school fiscal year in which aid is to be
 13 paid. Other actual receipts include:
 14 (1) Public power district sales tax revenue;
 15 (2) Fines and license fees;
 16 (3) Tuition receipts from individuals, other districts,
 17 or any other source except receipts derived from adult education,
 18 receipts derived from summer school tuition, receipts derived
 19 from early childhood education tuition, tuition receipts from
 20 converted contracts beginning with the calculation of state aid to
 21 be distributed in school fiscal year 2011-12, and receipts from
 22 educational entities as defined in section 79-1201.01 for providing
 23 distance education courses through the Educational Service Unit
 24 Coordinating Council to such educational entities;
 25 (4) Transportation receipts;
 26 (5) Interest on investments;
 27 (6) Other miscellaneous noncategorical local receipts,
 1 not including receipts from private foundations, individuals,
 2 associations, or charitable organizations;

- 3 (7) Special education receipts;
- 4 (8) Special education receipts and non-special education
5 receipts from the state for wards of the court and wards of the
6 state;
- 7 (9) All receipts from the temporary school fund. Receipts
8 from the temporary school fund shall only include (a) receipts
9 pursuant to section 79-1035, to the extent that such receipts for
10 the calculation of aid for school fiscal year 2018-19 and each
11 school fiscal year thereafter are not returned to the temporary
12 school fund pursuant to section 79-309.01, and (b) the receipt of
13 funds pursuant to section 79-1036 for property leased for a public
14 purpose as set forth in subdivision (1)(a) of section 77-202;
- 15 (10) Motor vehicle tax receipts received;
- 16 (11) Pro rata motor vehicle license fee receipts;
- 17 (12) Other miscellaneous state receipts excluding revenue
18 from the textbook loan program authorized by section 79-734;
- 19 (13) Impact aid entitlements for the school fiscal year
20 which have actually been received by the district to the extent
21 allowed by federal law;
- 22 (14) All other noncategorical federal receipts;
- 23 (15) All receipts pursuant to the enrollment option
24 program under sections 79-232 to 79-246;
- 25 (16) Receipts For aid calculated for school fiscal years
26 prior to school fiscal year 2016-17, receipts under the federal
27 Medicare Catastrophic Coverage Act of 1988, as such act existed on
1 May 8, 2001, January 1, 2014, as authorized pursuant to sections
2 43-2510 and 43-2511 but only to the extent of the amount the
3 local system would have otherwise received pursuant to the Special
4 Education Act and for aid calculated for school fiscal year 2016-17
5 and each school fiscal year thereafter, eighty-eight and forty-six
6 hundredths percent of federal medicaid funds received pursuant to
7 section 43-2511 for services to school-age children;
- 8 (17) Receipts for accelerated or differentiated
9 curriculum programs pursuant to sections 79-1106 to 79-1108.03; and
- 10 (18) Revenue received from the nameplate capacity tax
11 distributed pursuant to section 77-6204.
- 12 Sec. 6. Section 79-1119, Reissue Revised Statutes of
13 Nebraska, is amended to read:
- 14 79-1119 Excess cost means the difference between the
15 total cost of the special education program excluding residential
16 care minus eighty-eight and forty-six hundredths percent of any
17 federal medicaid funds received pursuant to section 43-2511 for
18 services to school-age children and minus the product of the number
19 of students in the special education program multiplied by the
20 adjusted average per pupil cost of the preceding year for the
21 school district of residence of each child.
- 22 Sec. 7. Section 79-1145, Reissue Revised Statutes of
23 Nebraska, is amended to read:
- 24 79-1145 For each fiscal year, the aggregate amount of

25 General Funds appropriated for special education programs and
26 support services pursuant to sections 79-1129, 79-1132, and 79-1144
27 shall not exceed the aggregate amount of General Funds appropriated
1 pursuant to such sections for the previous fiscal year, multiplied
2 by one plus a rate of five percent. For purposes of this section,
3 for fiscal year 2015-16 the aggregate amount of General Funds
4 appropriated for special education programs and support services
5 pursuant to section 79-1129, 79-1132, and 79-1144 for the previous
6 fiscal year shall be the net amount after any decrease required
7 pursuant to section 43-2515.

8 Sec. 8. Section 79-1158, Reissue Revised Statutes of
9 Nebraska, is amended to read:

10 79-1158 No reimbursement for special education and
11 support services programs shall be allowed unless the program meets
12 the standards established by the State Department of Education and
13 the school district has verified participation in the statewide
14 billing system for accessing federal medicaid funds as required
15 pursuant to section 43-2511.

16 Sec. 9. Section 79-1160, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-1160 The State Department of Education shall adopt,
19 promulgate, and publish rules and regulations necessary to carry
20 out the Special Education Act. Such rules and regulations shall
21 include, but not be limited to, the regulation of costs under
22 section 79-1152, limitation of the program to children with
23 disabilities who require residential care in order to receive an
24 appropriate special education program, ~~and~~ provisions for contracts
25 with the Department of Health and Human Services to assist
26 in the administration of the act, and provisions for verifying
27 participation in the statewide billing system for accessing federal
1 medicaid funds as required pursuant to section 43-2511.

2 Sec. 10. Original sections 43-2511, 43-2513, 43-2515,
3 79-1119, 79-1145, 79-1158, and 79-1160, Reissue Revised Statutes
4 of Nebraska, section 79-1018.01, Revised Statutes Cumulative
5 Supplement, 2012, and section 68-911, Revised Statutes Supplement,
6 2013, are repealed.

BILL ON FIRST READING

The following bill was read for the first time by title:

LEGISLATIVE BILL 383A. Introduced by Janssen, 15.

A BILL FOR AN ACT relating to appropriations; to appropriate funds to aid in carrying out the provisions of Legislative Bill 383, One Hundred Third Legislature, Second Session, 2014.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR **Committee**
LR512 Education

(Signed) John Wightman, Chairperson
Executive Board

VISITORS

Visitors to the Chamber were Senator McGill's father, Dave, grandparents, Dave and Bernie, from Omaha, and fiancé, Clayton Johnson; Macia Rincon-Gillardo, Bart LuBow, and Corey Steele from the Annie E. Casey Foundation; 25 first-grade students, teacher, and sponsors from Johnson-Brock Elementary; 45 fourth-grade students and teachers from Syracuse; 24 fourth-grade students and teacher from Immanuel Lutheran School, Columbus; Tricia Raymond from Mississippi; 45 fourth-grade students, teachers, and sponsors from York; Kathy and Dan Denman from Grand Island and Lucas Barboza from Brazil; and a group from Leadership Columbus.

ADJOURNMENT

At 11:39 a.m., on a motion by Senator Lathrop, the Legislature adjourned until 10:00 a.m., Monday, March 24, 2014.

Patrick J. O'Donnell
Clerk of the Legislature

