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Child Welfare Group Projects \$2M Shortfall

LINCOLN, Neb. (AP) — A private, nonprofit agency that manages child welfare cases in the Omaha area is projecting a \$2 million annual shortfall in its budget, based on what it currently receives in state aid.

Judy Rasmussen, treasurer of the Nebraska Families Collaborative, told lawmakers Wednesday that her organization expects to incur \$57 million in expenses in the current fiscal year, but will only receive \$55 million from the state.

The amount is based on a contract signed as part of last year's child welfare overhaul.

Kerry Winterer, the CEO of the Department of Health and Human Services, says the payments are based on a detailed analysis of the caseloads in Douglas and Sarpy counties.

Winterer says state officials were already planning to renegotiate the contract, but they believe the rate is fair.

Hastings Bank Fined \$220,000 By Regulators

HASTINGS, Neb. (AP) — Hastings State Bank was fined \$220,000 by federal regulators for unsound practices just before the bank was acquired by Pinnacle Bank last year.

The *Hastings Tribune* reports that the Federal Deposit Insurance Corporation recently released details of the enforcement action against the bank.

Hastings State Bank paid the fine outlined in the December order and agreed to hire a compliance officer to make sure consumer laws are being followed.

Sioux Falls Promotes Smoke Alarm Giveaway

SIOUX FALLS (AP) — Sioux Falls Fire Rescue is giving away smoke alarms to people who cannot afford them.

A city ordinance requires smoke alarms in each sleeping room, the area in the immediate vicinity outside sleeping rooms, and at least one on each floor.

The department will also provide assistance to those people who need help installing the alarms.

More information can be found at www.siouxfalls.org/fire.

'Top Chef' To Open Pastry Shop In Sioux Falls

SIOUX FALLS (AP) — A pastry chef who gained national fame as a winner of the Bravo network's "Top Chef: Just Desserts" TV show plans to open a shop in South Dakota's largest city.

Chris Hanmer won the second season of the TV competition. His wife, Caryn, is from Sioux Falls. Hanmer tells the *Argus Leader* that they wanted to bring big-city sweets to the relatively small down-town this spring. The shop will be called CH Patisserie, named for the initials Han-

The shop will be called CH Patisserie, named for the initials Hanmer and his wife share with their 20-month-old daughter, Carys. The business will be on South Phillips Avenue.

Hanmer confirmed the store plans in an email to The Associated Press. The shop will sell desserts such as French macaroons, bonbons and cookies. It will also offer pastry classes.

Man Sentenced For Sexually Explicit Texts

OMAHA, Neb. (AP) — A 44-year-old Omaha man who sent more than 1,000 sexually explicit messages to underage teenage girls has been sentenced to four years' probation.

Omaha television station KMTV reports that Clarence Weber was sentenced in Douglas County District Court on Tuesday. Weber must also register as a sex offender and take a sex risk assessment. He had pleaded guilty in November to one count of enticement

by electronic device. Police say they either found or had evidence of more than 1,000 messages between Weber and the victims. Investigators say that in some cases, Weber would ask the girls to send photos of

Closed Meetings Proposal Rejected

BY CHET BROKAW Associated Press

PIERRE — A split South Dakota legislative panel on Wednesday rejected requiring state and local boards and commissions to record closed meetings after opponents argued the move could stifle debate and lead to the disclosure of sensitive information.

The Senate Local Government Committee voted 4-3 to kill the measure, which would have required boards and commissions to keep minutes and recordings of all closed meetings. Those recordings would have been sealed unless someone complained that a meeting had been illegally closed. A judge then would have reviewed the minutes and recording to determine if they could be used in the legal complaint against the board or commission.

The bill's main sponsor, Sen. Al Novstrup, R-Aberdeen, said recordings would provide the best evidence of whether a board or commission met in a closed session to discuss issues that should have been handled in public. Such meetings can be closed to the public only for discussions about personnel issues, student performance, litigation or contracts, employee contract negotiations, pricing strategies by public owned businesses, and certain economic development matters.

"The court would listen to that tape and that would solve the problem of what happened. The evidence would be very clear on what happened," Novstrup said.

Those minutes and recordings would protect the public interest in open government and provide proof that a board had acted properly, he said.

Representatives of city councils, county commissions and school boards said such recordings could eventually lead to disclosure about sensitive information about government employees, students and legal disputes. "I suggest to you, it is a road of danger for us," said Richard Tieszen, a Pierre lawyer representing the Sioux Falls School Board.

Wade Pogany, executive director of the Associated School Boards of South Dakota, said the presence of a tape recorder could discourage a school board from having a full discussion about important issues, such as the abuse of a student.

"They're going to pull back because of that tape recorder," Pogany said.

Yvonne Taylor, director of the South Dakota Municipal League, said allegations of improperly closed meetings are now handled by the state's Open Meetings Commission, which can hold hearings on alleged violations and issue reprimands for violations of the open meetings law. The commission has dealt with only about three dozen cases since it was created about six years ago, but county commissions, city councils and school boards have had about 50,000 to 60,000 meetings in that time, she said.

7

"We don't have a problem out there," Taylor said.

But Dave Bordewyk, general manager of the South Dakota Newspaper Association, said the Open Meetings Commission has handled few cases involving the alleged improper closing of meetings because there's no way to know what was discussed in those meetings. Boards and commissions could easily record closed meetings, he said.

"Digital recorders do not cost that much. I don't think it's a heavy burden to provide them," Bordewyk said.

Rapid City Mayor Sam Kooiker also urged the committee to pass the bill, saying minutes and recordings could be used to prove a board or commission did not violate the law.

"I think this offers protection to the community and also to elected officials," Kooiker said.

Neb. Lawmakers Consider Axing Social Security Tax

BY ALISSA SKELTON Associated Press

LINCOLN, Neb. — Several Nebraska lawmakers shared proposals Wednesday to get rid of taxes on Social Security benefits aimed at making Nebraska a more appealing place to retire.

The Legislature's Revenue Committee heard from three lawmakers Wednesday and is scheduled to hear several more proposals Thursday related to exempting retirement benefits from taxation.

Lawmakers are looking into this issue after advocates and reports painted Nebraska's tax law as unfriendly to baby boomers. In 2012, Kiplinger magazine rated Nebraska the sixth worst tax friendly states for retirees. Nebraska is among six states that tax Social Security benefits at the same rate as the federal government.

Omaha attorney James Cavanaugh, a supporter of exempting Social Security taxes, argues that seniors have paid into the fund for their whole working lives and deserve not to have the income taxed. Advocates also say seniors are leaving Nebraska to go to states with more favorable tax climates.

Nebraska law currently allows people making less than \$25,000 per year and couples earning less than \$32,000 to be exempt from all Social Security tax. Omaha Sen. Jeremy Nordquist said those numbers haven't changed since 1984 and need to rise with inflation. He said about 39 percent of Social Security recipients' benefits were taxed in 2005.

Nordquist introduced a bill that would exempt Social Security income taxation for individuals with incomes of \$60,000 per year or less and for couples earning \$80,000 or less. This proposal would cost the state more than \$31 million per year. AARP, the Nebraska State Education Association Retired and the Nebraska

Alliance for Retired Americans support Nordquist's bill.

Fremont Sen. Charlie Janssen proposed a similar bill — almost identical to what Nordquist proposed last session — that would exempt all Social Security income from taxation. Janssen's proposal would cost the state more than \$81 million per year.

Earlier this month, Gov. Dave Heineman's unveiled his proposal to scrap individual and corporate income taxes, which also would eliminate taxation of Social Security and retirement income. Janssen said he wouldn't have introduced a bill had he known that several other senators were working on the same legislation.

Columbus Sen. Paul Schumacher said he is concerned about the cost of the bills introduced by Nordquist and Janssen. Lawmakers would have to consider reducing funding in other areas, such as education, to give seniors a break on Social Security income, he said. Schumacher asked Nordquist how he could justify shifting the tax burden onto the younger generation. Nordquist said seniors would spend the money in Nebraska, which would help the local economy.

"I think we should be putting money back in the pockets of seniors who need the money," Nordquist said.

Sen. Sue Crawford of Bellevue offered another bill that would cost the state more than \$6 million. Crawford's bill would exempt tax on several types of retirement income, including Social Security, for those still working. Exemptions would be allowed for couples earning less than \$60,000 per year and individuals earning less than \$30,000. She said the bill would target retirees of various professions most likely to be engaged in the economy while "ensuring we are able to keep our commitments to local schools and Nebraska families.

