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LB 664

than the teacher and the education units, ESUs, and school districts, community colleges and state colleges would be not part of that pool. Some of the other things that we had heard on General File and, again, I think that some of these were misconceptions, we heard about taxes and how we have a responsibility to public entities to reduce spending, and if you read the task force from which LB 664 was developed it talked about that, that there may be benefits, there may be savings to municipalities through the concept of pooling, but there's no guarantee that it would be. And, again, my argument is, is that the possible...the potential savings to school districts through pooling would not offset the instability that would be rendered to that 70,000-person pool. So, as we heard on General File that this pooling bill would reduce taxes, but I think what would happen is the exact opposite. What we have now is we have a 70,000-person pool who uses their purchasing power to negotiate discounts with providers and, according to the educators' alliance, they saved \$40 million last year by this purchasing power, by negotiating discounts.

PRESIDENT MAURSTAD: (Gavel)

SENATOR BOURNE: Thank you, Mr. President. By negotiating discounts with these provider groups, this teacher plan saved \$40 million in insurance premium and, as you know, we pay for education one way or another, so this is a property tax relief. And I would suggest to you that while it was opined on General File that taxes would go down, that this would be a savings, I think that the opposite would be true. Because the greater the number in the pool the greater the savings. When you break this group up into smaller portions, the bargaining power would not be as great. What you would have, instead of a 70,000-person pool, you would have multiple 500 or 1,000 persons pool who will not have this negotiating group power over the insurance companies, so the bargaining power would be gone. The premiums would go up and, in a sense, that would render any tax savings to pooling mute. They would be gone. So I want to reiterate \$40 million a year is saved because the educators' pool is large enough to negotiate discounts with providers and, again, this cannot be done and will not be done if that pool is fractured. We also talked about, on General File, much was made of the fact