

FIFTEENTH DAY - JANUARY 26, 2005**LEGISLATIVE JOURNAL****NINETY-NINTH LEGISLATURE
FIRST SESSION****FIFTEENTH DAY**

Legislative Chamber, Lincoln, Nebraska
Wednesday, January 26, 2005

PRAYER

The prayer was offered by Senator Stuhr.

ROLL CALL

Pursuant to adjournment, the Legislature met at 10:00 a.m., President Sheehy presiding.

The roll was called and all members were present except Senators Burling and Friend who were excused; and Senator Beutler who was excused until he arrives.

CORRECTIONS FOR THE JOURNAL

The Journal for the fourteenth day was approved.

REFERENCE COMMITTEE REPORT

The Legislative Council Executive Board submits the following report:

LB/LR	Committee
LB 722	Natural Resources
LB 730	Judiciary (rereferred)

(Signed) Pat Engel, Chairperson
Legislative Council, Executive Board

ANNOUNCEMENT

Senator Cunningham announced the Business and Labor Committee will meet in Room 1524 on January 31, 2005 instead of Room 2102.

STANDING COMMITTEE REPORTS
Banking, Commerce and Insurance

LEGISLATIVE BILL 60. Indefinitely postponed.

LEGISLATIVE BILL 84. Indefinitely postponed.

(Signed) Mick Mines, Chairperson

Transportation and Telecommunications

LEGISLATIVE BILL 284. Placed on General File.

(Signed) Tom Baker, Chairperson

NOTICE OF COMMITTEE HEARINGS
Government, Military and Veterans Affairs
 Room 1507

LB 56	Wednesday, February 2, 2005	1:30 p.m.
LB 232	Wednesday, February 2, 2005	1:30 p.m.
LB 337	Wednesday, February 2, 2005	1:30 p.m.
LB 379	Wednesday, February 2, 2005	1:30 p.m.
LB 160	Thursday, February 3, 2005	1:30 p.m.
LB 432	Thursday, February 3, 2005	1:30 p.m.
LB 443	Thursday, February 3, 2005	1:30 p.m.
LB 483	Thursday, February 3, 2005	1:30 p.m.
LB 240	Friday, February 4, 2005	1:30 p.m.
LB 241	Friday, February 4, 2005	1:30 p.m.
LB 255	Friday, February 4, 2005	1:30 p.m.
LB 273	Friday, February 4, 2005	1:30 p.m.
LB 321	Friday, February 4, 2005	1:30 p.m.

(Signed) DiAnna R. Schimek, Chairperson

Judiciary
 Room 1113

LB 361	Wednesday, February 2, 2005	1:30 p.m.
LB 402	Wednesday, February 2, 2005	1:30 p.m.
LB 469	Wednesday, February 2, 2005	1:30 p.m.
LB 529	Wednesday, February 2, 2005	1:30 p.m.
LB 648	Wednesday, February 2, 2005	1:30 p.m.
LB 649	Wednesday, February 2, 2005	1:30 p.m.
LB 650	Wednesday, February 2, 2005	1:30 p.m.
LB 349	Thursday, February 3, 2005	1:30 p.m.
LB 431	Thursday, February 3, 2005	1:30 p.m.

LB 540	Thursday, February 3, 2005	1:30 p.m.
LB 541	Thursday, February 3, 2005	1:30 p.m.
LB 653	Thursday, February 3, 2005	1:30 p.m.
LB 754	Thursday, February 3, 2005	1:30 p.m.
LB 117	Friday, February 4, 2005	1:30 p.m.
LB 148	Friday, February 4, 2005	1:30 p.m.
LB 179	Friday, February 4, 2005	1:30 p.m.
LB 457	Friday, February 4, 2005	1:30 p.m.
LB 481	Friday, February 4, 2005	1:30 p.m.
LB 594	Friday, February 4, 2005	1:30 p.m.

(Signed) Patrick J. Bourne, Chairperson

Revenue
Room 1524

LB 514	Wednesday, February 16, 2005	1:30 p.m.
LB 254	Wednesday, February 16, 2005	1:30 p.m.
LB 448	Wednesday, February 16, 2005	1:30 p.m.
LB 644	Wednesday, February 16, 2005	1:30 p.m.
LB 720	Wednesday, February 16, 2005	1:30 p.m.
LB 133	Wednesday, February 16, 2005	1:30 p.m.
LB 472	Wednesday, February 16, 2005	1:30 p.m.
LB 299	Thursday, February 17, 2005	1:30 p.m.
LB 578	Thursday, February 17, 2005	1:30 p.m.
LB 582	Thursday, February 17, 2005	1:30 p.m.
LB 600	Thursday, February 17, 2005	1:30 p.m.
LB 607	Thursday, February 17, 2005	1:30 p.m.
LB 699	Thursday, February 17, 2005	1:30 p.m.
LB 413	Wednesday, February 23, 2005	1:30 p.m.
LB 575	Wednesday, February 23, 2005	1:30 p.m.
LB 478	Wednesday, February 23, 2005	1:30 p.m.
LB 523	Wednesday, February 23, 2005	1:30 p.m.
LB 692	Wednesday, February 23, 2005	1:30 p.m.
LB 172	Thursday, February 24, 2005	1:30 p.m.
LB 311	Thursday, February 24, 2005	1:30 p.m.
LB 417	Thursday, February 24, 2005	1:30 p.m.
LB 610	Thursday, February 24, 2005	1:30 p.m.
LB 615	Thursday, February 24, 2005	1:30 p.m.
LB 753	Thursday, February 24, 2005	1:30 p.m.

(Signed) David Landis, Chairperson

MOTION - Escort Governor

Senator Cudaback moved that a committee of five be appointed to escort the Governor of the State of Nebraska to the Legislative Chamber to deliver his State of the State Address.

The motion prevailed.

The Chair appointed Senators Brown, Engel, Fischer, D. Pederson, and Raikes to serve on said committee.

STATE OF THE STATE ADDRESS

"You can expect to find these four priorities – education, economic vitality, efficiency in government and the protection of families – woven into my decisions as Governor. They will serve as my compass as I work with you to chart a future course for our state."

Mr. President, Mr. Speaker, Members of the Legislature, Tribal Chairmen, Distinguished Guests, Friends and Fellow Nebraskans: Thank you for the opportunity to address this body under these unique circumstances.

As I look out among you, it's reassuring to see familiar faces. Some of you are longtime friends. Speaker Brashear, our friendship over the course of the past two and a half decades has been very special to me. Congratulations on being chosen to serve as Speaker of the Legislature. The confidence your colleagues have expressed in you is well placed. Your attention to detail, creativity, and leadership abilities will serve this body well.

Senator Schimek, in a sense you and I cut our political teeth together long ago. I am grateful that we have always set aside political and philosophical differences to enjoy a friendship that follows in the great tradition of this nonpartisan institution.

I want to recognize my senator, Ray Janssen. Not only have I appreciated your representation, Senator, I appreciate the long-standing friendship that Sally and I have shared with you and Nancy. I have great respect for your work in this Legislature.

Now, I'll say a word about your senior member. Long ago, Senator Chambers and I rallied behind a piece of legislation that was proposed to assist a single individual who had been wronged by our state. Following the passage of that bill, the senator paid an unannounced visit to my office to express his appreciation. I have never forgotten that visit. So, I use this occasion to publicly thank Senator Chambers for reminding us of our responsibility to care for the less fortunate in our society.

I also see among you new acquaintances. The broad backgrounds and enthusiasm of our freshman senators are sure to contribute to the depth of debate. Whether you are beginning your first year or your 35th year of service, you were elected to serve in this capacity because you have demonstrated a commitment to our state. I share that commitment. Together, I believe we can look ahead with vision and accomplish much for our citizens.

It is quite likely that our state will never again have so much collective knowledge and experience present within this respected chamber. You have a unique opportunity to leave a lasting legacy. By extending your focus beyond the needs of today, to anticipate the future needs of Nebraska, you create a solid foundation to build upon when the torch is passed to the decision makers of tomorrow.

I am also presented with a unique opportunity. I come to this post because a great honor has been given to our 38th Governor. A resounding sense of pride is beaming from the citizens of our great state knowing that the nation's agriculture sector now has a man of wisdom and integrity at the helm. Equally important, the farmers and ranchers of our state and our nation now have an advocate who will speak passionately on their behalf. Soon, the nation will know what the citizens of Nebraska have long known – that Secretary Johanns will prove worthy of the confidence expressed in him by our President and the United States Senate.

As we wish him well in his new post, I become the first Lieutenant Governor in 45 years to assume my new post by operation of our state constitution. That fact only intensifies my determination to provide effective and insightful leadership.

I will do everything in my power to earn the trust, respect and confidence of the citizens of this great state as I begin my tenure in this new capacity. I promise you this: I will not shy away from difficult issues. I am committed to making our state an even better place in which to live, work and raise a family. Ladies and gentlemen, that journey begins here, with you.

The state of the economy offers reasons for both optimism and caution. Our state's growing economic strength is reflected in the fact that we closed the books on fiscal year 2004 more than \$100 million ahead of projections and revenues continue to exceed projections this fiscal year. Yet, I submit to you that caution is in order. I am mindful of the projected \$233 million budget gap, the low-level waste obligation, and other significant financial obligations that we face.

The budget proposal before you reflects both optimism and caution. It is a balanced budget with no tax increases and yet it funds important priorities. It addresses the low-level waste obligation in the most cost effective manner possible to ensure this burden is not passed on to future policy-makers. It is remarkable that we can financially satisfy this debt in one payment, considering the economic struggles of recent years.

You certainly demonstrated a willingness to make difficult, forward-looking decisions during the last legislative session. Despite the difficult economic times, you passed three historic reforms. I propose continuing this state's commitment to those endeavors.

My budget provides funding to build upon the very impressive progress that has already been made toward expanding behavioral health services across our state and bringing treatment closer to home. You have brought new meaning to the lives and futures of thousands of Nebraskans who view your passage of LB1083 as a declaration of their value and an invitation to contribute to their communities.

This budget continues to finance the most comprehensive reform of our child protection system in state history. And, it supports the continuing efforts to ensure the wise stewardship of water, for the sake of generations to come.

You revealed a vision for the future in all three cases and set aside individual interests to put positive change in motion. I, too, have a vision for the future. It is based on four priorities that will guide my decisions as Governor.

I believe education is the great equalizer. Our children are our hope for the future, so we have an obligation to provide them with the tools to succeed. There is no more powerful tool than knowledge.

Secondly, I believe economic vitality must be a central focus of our leadership. The population of our state shows only modest growth while the average age of our citizenry increases. As we care for our aging population, we must contemplate the future implications of this equation. It is critically important that we grow our economy. Doing so requires an examination of the many factors that influence our state's financial status.

We must support the industry that drives our state's economy. That means being very attentive to the needs of our farmers and ranchers. It means aggressively exploring opportunities in the areas of biotechnology, value-added agriculture, and foreign markets.

Inspiring growth also requires that special attention be paid to small business development, entrepreneurial support, business attraction, and worker recruitment and training. My budget sends a message to small businesses and entrepreneurs, particularly in rural Nebraska, that we are eager to support them in an effort to expand the economy of this state.

My third priority is efficiency in government. It is important that we continually seek new pathways to efficiency. I believe technology is one key to achieving this goal. Technology can provide a link that further unites our state - a link that bridges our vast prairies and sandhills. Technology has revolutionized farming, it is helping to bring health care services to the smallest of our communities, and it has opened new doors of learning in our schools. We must build on the superb progress that has been made. That means striving to be a customer friendly, customer responsive government in everything we do, from issuing permits to answering telephones.

The previously mentioned priorities matter little, however, if we fail to protect our families and provide for safe communities – my fourth priority. We are fortunate to live in Nebraska, where the crime rate is low and the level of neighborly concern is very high. Yet, we do not take the good life for granted.

We know that methamphetamine continues to destroy lives all across our state. We are fighting back on several fronts. The Attorney General and I propose to dramatically reduce the supply of a key meth-making ingredient, pseudoephedrine, through legislation that has been introduced by Senator Bourne and several others. That legislation also stiffens the penalties for meth dealers and manufacturers. On another front, I propose adding 21 troopers to ensure that we have a strong state patrol to continue fulfilling their broad responsibilities – from the war on drugs to patrolling our highways.

You can expect to find these four priorities - education, economic vitality, efficiency in government and the protection of families - woven into my decisions as Governor. They will serve as my compass as I work with you to chart a future course for our state.

That brings me full circle, back to the opportunity that lies before us. I believe it is time for us to engage in a statewide conversation with our citizens about the future of Nebraska. While we are taking care of present day needs, we must prepare for our future by asking ourselves the following questions:

Do we have a 21st Century government infrastructure that matches a 21st Century economy? I ask you to work with me to establish the kind of

infrastructure that will be needed to deliver local and state government services, health care, social services and education decades from now.

Are we preparing our children for 21st Century work opportunities? Is the classroom of the future a virtual classroom or a classroom with four walls? We must ensure that our children receive a technologically advanced and challenging education.

How do we make government more efficient? Are there well-intended government programs that began many years ago, which are no longer essential? I propose that the most important priorities for our state be identified and funded first.

Do we have a tax structure that encourages investment in future job opportunities or is it focused on job opportunities of the past? I appreciate the challenges surrounding this particular issue but I believe that now is the time to tackle them. Nebraskans understand the implications of having a virtually stable population that is aging. They know that we must grow our economy or we simply will not be able to afford the services that we currently expect from government. More importantly, we need to grow our economy to ensure that our children and grandchildren have the opportunity to find fulfilling employment right here in Nebraska.

It is time for Nebraska to adopt a 21st Century business climate that attracts new, dynamic and growing businesses of the future. I want our state to be the best state in the country, a state where opportunities truly are endless. Our citizens are ready for change. The question is whether we, in government, are ready to make the necessary changes to meet future challenges. I say that it is time to put Nebraska's future interests above any past special interests.

I believe we are ready. I am calling on every Nebraskan to share their thoughts, their concerns and their suggestions with me about how to strengthen our state. Send me a letter or an email with your ideas and I will read every one.

Members of the Legislature, you and I have a unique opportunity to leave a lasting legacy for our state. Over the next few years we must address the needs of today and then look beyond them to our future needs. I ask you to seize this opportunity to blend the knowledge and experience of long-time senators with the enthusiasm and innovation of new members and work with me to boldly set our future course. With input from our citizens, I am confident that together we will meet the challenges before us to ensure a vibrant future for our state.

The committee escorted Governor Dave Heineman from the Chamber.

SENATOR CUDABACK PRESIDING

SELECT COMMITTEE REPORTS
Enrollment and Review

LEGISLATIVE BILL 1. Placed on Select File.

LEGISLATIVE BILL 2. Placed on Select File.

LEGISLATIVE BILL 3. Placed on Select File.

LEGISLATIVE BILL 80. Placed on Select File.

LEGISLATIVE BILL 83. Placed on Select File.

(Signed) Michael Flood, Chairperson

GENERAL FILE

LEGISLATIVE BILL 20. Senator Schrock renewed his pending amendment, AM0028, found on page 358.

Senator Louden requested a ruling of the Chair on whether the Schrock amendment is germane to the bill.

The Chair ruled the Schrock amendment is germane to the bill.

The Schrock amendment was adopted with 28 ayes, 0 nays, 17 present and not voting, and 4 excused and not voting.

Advanced to E & R for review with 29 ayes, 0 nays, 16 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 51. Title read. Considered.

Advanced to E & R for review with 26 ayes, 0 nays, 19 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 59. Title read. Considered.

Advanced to E & R for review with 32 ayes, 0 nays, 13 present and not voting, and 4 excused and not voting.

LEGISLATIVE BILL 88. Title read. Considered.

Advanced to E & R for review with 32 ayes, 0 nays, 14 present and not voting, and 3 excused and not voting.

LEGISLATIVE BILL 118. Title read. Considered.

Pending.

NOTICE OF COMMITTEE HEARINGS**Natural Resources**

Room 1525

LB 225	Thursday, February 3, 2005	1:30 p.m.
LB 226	Thursday, February 3, 2005	1:30 p.m.
LB 601	Thursday, February 3, 2005	1:30 p.m.

Thursday, February 3, 2005 1:30 p.m.
James J. Ziebarth - Game and Parks Commission

LB 619	Friday, February 4, 2005	1:30 p.m.
LB 342	Friday, February 4, 2005	1:30 p.m.

Friday, February 4, 2005 1:30 p.m.
Jerry P. (Pat) Trotter - Environmental Quality Council

(Signed) Ed Schrock, Chairperson

Health and Human Services

Room 1510

LB 730	Thursday, February 3, 2005 (cancel)	1:30 p.m.
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(Signed) Jim Jensen, Chairperson

STANDING COMMITTEE REPORTS**Natural Resources****LEGISLATIVE BILL 139.** Placed on General File.**LEGISLATIVE BILL 162.** Placed on General File as amended.

Standing Committee amendment to LB 162:

AM0044

- 1 1. Strike original section 2.
- 2 2. On page 2, line 3, strike "19" and insert "18".
- 3 3. On page 9, line 23; and page 10, line 20, after
- 4 "shall" insert "not".
- 5 4. On page 21, line 24, after "over" insert "having a
- 6 valid hunting permit".
- 7 5. On page 22, line 19, strike "sixty-five", show as
- 8 stricken, and insert "eighty-five" and strike "seventy-five", show
- 9 as stricken, and insert "ninety-five"; and in line 28 after "older"
- 10 insert "having a valid hunting permit".
- 11 6. On page 23, line 14, strike "15 and 23" and insert
- 12 "14 and 22"; and in line 19 strike "37-405,".
- 13 7. Renumber the remaining sections accordingly.

(Signed) Ed Schrock, Chairperson

UNANIMOUS CONSENT - Add Cointroducers

Senator Bourne asked unanimous consent to have his name added as cointroducer to LBs 69 and 70. No objections. So ordered.

Senator Smith asked unanimous consent to have his name added as cointroducer to LB 498. No objections. So ordered.

Senator Dw. Pedersen asked unanimous consent to have his name added as cointroducer to LB 665. No objections. So ordered.

VISITORS

Visitors to the Chamber were Randy and Ralph Thomas from Lincoln.

The Doctor of the Day was Dr. Rick Gustafson from Lincoln.

ADJOURNMENT

At 11:57 a.m., on a motion by Senator Jensen, the Legislature adjourned until 9:00 a.m., Thursday, January 27, 2005.

Patrick J. O'Donnell
Clerk of the Legislature

