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Floor Debate
March 07, 2012

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SENATOR CARLSON PRESIDING

SENATOR CARLSON: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the fortieth day of the One Hundred Second legislative session. Our chaplain for today is Pastor Dr. Leroy Adams, Jr., from the Morning Star Baptist Church in Omaha, Senator Council's district. Please rise.

REVEREND ADAMS: (Prayer offered.)

SENATOR CARLSON: Thank you, Reverend Adams and Senator Council. I call to order the fortieth day of the One Hundred Second Legislature, Second Session. Senators, please record your presence. Mr. Clerk, please record.

ASSISTANT CLERK: There is a quorum present, Mr. President.

SENATOR CARLSON: Thank you, Mr. Clerk. Are there any messages, reports, or announcements?

ASSISTANT CLERK: Mr. President, your Committee on Enrollment and Review reports LB820A, LB821A, and LB1160A all to Select File. In addition to that, the Urban Affairs Committee will have an Executive Session under the north balcony at 9:15. (Legislative Journal page 805.) [LB820A LB821A LB1160A]

SENATOR CARLSON: Thank you, Mr. Clerk. Are there any messages, reports, or announcements? Thank you, Mr. Clerk. We'll now proceed to the first item on the agenda, LB821. [LB821]

ASSISTANT CLERK: Mr. President, with respect to LB821, there are E&R amendments. (ER196, Legislative Journal page 747.) [LB821]

SENATOR CARLSON: Senator Larson for a motion. [LB821]

SENATOR LARSON: Mr. President, I move that the E&R amendments to LB821 be adopted. [LB821]

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SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. All opposed, nay. Motion carried. [LB821]

ASSISTANT CLERK: Mr. President, the next amendment to LB821 is offered by Senator Campbell, AM2304. (Legislative Journal page 795.) [LB821]

SENATOR CARLSON: Senator Campbell, you're recognized to open on your amendment. [LB821]

SENATOR CAMPBELL: Thank you, Mr. President. And good morning, members of the body. As we begin today, I would first like to start with a thank you to two people, to Mary Fischer in the Bill Drafters, who came in over the weekend to help us put the amendments together, and again to the legal counsel to the HHS Committee who has worked more weekends and more nights than we'd like to know, Michelle Chaffee. This amendment becomes the bill. And as you will see in all of these bills, we are trying to harmonize the language. And for that we have Ms. Fischer to thank. So you will see certain changes in that and all of them to harmonize that language. It shortens and clarifies the legislative intent language. Senator Carlson and Senator Hansen raised questions on the floor and requested that we take a look at it. The intent language provides the framework to the commission regarding its work for child welfare reform. And I would particularly like to thank Martha Carter, from the Legislative Audit staff, who put the new wording together. The amendment clarifies that the commission will be within the CEO of HHS department. We had to house it somewhere and we put it there. But the commission can hire some staff, and Senator Sullivan I think was very wise to ask some of those questions. But the staff would be answerable to the Chair and the Vice Chair of the commission. Senator Harms suggested, and we thought it was a great suggestion, that we hire an independent facilitator to assist with the strategic planning process, who will work with the Chair and the Vice Chair, and so we included that. We'll terminate...the commission will terminate on June 30, 2012 (sic), unless continued by the Legislature. And I'm sorry Senator Fulton is not in his chair because that is one of the conditions that he suggested would help the commission. It provides for the special expertise of individuals who may serve on the committees created by the commission as determined by the commission to assist to complete the intent of the Legislature to assist the commission in completing its work. And you can note those in the bill. It moves the requirements of lead agencies in the future that mitigate the potential for conflict of interest by a lead agency to a separate section, again, upon the suggestion of the Bill Drafters. And you would see that in Section 4, to page 8, line 14. With that, Mr. President, those are the changes that we have put in under this amendment. Mr. President, I would respectfully ask one more minute here. I made an error in the statement. The commission would terminate on June 30 of 2014. I'm sorry, that was an error in my speaking. Thank you, Mr. President. [LB821]

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SENATOR CARLSON: Thank you, Senator Campbell. Members, you've heard the opening on AM2304 to LB821. The floor is now open for debate. (Doctor of the day introduced.) Those wishing to speak include Senators Hansen and Lathrop. Senator Hansen, you are recognized. [LB821]

SENATOR HANSEN: Thank you, Mr. President and good morning, colleagues. I received a rough draft yesterday from Senator Campbell on the revision on especially the first section of the first page on LB821. And I agree and I really appreciate Senator Campbell taking the time and Bill Drafters to change some of the wording there. It does what it needs to do and gets the bill off to a good start. And I appreciate that. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Hansen. Senator Lathrop, you're recognized. [LB821]

SENATOR LATHROP: Thank you very much, Mr. President. And, colleagues, good morning. First of all, I stand in support of AM2304 and again want to express my appreciation for members of the Health Committee, the long hours they spent over the interim working on their study and bringing the legislation that they brought to this point in time. I do have a thought, something that's been gnawing at me a little bit since we took this up on General File. And maybe I can begin by giving you a little background. When we worked on the Beatrice State Developmental disabilities issues, we had the benefit of two federal agencies that came in and did a study of BSDC. We had CMS, which is Medicaid, and we had the Department of Justice. And the Department of Justice in their report, and they brought in experts on the subject, they knew institutions for the developmentally disabled inside and out. And what they provided us with, which we probably would have missed notwithstanding that we have a great committee, we would have missed the central issue, probably the prime driver of the failures at BSDC had it not been for the help we had from the Department of Justice. That help...what the Department of Justice did is they identified all the problems that we had going on down at Beatrice State Developmental Center. And they said, central to almost every problem that you can identify on the list of the problems at BSDC was mandatory overtime. Now mandatory overtime doesn't have anything to do with LB821 or even the child welfare issues, as far as I know. But what it did do for us on the committee is give us a barometer to watch as we provided oversight for the improvements that have taken place at BSDC. In other words, for a committee or the Legislature watching what's going on at BSDC, when we see a spike in mandatory overtime we also see problems that get in the way with the reform that's underway there. And what I want to do this morning, if I can, is ask Senator Campbell some questions if she'll yield. [LB821]

SENATOR CARLSON: Senator Campbell, would you yield? [LB821]

SENATOR CAMPBELL: Certainly. [LB821]

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SENATOR LATHROP: Thank you. And, Senator Campbell, again I appreciate all the work that you've done. And I'm confident that I think with this dialogue we can maybe find that barometer for the Legislature to watch as we look to see what are the...what is in the end, the book is several hundred pages long, there's a lot in it. What did you identify as the central issue, sort of the driving thing that we as the Legislature can watch, can monitor to tell us whether things are on track or getting off track, if you can? [LB821]

SENATOR CAMPBELL: Certainly. I would have to say, Senator Lathrop, that it goes all the way back to the beginning and it is the number one task given to the commission. And that is we need a strategic plan. We went into this effort without one, we still don't have one. We have somewhat of an operational plan, but we don't have a strategic plan. We need to know where we're going and what those major goals and benchmarks are, that has been the central crux of I think the problem. [LB821]

SENATOR LATHROP: Let me...I appreciate that answer. And so what I hear you saying is the commission that we're creating should work on a strategic plan, that will set some benchmarks. Is there something today you can tell us, tell me that is... [LB821]

SENATOR CARLSON: One minute. [LB821]

SENATOR LATHROP: ...we don't need to wait for a commission to tell us, and maybe this is what I'm driving at, which is my suspicion that if we set up a process where caseload standards are met, is that the overtime hours of child welfare, which is to say if we can get the case managers with a reasonable caseload, then we're probably on the right track with the other things that follow? [LB821]

SENATOR CAMPBELL: And certainly, Senator Lathrop, you're going to see that in LB961, a great attention to that. And both the department and the pilot project will be held to those standards. You are absolutely correct. I want to go back to the statistic, and I'm using your time, and I apologize. [LB821 LB961]

SENATOR LATHROP: That's fine, I have my light on. [LB821]

SENATOR CAMPBELL: The statistic that is in the report that if you have one case manager you see permanency reached in 74 percent of those cases. If a youth has two or more, it drops all the way to 17 percent. And if you have six or more in that time period, it drops to .1 percent. [LB821]

SENATOR CARLSON: Time. Thank you, Senator Lathrop and Senator Campbell. (Visitors introduced.) Senator Lathrop, you are recognized again. [LB821]

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SENATOR LATHROP: Thank you, Mr. President. I'd like to continue my exchange with Senator Campbell with your permission. [LB821]

SENATOR CARLSON: Senator Campbell, would you yield? [LB821]

SENATOR CAMPBELL: Yes. Yes. [LB821]

SENATOR LATHROP: Thank you, Senator Campbell. If you would like to expand on your answer or... [LB821]

SENATOR CAMPBELL: Well, I think the case manager, that we have seen over and over again, makes a real difference. And I would like to have everyone in the body realize that the group of people that we have just welcomed into the body are past youth and in some cases currently in the foster care system. And several of them gave just superb testimony to the committee. And in several cases, Senator Lathrop, they referred to the case manager either, you know, time after time having more and more and creating problems for themselves or if they had a case manager who really cared and made a difference. It is a pivotal position because not only to the youth, the biological parents, the foster parents, the agency, but particularly to the court. [LB821]

SENATOR LATHROP: When we talk about case managers, as I read your report, I have to tell you that, and maybe because of my history working on the BSDC issues, I looked at it and said this seems to be at the core, at the core it seems to be about the people that are in charge of the case manager. And what I...what struck me as I read the report is the turnover of case managers and the importance of having people stay in that position. Is that what we need to monitor, what we need to watch, what we need to see as a barometer of our success is do we have case managers that are staying at the job? Do we have wards who only have one case manager through the process? Is that the barometer to watch for going forward? [LB821]

SENATOR CAMPBELL: Absolutely. And for those of you who are interested in the document section where the reports are, we began to follow that. And in LB1160, in the reports and oversights that we require, we are following a number of issues with regard to case managers, not only how many they have, because the other critical issue is are they meeting with their cases, the kids who they have? Are they meeting with them once a month? And in some cases that statistic was at 50 percent, only 50 percent were they meeting every month with that youth. So, Senator Lathrop, there are a number of issues. And we've tried to put them in LB1160 in terms of the reporting to monitor it. [LB821 LB1160]

SENATOR LATHROP: I get that there's a number. Is this at the center of the problem or is the center of the problem somewhere else and this is just a symptom? I want to know what I need to watch for going forward, what needs to improve. And it strikes me that

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those people, their turnover and what it does to the outcomes is central. [LB821]

SENATOR CAMPBELL: And, Senator Lathrop, I wouldn't disagree with you. I think there are just a number of factors to watch. We paid very close attention to the case manager. You are absolutely correct. And much of our recommendation had to deal with returning that to the state. And the state, because you can never, the state can never contract away that responsibility. We are taking these youth and children as wards of the state. It's a critical responsibility. [LB821]

SENATOR LATHROP: One more question for you, and that is, can you tell us in the studies that the committee has done over the summer and what you've learned of the subject matter to this point in time, what's responsible for the turnover? Is the turnover that we are overloading them with cases, underpaying them? Is there some circumstance of their employment that is causing us to not have enough people to... [LB821]

SENATOR CARLSON: One minute. [LB821]

SENATOR LATHROP: ...have the right ratio of caseworker to wards? [LB821]

SENATOR CAMPBELL: The quick answer to your question is that the caseloads are too high, that is the critical...if you can get the caseloads down, in many cases you will see the turnover drop. But you have to know that this is a very, very tough job and nationally the turnover rate is probably higher than we'd like to see. [LB821]

SENATOR LATHROP: To what extent, Senator Campbell, is pay a consideration? [LB821]

SENATOR CAMPBELL: Pay is a consideration I think. And we have to monitor that, Senator Lathrop. I'm more concerned at this point that we get the caseload down. You know, in some cases we've looked at do you...you need to also look at the training, you need to look at perhaps a credentialing system to give some sense of recognizing the professionalism that goes into this. There's more factor... [LB821]

SENATOR CARLSON: Time. Thank you, Senator Lathrop and Senator Campbell. Mr. Clerk for an announcement. [LB821]

ASSISTANT CLERK: Mr. President, the Transportation and Telecommunications Committee will hold an Executive Session under the south balcony at 9:30. In addition to that, I do have an amendment to the Campbell amendment from Senator Lathrop, AM2334. (Legislative Journal page 806.) [LB821]

SENATOR CARLSON: Senator Lathrop, you're recognized to open that amendment.

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[LB821]

SENATOR LATHROP: Thank you, Mr. President and colleagues. In LB821, the Nebraska Children's Commission is given numerous responsibilities, including the creation of a committee to examine and make recommendations regarding the prescribing of psychotropic drugs for children. The bill also allows the commission to organize other committees as it deems necessary. And AM2334, this amendment would require the commission to create a committee to more closely examine the Office of Juvenile Services and make recommendations about the future of the office and its responsibilities. Included in their work would be a review of the Youth Rehab and Treatment Centers in Kearney and Geneva and the current responsibilities of the administrator of the Office of Juvenile Services. The Judiciary Committee has recently taken a closer look at the YRTC's and the Office of Juvenile Services due to the number of assaults on staff in the youth facilities at Kearney. The YRTC in Kearney has undergone significant change over the past few years as they have moved to a new treatment program, experienced some change in the type of youth at the facility, and have had a slight increase in the population due to capacity issues at the substance abuse treatment unit at the Hastings Regional Center. AM2334 would be one of the three efforts by the Legislature to address the issues at the YRTC's. Other action that will be taken by the Legislature this session includes an increase in staffing that's found in the Appropriation Committee's budget recommendations and Senator Ashford's bill that would address who is best served at the YRTC's. This amendment is important I believe in that it will provide the Legislature with additional information that we can use to make better policy decisions regarding the future of the Office of Juvenile Services and the YRTC's. And I ask you for your support. I will, as I open on this, address the purpose behind this. It is not a criticism of that office. They do very good work. It is trying to address some problems that we see recurrently or we've studied over in the Judiciary Committee. As long as we are setting up a commission to examine juvenile issues, child welfare issues, I believe it's important for that commission to have a full picture. And a full picture can be achieved by taking a look at the YRTC, particularly in Kearney, so that the commission can see where that fits in, in the spectrum of services provided to youth and whether we need to set any particular types of criteria for who enters there and stays there. And with that, I would appreciate your support of AM2334. [LB821]

SENATOR CARLSON: Thank you, Senator Lathrop. Members, you've heard the opening on AM2334 to the committee amendments. Floor is now open for debate. Those wishing to speak include Senators Campbell and Pahls. Senator Campbell, you're recognized. [LB821]

SENATOR CAMPBELL: Thank you, Mr. President. Colleagues, Senator Lathrop and his office were kind enough to discuss this amendment with us. And it was just a timing that we couldn't necessarily incorporate it into AM2304. But I want to let the members know

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that we very much, I certainly very much support Senator Lathrop's inclusion and I would like to tell you why. If you have your... [LB821]

SENATOR CARLSON: (Gavel) [LB821]

SENATOR CAMPBELL: ...blue books with you, the 16th recommendation of the Health and Human Services Committee is to continue discussions among the HHS Committee, the Judiciary Committee, the Chief Justice, DHHS, and the judiciary to ascertain the best alignment of crossover children and Office of Juvenile Services. In other words, a crossover youth is a youth that's not only in the child welfare system, either currently or have been, and are also now in the juvenile justice system. What Senator Lathrop is asking the commission to do fits with recommendation 16. And I think it's a good addition, it may not be the first priority that they take up, but that's why we've given them a three year window here. And hopefully, they will get to it faster than that. But I think his amendment fits with what we are trying to do and would encourage you to support the amendment. Thank you. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Campbell. Senator Pahls, you're recognized. [LB821]

SENATOR PAHLS: Good morning, Mr. President, members of the body. This is by way no means to criticize at all, it's just for clarification, because I think a lot of times when I use the word "attorney" it wakes people up on the floor. As I'm reading your amendment, Senator Lathrop, I see the word "administrator." And having lived that life, that causes me just to think. Towards the bottom, on like line 9, and I'd like to...if Senator Lathrop would yield to me. [LB821]

SENATOR CARLSON: Senator Lathrop, would you yield? [LB821]

SENATOR LATHROP: Yes, I will. [LB821]

SENATOR PAHLS: Thank you, Senator. I'm just saying, the committee shall review the responsibility of the administrator of the Office of Juvenile Services. What I'm curious, and like I say, this is...do we already know what their responsibilities are? [LB821]

SENATOR LATHROP: I think we know. What I'm getting from what we've listened to, and we've taken a lot of testimony, we've listened to a lot of people talk to the Judiciary Committee about the YRTC. Senator Ashford has a bill that we'll take up here later that does a lot of good. Senator Hadley has expressed concern about the change in the population and the number of kids who are out there. And we have some kids who are there for a petty offense, in with somebody else who is bigger, more "assaultive." We have people hitting the guards. And the things that are going on at the YRTC are of concern... [LB821]

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SENATOR PAHLS: Okay. [LB821]

SENATOR LATHROP: ...because of the changing population that goes into there, because of the mix in the population that goes in there. And I think we ought to, as long as we're studying the child welfare issues, that the YRTC ought to be included, not as a criticism of anybody over there because they're good people. [LB821]

SENATOR PAHLS: No, and I understand that, because that is a tough world to be honest with you. But when he said, the responsibilities of the administrator, I'm just wondering, I'm hoping right now in this whole organization they all have good job descriptions saying this is what, if I'm the administrator, these are things I'm accountable for. And that's why I was just wondering. They already...you're assuming they already have that in place? [LB821]

SENATOR LATHROP: Yes. And this...the fact that we're going to look at that is not a suggestion that there's a weakness or a problem. [LB821]

SENATOR PAHLS: Right. [LB821]

SENATOR LATHROP: Okay? But as long as we're looking at all of the child welfare issues,... [LB821]

SENATOR PAHLS: Right. [LB821]

SENATOR LATHROP: ...I think looking at YRTC, given what we've listened to in Judiciary, given what Senator Ashford is doing, as well as the Appropriations Committee and Senator Hadley can go on and on about the YRTC... [LB821]

SENATOR PAHLS: Okay. [LB821]

SENATOR LATHROP: ...and the problems they're experiencing. [LB821]

SENATOR PAHLS: Okay. Because to be honest, research tells us that in any organization, whether it be in schools or in organizations such as like the one we're currently discussing, the administrator is a key person. Success usually walks around that administrator, whether he or she, but they have to know what they are responsible for. And I can see what you're going after and I appreciate that. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Pahls and Senator Lathrop. Those wishing to speak include Ashford, Howard, and Fulton. Senator Ashford, you're recognized. [LB821]

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SENATOR ASHFORD: Thank you, Mr. President. I very briefly stand in full support of Senator Lathrop's amendment. And would underline what is clear to us I believe in the Judiciary Committee and that is that the YRTCs are a critical...have a critical role in the continuum of dealing with juveniles, especially as Senator Campbell has pointed out, the crossover of children who are both in the juvenile justice system for delinquency or some sort of status offense and a child who is a victim of abuse and neglect. There are well over 1,000 of these children in the state. And some of them, many of them end up at YRTCs, at either of the two YRTCs. And so it is in my view critical, if we do anything through this reform, and I know that we're doing much more than this, but to be able to deal with a young person and provide them with the services they need without overly burdensome sort of bureaucracy around who does what, but determine what services are best applicable to that individual and provide those to them at various stages of the process. And this YRTC is critical to that. I also secondly, and I will trumpet what Senator Lathrop said. Senator Hadley has done a very admirable job in my view of drawing our attention as a body and as a committee to the...some of the inadequacies that have evolved over the years at the YRTCs, not so much the lack of commitment by employees, in fact I would say that that commitment exists there, but it is the changing demographic, as Senator Lathrop indicates, of the young people who go there. Because especially in the Third District, in the rural parts of the state we don't have the capacity for other options for young people, other than YRTC. And that has driven many low-level offenders into the YRTCs with high-level offenders. Hopefully, when the bill comes out to you on the YRTCs in the next couple of weeks we can sort of fill in the gaps there. But what Senator Lathrop has proposed is critical to the effort. I'd appreciate again, as I said Senator Hadley and of course Senator Campbell and Health Committee and Appropriations, Appropriations has taken a hard look at YRTCs as well. And we certainly appreciate their efforts. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Ashford. Senator Howard, you're recognized. [LB821]

SENATOR HOWARD: Thank you, Mr. President, members of the body. Thank you, Senator Ashford. You always have...you're able to express things in such a way that I think all of us can understand and see the problem. There's a lot of discussion this morning on case management. And I think sometimes it's good to go to the person who's actually done the job and get a perspective on it that possibly is better than our theories about how it actually works. I did a fair, good number of years and I can tell you it's a very complex, very difficult, very challenging job. My adoption work was probably the most satisfying work that I did while I was at the department. In the adoption case manager role I could see a permanency for children, which is really what any case manager wants to see happen with a family that they're involved with, with a child that they're involved with. When you stop and consider that a caseload on average has been made up of possibly 35, 36 or more children, you've often heard me say when I left I had 60 adoption children on my caseload, way exceeding the number that should...that

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a case manager should be expected to work with. And those kids are all ages, very, very young children to teenagers who will probably age out of the system in many cases. And guardianship would be a good option for them or the permanency of a foster family who has committed themselves to be with that youth as they become adults and on. But when you stop and think of the pressures of seeing families every month, seeing children every month, which is not unreasonable but it takes time, it takes time to get to the family to see the child in the child's home where they are living or possibly in the day care where they are spending a lot of their day, if you factor in 36 visits a month, your responsibility for all the court reports that go in to document what's happening with that child, which means gathering the information from everyone who is a part of that child's life, those court reports should be in three days in advance. Attending those court hearings, meeting with schools for the children, being available on-call 24/7 when things come up, and really this is only the tip of the iceberg for what the case manager has to do. They're responsible for making sure that every thing is entered into the computer, if information isn't in the... [LB821]

SENATOR CARLSON: (Gavel) [LB821]

SENATOR HOWARD: Thank you,...if information isn't in the computer, foster families aren't going to get paid. You've got unhappy families who are calling you. So the list goes on and on and on. But the important thing to keep in mind is if the case manager doesn't have support through their agency, be it Health and Human Services or a private agency that we've contracted with, the job becomes impossible to do. That leads to high turnover. High turnover leads to a break in the relationship with the child, with the foster family, with the biological family. It also leads to delays in permanence, because when one case manager leaves and a new case manager comes in they have to learn about that family, about that child, about the foster family. And they may go in a different direction with that case. They may say, well, you know, I knew we were headed toward termination, but I think that with supports this family could possibly be able to parent this child. And in some ways that adds to the delay in permanence. Keeping the case manager, retaining the case manager is key to success for the child and the family. [LB821]

SENATOR CARLSON: One minute. [LB821]

SENATOR HOWARD: Thank you. I can't emphasize that to you enough. And a big part of that is keeping caseloads down, because when someone comes in to work day after day after day and feel overwhelmed and overburdened and that they can't do their job and reach the end of the day feeling like they've accomplished what they came in to do, they're not going to stay and do that. And especially if they're young, they don't have any commitment to the agency, be it Health and Human Services or be it a private agency, they're not going to stay. So, yes, case management is at the core of this. Case managers have a great deal of influence, a great deal of authority and a great deal of

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responsibility. So keeping those caseloads down is going to get those kids to a permanent home. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Howard. Senator Fulton, you're recognized. [LB821]

SENATOR FULTON: Thank you, Mr. President. Members of the body, good morning. I won't take long on the microphone, just long enough to say I do support the amendment that we're on, AM2334. And then to the amendment, AM2304, thank Senator Campbell. She mentioned this on the microphone, there is a sunset provision, page 5, lines 6 and 7, the commission shall terminate on June 30, 2014, unless continued by the Legislature. The reason again, I talked about this on General File, but the reason why that is important is, number one, this commission, a new creation of government, does not necessarily have to go on forever and ever. If and when it accomplishes its goal, hopefully, when it accomplishes its goal then it can be dialed back. But at the very least, it will be revisited. And so Senator Campbell will be here, many of you will still be here in 2014, at the statutorily applied time when this should be revisited. And indeed, if necessary, as we've done with BSDC, the commission we created, it can be extended. And so I just rise to thank Senator Campbell, Senator Gloor, the Health and Human Services Committee for their enormous work on this very important issue. And I do plan to support the amendments and the underlying bill. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Fulton. There are no other senators wishing to speak. Senator Lathrop, you're recognized to close on AM2334. [LB821]

SENATOR LATHROP: Thank you, Mr. President. And, colleagues, just briefly. I appreciate the words of support from those who have spoken at the mike. This bill would simply include the Office of Juvenile Services and the YRTCs in these studies that will be done to determine what direction we need to go in. And I would appreciate your support of AM2334. [LB821]

SENATOR CARLSON: Thank you, Senator Lathrop. Members, you've heard the closing on AM2334 to the committee amendments. The question is, shall the amendment be adopted? All those in favor vote yea; all opposed vote nay. Record, Mr. Clerk. [LB821]

ASSISTANT CLERK: 35 ayes, 0 nays on the adoption of Senator Lathrop's amendment. [LB821]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk for an amendment. [LB821]

ASSISTANT CLERK: Mr. President, a second amendment to the Campbell amendment, AM2336, offered by Senator Lathrop. (Legislative Journal page 806.) [LB821]

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SENATOR CARLSON: Senator Lathrop, you're recognized to open on your amendment. [LB821]

SENATOR LATHROP: Thank you, Mr. President. And, colleagues, good morning once again. I have another amendment. You'll recall on General File I expressed some concern about the language of the authority of our Inspector General. Recall that LB821 sets up an Inspector General who is to investigate child welfare issues--providers, whatever it takes. The Inspector General is someone who works in the Ombudsman's Office. The Ombudsman in turn is a...I don't want to call it an agency, but that may be the best word I can use. It is an agency of the Legislature. It is not part of the executive branch. They are our investigators. They are the people,... [LB821]

SENATOR CARLSON: (Gavel) [LB821]

SENATOR LATHROP: ...when we have somebody call from the jail or somebody that calls and says something is wrong with government and the way things are working, we dispatch the Ombudsman's Office and they do an investigation. When we set up the Inspector General we essentially said that in the event there is a criminal investigation, the State Patrol effectively, the State Patrol can tell the Inspector General to stand down, not to do any investigation because a criminal matter is underway. Now I'd be the first person in the body to say that those who investigate crimes need to be able to investigate crimes without the interference from anyone else. Law enforcement needs to be able to do what they need to do, and they should not have any interference from the Inspector General or anyone else. The difficulty with saying that the Inspector General cannot do anything, including looking at copies of police reports, monitoring the situation, is that the Legislature's investigator is frozen out of any investigation, can't even look at police reports, can't do anything if law enforcement is involved. Law enforcement is on the executive branch. Okay? Inspector General is on the legislative branch. I'm not suggesting the Inspector General should be able to do whatever they want. My amendment simply says that the executive branch, in the form of the State Patrol, cannot keep the Inspector General from conducting an investigation. And they should, the Inspector General, be able to receive copies of the police reports and work in a cooperative manner with law enforcement. Why is this important? I gave this example before, I'll give it again. When we had assaults that were going on down at BSDC, and you all remember them because they were in the paper, people were getting choked, residents of BSDC were choked by some employees. Awful. We have a BSDC committee that would look into something like that because that's within the purview of our committee. The Legislature should be interested in why that was happening. Were overtime hours going up, those kinds of things. What we ran into was this problem. State Patrol is doing an investigation, and they should, they should be able to do that without interference. But what they say is, nobody else can look at this stuff. We're not going to give you, the Legislature, a copy of the police report so you can

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see what's going on, the Legislature. A branch of government cannot get a copy of a police report of an assault that's happening at a state institution. This amendment would require that the Inspector General work cooperatively with the State Patrol, but that they would have access to the police reports and would be able to monitor a problem that they have been charged with overseeing and investigating without interfering with the State Patrol. I think it's critical, because if we're to monitor what's going on in a bad situation that comes within the jurisdiction of what we set the Inspector General up for, they shouldn't have to wait until a criminal prosecution is complete to begin their investigation. It is my concern. This didn't come from the Ombudsman's Office, I want to assure you of that. I think it's very important for this person to have this authority to investigate and not have to wait until a criminal prosecution is complete, which may be a year later. And I can tell you today, I've not seen one police report from any of those assaults because, not that anybody is still looking at it, they already know who did this stuff, they've already charged the people, they're headed for trial, and we still can't get copies of the police reports to see to what extent might we have changed policy to improve the conditions so this won't happen again. I hope that helps. I would appreciate your support of AM2336. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Lathrop. You've heard the opening on AM2336. Those wishing to speak include Krist and Schilz. Senator Krist, you're recognized. [LB821]

SENATOR KRIST: Thank you, Mr. President. Good morning, Nebraska and colleagues. Senator Lathrop, thank you for bringing this forward. It is indeed the right thing to do. I'll give you an absolute, real example, it's happening right now today. We had a young man take his own life in a detention center just a few days ago. He hung himself in a detention center just a few days ago. My office and Senator Ashford's Office has been in contact with the right people to find out if there is a cause, a relationship, if there's something that we need to know about. That information is sealed up tight, we can't take any action. Now what if, what if just by making an inquiry as the Legislature we were able to affect a change that would keep another young person from doing that in the very near future. This is a good amendment. This is the right amendment. We don't all need to know the nation's secrets, but we need to know enough to affect the changes that need to be made immediately and save another life, if it's possible. Now that might be dramatic, but I think it's probably a pretty good example of why this amendment is very good. I support AM2336 to AM2304 and the underlying LB821. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Krist. Senator Schilz, you're recognized. [LB821]

SENATOR SCHILZ: Thank you, Mr. President. Good morning, members of the body. You know, I don't have a whole lot of experience with these types of issues. But I do

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commend those folks, Senator Lathrop, Senator Campbell, the Health and Human Services Committee, for taking the bull by the horns and trying to work through and find real solutions for an issue that has been dogging us for a number of years. And so I do support AM2336 and the underlying bill as well. I think it's important that we move forward with these changes and get them put in place so that we can start to affect that change that we need so much. But if you'd just give me a little indulgence for a second, I have something that's on a little lighter note to pass along to everybody, and it's called the Bake and Take Event. And I was asked to do this by the Wheat Growers and the Wheat Board. And so I'm just hoping that it's okay to do it right now. This event has been celebrated by state wheat organizations for over 40 years. And the purpose of the event is to bake a wheat food item and share it with somebody else. And just wait, one of you guys will get mine, and I'm not so sure you'll like it so much. But so you bake something and you share it with somebody else, a family member, friend or neighbor, and share with them wheat's journey from field to food. The event is part of education and a part of community service. In addition to the Nebraska Wheat Board and the growers, many 4-H groups and extension offices around the state celebrate Bake and Take in their communities. And I think it's one of those things where you can take an ag industry in the state of Nebraska like we have and be able to bring it down to your community, down to your family and show where our food comes from and how that works. I think it's a great thing to share with someone. So once again, just a little note so that everybody can hear what the Wheat Growers and the Wheat Board are doing out there to help promote their products and promote Nebraska agriculture. But more importantly, let's get back to this debate. And I do support the amendment, I support the bill and I support the changes that we're proposing to do. Thank you very much. [LB821]

SENATOR CARLSON: Thank you, Senator Schilz. There are no other senators wishing to speak. Senator Lathrop, you're recognized to close on AM2336. [LB821]

SENATOR LATHROP: Very briefly, thank you for your support, Senator Krist and Schilz, for your insight into what I'm trying to address with AM2336. It will have our eyes and ears, the inspector cooperating with law enforcement as we have investigations that cover and touch both law enforcement and the Legislature. And I encourage your support. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Lathrop. Members, you've heard the closing on AM2336 to AM2304. The question is, shall the amendment be adopted? All those in favor vote yea; opposed vote nay. Record, Mr. Clerk. [LB821]

ASSISTANT CLERK: 31 ayes, 0 nays on the adoption of the Lathrop amendment, Mr. President. [LB821]

SENATOR CARLSON: AM2336 is adopted. Mr. Clerk for an amendment. [LB821]

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ASSISTANT CLERK: Mr. President, I have nothing further pending to the Campbell amendment. [LB821]

SENATOR CARLSON: Thank you, Mr. Clerk. And we are back to discussion on AM2304 as amended. Those wishing to speak include Lautenbaugh and Lathrop. Senator Lautenbaugh, you're recognized. [LB821]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I'm wondering if Senator Campbell will yield to a question. [LB821]

SENATOR CARLSON: Senator Campbell, would you yield? [LB821]

SENATOR CAMPBELL: Certainly. [LB821]

SENATOR LAUTENBAUGH: Senator Campbell, if I could, I'd like to discuss the Inspector General position with you a little bit. As I'm reading what's proposed here, this new Inspector General would have the power to investigate virtually any person or entity in the child welfare system. Are there limits on that capacity in any way or that ability in any way? [LB821]

SENATOR CAMPBELL: Senator Lautenbaugh, the Inspector General was set up very purposefully within the Public Counsel and very purposely language is there in terms of consultation with that Public Counsel. What we intend the Inspector General, yes, they can investigate. But what they are looking at is they are looking at trends and patterns in terms of the investigations that come. If there's a specific complaint or specific investigation, I expect that they, and they are required to consult with that Public Counsel and in some cases the Ombudsman's Office might handle that particular complaint. On the other hand, if it's a pattern that we are beginning to see, that's what we expect the Inspector General to look at. I think putting it within the Ombudsman's Office and the language that we've tried to put in the bill, Senator Lautenbaugh, I do not see this person as being able to just go out and do anything. [LB821]

SENATOR LAUTENBAUGH: You think there's adequate controls on the scope of what they're doing and I'm hoping what they will be able to do? And I'm hoping we're making a record of that here as to what your intent is regarding that. [LB821]

SENATOR CAMPBELL: Yes. And, Senator Lautenbaugh, I welcome your questions. I think they're good questions. We do need to have a record of that. But I think that's why the committee decided to put it within the Public Counsel and the Ombudsman's Office and the kinds of, what would I say, the kinds of criteria that are in place in the law should, should make this office accountable and not just off unto themselves. [LB821]

SENATOR LAUTENBAUGH: Now am I reading it right that the Inspector General can

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only be removed with the approval of the Chair of the HHS Committee and the Chair of the Executive Board? [LB821]

SENATOR CAMPBELL: That is correct. [LB821]

SENATOR LAUTENBAUGH: And I don't have an opinion, I'm asking you. Do you feel in light of everything we just said, and in light of that response there that we do have and will retain adequate control over this person? [LB821]

SENATOR CAMPBELL: Yes, because they will...I mean, the director of the Public Counsel's Office, and we've worked with Mr. Lux extensively on the Inspector General position, it seems to me that they also, he certainly has the day-to-day. And we've also put in a five-year term so that at that point certainly the Legislature would have to take action again and would have to bring forth any information saying, this is working or it's not. And you will also see a number of reports that the Inspector General is required to give to the Health and Human Services Committee and I think should the legislators sitting there see a problem, can come back to the Legislature. [LB821]

SENATOR LAUTENBAUGH: Now as I read this, this investigator would be able to go investigate private agencies, foster parents, individual employees of the department, all within carrying out his or her responsibilities. Is that... [LB821]

SENATOR CAMPBELL: That is correct. [LB821]

SENATOR LAUTENBAUGH: And do you have any concerns that that might have any kind of chilling effect on foster care families and employees and whatnot? [LB821]

SENATOR CAMPBELL: No, I don't because as I've looked at this area over the years that I've been involved, I think that anything that would be serious enough that would warrant a visit to a foster parent's home,... [LB821]

SENATOR CARLSON: One minute. [LB821]

SENATOR CAMPBELL: ...would have to be fairly serious. And I don't think we've seen a lot of that, Senator Lautenbaugh. But it's there in case we need it. [LB821]

SENATOR LAUTENBAUGH: Thank you, Senator Campbell. And I'll yield the rest of my time to you, if you'd like it. [LB821]

SENATOR CAMPBELL: That's fine. [LB821]

SENATOR CARLSON: Senator Campbell waives. Thank you, Senator Lautenbaugh and Senator Campbell. Mr. Clerk for an announcement. [LB821]

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ASSISTANT CLERK: Mr. President, the Revenue Committee will meet for an Executive Session at 10:00 a.m. in Room 2022. [LB821]

SENATOR CARLSON: Thank you. We return to debate. Senator Lathrop, you're recognized. [LB821]

SENATOR LATHROP: Thank you, Mr. President and colleagues. This is really the last time I intend to speak on this bill. And I was talking to Senator Campbell, before my amendments came up, about the front-line worker. And I wanted to try to make an analogy out of what we discovered or learned about BSDC. What we learned about BSDC is, while there were many criticisms of what was happening on the front-line, what we learned mostly was that there are good people that work at BSDC, that they had poor training, mandatory overtime and their conditions of employment were bad. They had a great deal of turnover and that led to the problems that we have all...that we're all familiar with. My concern and what I will be watching for as reform takes hold in child welfare is what's happening with the front-line worker. Is that person receiving the training they need? Is that person receiving the direction they need? Is their caseload where it should be and are they compensated? Since we began this discussion on child welfare I ran into a guy and had a conversation with a fellow whose daughter went to school to be a social worker. And I have to tell you, she went through and got a bachelor's degree and then went into this line of work. And we are burning them out. They're not getting the training they need, their caseloads are too high, and the supports aren't there. And what's happening is they're leaving. And imagine if it was your...just for a minute, imagine if it was your son or daughter that said, I want to go to college to be a social worker, I want to go help kids who are in troubled situations. And they come out with all the enthusiasm and they run into twice their caseload, twice what the caseload should be. And they can't get to everything they should do. They can't get to the kids like they're supposed to. They have criteria, they just can't meet any of them because we've overburdened them with cases. And I will tell you that as I've read the report and as I've tried to drill down in my own mind what's the central issue, it gets right down to it, we need a plan. And I agree with Senator Campbell, we need a plan. But we have to take care of front-line workers. It's no different. That's where the symptoms develop of a bigger problem. And when you overburden people that provide care or provide services to people who are in a stressful situation you are going to have bad outcomes. I for one will watch to see what the life of a front-line worker looks like after reform, because that will tell me whether our efforts are likely to succeed. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Lathrop. Those still wishing to speak include Senators Pahls and Howard. Senator Pahls, you're recognized. [LB821]

SENATOR PAHLS: Thank you, Mr. President. Senator Lathrop, when you start speaking, every once in awhile you sort of tweak something in my mind, because you

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said you want to help the front-line workers. Well, I know that. And most of our feelings come from personal happenings to them. I happen to have a daughter. She and her husband are going to the seminary in St. Louis, Missouri. And she's working for an agency helping children. And the stories that she tells me, what is expected of people in her role, and this is...she's actually working for a Catholic agency. She says it's so intense and it almost seems noncaring. So when I hear that's...apparently, this is happening all over, I shouldn't say all over, but at least two places in parts of Nebraska and I know personally from my daughter in St. Louis. And some of the what I call, and I call these war stories, she tells me what they have to put up with because they're decent people. She's what, 23, energetic, wants to do things. But she...I think sometimes she feels like she is knocking her head against the wall. So I do appreciate...I'm going to be gone, but I know Senator Lathrop and others will be here for awhile. If we do have those issues, because if that person who is actually doing the work, not the administrator, they are a very important facet of the organization. But the people who are actually doing the work...I think we realize that even in our own staff, we're standing up here talking, but a lot of times our staff, they're preparing information for us so we see the importance of them. So again, I do hope in the future, Senator Lathrop, you do keep your eye on the issue. Thank you. [LB821]

SENATOR CARLSON: Thank you, Senator Pahls. Senator Howard, you're recognized. [LB821]

SENATOR HOWARD: Thank you, Mr. President and members of the body. Thank you, Senator Lathrop. You're absolutely right. And I have to tell you a big part of this was the department itself, because by the department not recognizing that a caseload of 38, 40, 50, 60 cases was far too many cases for any case manager to handle, they were in fact burning out their own workers. I would frequently hear workers say that Health and Human Services should operate with respect for their own workers and case managers. What they did was when someone would leave, and recognizing that case management turnover was high, those cases would be put on the remaining workers. Now at one point, and this was probably 10, 12 years ago, there was money allotted in the budget for forward-fill. But that quickly got eaten up and used for other purposes rather than to have case managers trained and ready to step into a position when a case manager left. There is no way, there is no way that a case manager can be out seeing 40 children and doing all of the other requirements of the job in one month, no way. And they know that. And there were local administrators that would quit because they would say you can't do this job the way that it's laid out, evaluate people for not doing this job and have it be impossible for them to reach these benchmarks or to fulfill these requirements. I mean, figure out the numbers. You don't have to be a math whiz to know that you can't see 60 kids in one month and be up in court at the same time and be addressing crisis situations and be at a hospital when they call and say this foster parent has come in with seven kids from three different families and she says they all need helmets because they're all headbangers. You can't do it. So we have to hold the department

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responsible for reasonable numbers for case managers. They have the control over that. They've always had the control over that. I won't be here to remind you of these things, but you all know it. I'm leaving you with the responsibility. Case managers cannot handle a vast number of children on their caseload and do justice to those children. And you can't expect that case manager to stay in a job that's impossible to do. The things that we have put in these bills to address that should reach the benchmark set up by the Child Welfare League of America as standards for case management. And I'm going to trust you all to hold the department's feet to the fire. Thank you, Mr. President. [LB821]

SENATOR CARLSON: Thank you, Senator Howard. There are no other senators wishing to speak. Senator Campbell, as Chair of the Health and Human Services Committee, you're recognized to close on AM2304. [LB821]

SENATOR CAMPBELL: Thank you, Mr. President and colleagues. I very much appreciate the discussion. And I have so appreciated the input from senators. And we've tried to, we've tried to address those concerns. And I apologize to Senator Louden because he asked a question the other day about the youth representative on the commission. And we did indicate that that would be a former youth. And so because of our visitors today and Senator Louden's question, I wanted to make sure that we noted that. Colleagues, LB821 is the centerpiece of what we need to do in child welfare reform. It brings together people from all across the state. It gives them voice, particularly the commission's makeup is those people who work every day in the front lines. And as you look at that membership, you realize that these are the people that know the system, they know the system the best and hopefully can set forth for us a most important, strategic plan. It is the centerpiece of what we are trying to accomplish in all of the bills today. Mr. President, because of the seriousness of these bills, I would ask for a call of the house. [LB821]

SENATOR CARLSON: There's been a request for a call of the house. The question is, shall the house be called? All those in favor vote yea; opposed vote nay. Record, Mr. Clerk. [LB821]

ASSISTANT CLERK: 26 ayes, 0 nays to go under call, Mr. President. [LB821]

SENATOR CARLSON: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Campbell, would you record your presence. Senators Fischer, Louden, Council, Lambert, and Avery, the house is under call. Senator Council, Senator Lambert, the house is under call. Senator Campbell, all members have been accounted for. How would you like to proceed? Pardon me, would you state that again. [LB821]

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SENATOR CAMPBELL: Machine vote is fine. [LB821]

SENATOR CARLSON: Thank you, Senator Campbell. Question is, shall AM2304 to LB821 be adopted? All those in favor vote yea; opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB821]

ASSISTANT CLERK: 46 ayes, 0 nays on the adoption of Senator Campbell's amendment. [LB821]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk. The call is raised. [LB821]

ASSISTANT CLERK: Mr. President, the next amendment is from Senator Lathrop, AM2323. Senator, I have a note you wish to withdraw this. [LB821]

SENATOR LATHROP: That's true. [LB821]

ASSISTANT CLERK: Then I have AM2276 from Senator Lathrop, also a note to withdraw, Senator. [LB821]

SENATOR LATHROP: That's true. [LB821]

ASSISTANT CLERK: Mr. President, I have nothing further on the bill. [LB821]

SENATOR CARLSON: Senator Larson for a motion. [LB821]

SENATOR LARSON: Mr. President, I move that LB821 be advanced to E&R for engrossing. [LB821]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB821]

ASSISTANT CLERK: Mr. President, the next bill, LB821A. I have nothing on the bill, Mr. President. [LB821A]

SENATOR CARLSON: Senator Larson for a motion. [LB821A]

SENATOR LARSON: Mr. President, I move that LB821A be advanced to E&R for engrossing. [LB821A]

SENATOR CARLSON: You have heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB821A]

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ASSISTANT CLERK: Mr. President, the next bill, LB1160. I do have E&R amendments. (ER193, Legislative Journal page 747.) [LB1160]

SENATOR CARLSON: Senator Larson for a motion. [LB1160]

SENATOR LARSON: Mr. President, I move the E&R amendments to LB1160 be adopted. [LB1160]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. [LB1160]

ASSISTANT CLERK: Mr. President, Senator Campbell would offer AM2280. (Legislative Journal page 795.) [LB1160]

SENATOR CARLSON: Senator Campbell, you're recognized to open on your amendment. [LB1160]

SENATOR CAMPBELL: Thank you, Mr. President. This amendment, colleagues, becomes the bill. It harmonizes the language throughout the bill and once again we are trying to harmonize among all the bills. It adds the pilot project to reporting requirements to the Health and Human Services Committee as required by the department. It adds an additional report every September 15 regarding voluntary or noncourt involved child welfare cases reported to the Child Advocacy Centers by the department and the pilot project. And, colleagues, I would like to add that the Child Advocacy Center directors have been exceptionally helpful in the last months of putting LR37 together and felt that they could provide excellent information to the committee. And last, adds a report to include divisions of CFS, which is Children and Families, DD, behavioral health, and Medicaid regarding access to services for children with co-occurring conditions of intellectual disabilities and mental illness. And this actually comes from the committee amendment on LB900, as introduced by Senator Lathrop. We felt that what was included in LB900 was a significant report based on the testimony as we went across the state on LR37. And with that, Mr. President, I would conclude my opening remarks. [LB1160 LR37 LB900]

SENATOR CARLSON: Thank you, Senator Campbell. Members, you've heard the opening on AM2280. And those wishing to speak, Senator Dubas, you're recognized. [LB1160]

SENATOR DUBAS: Thank you, Mr. President. My comments will be brief. Again, I would like to add my accolades to the Health Committee and all the work that they've done and are continuing to do to make sure these bills are in the shape they need to be, so we can begin to affect some very positive changes. But when we discussed these bills on General File there was...were comments made about, you know, these...the

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children and families that we're talking about don't have a lot of lobbyists who are out in the Rotunda speaking for them. Well, I would just like to let the Legislature know this morning that there are three very positive lobbyists out in the Rotunda this morning. These people are the face of the children and the families that we're talking about this morning. Little Rhianna is out in the lobby. If you went out there, you'd be able to pick her out real quick, cute little girl with real cute little earrings on, running around. She's why we're here this morning. And Leigh Esau who runs the Foster Care Closet, who, you know, I couldn't even begin to describe the work that this women does for foster children as well as the families she helps, and Kristen Ondrak, who is with Macie's Closet. These are the faces, these are the real people who we're talking about here this morning. So if you have a moment and want to wander out into the Rotunda, I'm sure these people would love to say hi to you. And it will help you understand just how important these bills are this morning. Thank you. [LB1160]

SENATOR CARLSON: Thank you, Senator Dubas. (Visitors introduced.) Are there other senators wishing to speak? Seeing none, Senator Campbell, you're recognized to close on AM2280. Senator Campbell waives closing. The question is, shall AM2280 be adopted to LB1160? All those in favor vote yea; all opposed vote nay. Are there other senators wishing to vote? Record, Mr. Clerk. [LB1160]

ASSISTANT CLERK: 34 ayes, 0 nays on the adoption of the amendment, Mr. President. [LB1160]

SENATOR CARLSON: The amendment is adopted. [LB1160]

ASSISTANT CLERK: I have nothing further on the bill. [LB1160]

SENATOR CARLSON: Senator Larson for a motion. [LB1160]

SENATOR LARSON: Mr. President, I move that LB1160 be advanced to E&R for engrossing. [LB1160]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB1160]

ASSISTANT CLERK: Mr. President, with respect to LB1160A I have no amendments to the bill. [LB1160A]

SENATOR CARLSON: Senator Larson for a motion. [LB1160A]

SENATOR LARSON: Mr. President, I'd move that LB1160A be advanced to E&R for engrossing. [LB1160A]

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SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. All opposed, nay. Motion carried. Mr. Clerk. [LB1160A]

ASSISTANT CLERK: Mr. President, LB949. I do have E&R amendments. (ER191, Legislative Journal page 747.) [LB949]

SENATOR CARLSON: Senator Larson for a motion. [LB949]

SENATOR LARSON: Mr. President, I'd move that the E&R amendments to LB949 be adopted. [LB949]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. All in favor say aye. Opposed, nay. Motion carried. [LB949]

ASSISTANT CLERK: Mr. President, Senator Krist would offer AM2269. (Legislative Journal page 765.) [LB949]

SENATOR CARLSON: Senator Krist, you're recognized to open on your amendment. [LB949]

SENATOR KRIST: Thank you, Mr. President. And again, good morning, Nebraska and colleagues. I have spoken with the Chair of the Performance Audit Committee, Senator Harms, about this amendment. If you go down to the last two lines, line 4 and 5, it actually expedites the segmenting the subprograms and making them accountable financial programs and asks to move that forward to July 1 of 2012. So instead of '15 it's '12. And that is the only substantial part of this amendment. And I ask you to vote green. Thank you. [LB949]

SENATOR CARLSON: Thank you, Senator Krist. You've heard the opening on AM2269. The floor is now open for debate. Are there senators wishing to speak? Seeing none, Senator Krist, you're recognized to close. Senator Krist waives closing. The question is, shall AM2269 to LB949 be adopted? All those in favor vote yea; opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB949]

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of the amendment. [LB949]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk. [LB949]

ASSISTANT CLERK: Mr. President, Senator Mello would offer AM2337. (Legislative Journal page 807.) [LB949]

SENATOR CARLSON: Senator Mello, you're recognized to open on your amendment. [LB949]

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SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Like Senator Krist, I spoke with Senator Harms, Chair of our Performance Audit Committee, to try to address an issue that ultimately overlapped a little bit in the Appropriations Committee to ensure that the information on LB949 at the Department of Health and Human Services is to provide the Legislature...that they provide not only information about the expenditures but they also provide us the outcomes of those expenditures. As you can see, the amendment, AM2337, it's a simple language change to incorporate the department providing specific outcomes that come with each expenditure they make under LB949 in the existing budget year moving forward. Thank you, Mr. President. [LB949]

SENATOR CARLSON: Thank you, Senator Mello. You've heard the opening on AM2337. The floor is now open for debate. Are there any senators wishing to speak? Seeing none, Senator Mello, you're recognized to close. He waives closing. The question is, shall AM2337 to LB949 be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB949]

ASSISTANT CLERK: 27 ayes, 0 nays on the adoption of the amendment. [LB949]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk. [LB949]

ASSISTANT CLERK: Mr. President, I have nothing further pending on the bill. [LB949]

SENATOR CARLSON: Senator Larson for a motion. [LB949]

SENATOR LARSON: Mr. President, I move that LB949 be advanced to E&R for engrossing. [LB949]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB949]

ASSISTANT CLERK: Mr. President, with LB820 I do have E&R amendments. (ER192, Legislative Journal page 750.) [LB820]

SENATOR CARLSON: Senator Larson for a motion. [LB820]

SENATOR LARSON: Mr. President, I move the E&R amendments to LB820 be adopted. [LB820]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. [LB820]

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ASSISTANT CLERK: Senator Campbell would offer AM2284. (Legislative Journal page 795.) [LB820]

SENATOR CARLSON: Senator Campbell, you're recognized to open on your amendment. [LB820]

SENATOR CAMPBELL: Thank you, Mr. President. And colleagues, this amendment becomes the bill and again harmonizes the language. It provides for a more descriptive identification of requirements for members of the Title IV-E Demonstration Project Committee and the Foster Care Reimbursement Rate Committee. It clarifies that the administrative fee paid to the foster care agency shall be in addition to the \$3.10 stipend, not taken out of the stipend, and it makes some other technical changes in the bill that were necessary. And with that, Mr. President, I conclude my remarks on the opening. [LB820]

SENATOR CARLSON: Thank you, Senator Campbell. You've heard the opening on AM2284. Are there senators wishing to speak? Seeing none, Senator Campbell, you're recognized to close. Senator Campbell waives closing. The question is, shall AM2284 to LB820 be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB820]

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of the amendment. [LB820]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk. [LB820]

ASSISTANT CLERK: Nothing further on the bill, Mr. President. [LB820]

SENATOR CARLSON: Senator Larson for a motion. [LB820]

SENATOR LARSON: Mr. President, I move that LB820 be advanced to E&R for engrossing. [LB820]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB820]

ASSISTANT CLERK: Mr. President, on LB820A I have no amendments to the bill. [LB820A]

SENATOR CARLSON: Senator Larson for a motion. [LB820A]

SENATOR LARSON: Mr. President, I move that LB820A be advanced to E&R for engrossing. [LB820A]

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SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB820A]

ASSISTANT CLERK: The next bill, Mr. President, is LB961. I do have E&R amendments. (ER194, Legislative Journal page 750.) [LB961]

SENATOR CARLSON: Senator Larson for a motion. [LB961]

SENATOR LARSON: Mr. President, I move the E&R amendments to LB961 be adopted. [LB961]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. Mr. Clerk. [LB961]

ASSISTANT CLERK: Senator Campbell would offer AM2311. (Legislative Journal page 790.) [LB961]

SENATOR CARLSON: Senator Campbell, you're recognized to open on your amendment. [LB961]

SENATOR CAMPBELL: Thank you, Mr. President and colleagues. This is rather a lengthy opening compared to the others so I hope that you can give your attention as we walk through them. Obviously, this amendment becomes the bill and it harmonizes the language. It returns case management to the state of Nebraska beginning April 1, 2012, except for the pilot case management lead agency model project. The pilot case management lead agency project allows the department may contract with a lead agency for a pilot in the eastern service area. The department shall include in the pilot project appropriate conditions, performance outcomes, and oversight for that lead agency. The reporting, monitoring, capacity, and evaluation as specified in LB1160 for the department shall include the pilot project so both have to submit those reports. The compliance and coordination with the Nebraska Children's Commission and the development of the strategic plan as outlined in LB821 assure financial accountability and reporting by that lead agency. Prior to April 1 of 2013 the Health and Human Services Committee shall review the pilot project and provide to the Legislature and the department recommendations with legislation options necessary to enact that recommendation regarding the adaptation or continuation of that pilot. The Health and Human Services Committee will utilize the evaluation and commission strategic plan as outlined in LB821, the assessment of the department, the reports, surveys, information, and data provided to the commission. If the pilot project continues past April 1, 2013, the lead agency shall comply with the requirements in LB821 regarding future lead agency mitigation of conflict of interest. The department and pilot project caseload shall range between 12 and 17 cases. Cases defined remain as it was in the committee amendment. The department and pilot project will use the caseload criteria and the

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standards established by the Child Welfare League of America. Compliance with caseload range shall be completed by September 1, 2012, for both the department and the pilot project. The department and the pilot will use the same criteria and standards specified in the bill, utilizing CWLA guidelines, in accordance with the department request of the Appropriations Committee. And that's what's interesting is because the Appropriations Committee will prepare for you in their budget a sum of money to lower the caseloads by increasing the number of case managers. And we wanted the language in LB961 to be the same as what the Appropriations Committee used. And report by April 15 regarding the caseload standards by the department. This gets at some of Senator Lathrop's concerns--are we going to monitor this? Are we going to know? Yes. The first report will be due by September 15. The amendment continues and adds the southeast service area to the prohibition for a lead agency. So whatever the department has required and what we have put in as oversight will also be required of the pilot project. And as the commission does its work and the evaluator does their work, all of those reports would come to the committee and we would have to make a recommendation by April 1 of 2013. Thank you, Mr. President, and we will be glad to answer any questions. [LB961 LB1160 LB821]

SENATOR CARLSON: Thank you, Senator Campbell. You've heard the opening on AM2311. The floor is now open for debate. Senator Coash, you're recognized. [LB961]

SENATOR COASH: Thank you, Mr. President. Would Senator Campbell yield to a few questions? [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR COASH: Thank you, Senator Campbell, and thank you to you and your fellow committee members. This is the most important thing we're going to get done this session so the time that you've spent getting it right is critical. I have some questions about the evaluation component and if you could go to page 4 of the amendment, I can be specific about my questions. My first question, and I'll get to the amendment in a moment, is you mention a pilot program and that has to do with the provider who is providing services in the eastern service area. Is the services...what are the differences between how services are going to be provided under LB961 from how they have been provided since we started the lead agency concept? [LB961]

SENATOR CAMPBELL: I think, Senator Coash, what's important in the pilot is that all the oversight that we are putting into place for the department and the reports that will come to the HHS Committee are the same that we are putting into place for the pilot project. And I think that's what will help us have a better view with those side by side. [LB961]

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SENATOR COASH: Okay. Senator Campbell, that does make sense. Will the current pilot provider, in this case it's NFC, are they providing more service than they were before because of the exit of KVC recently? [LB961]

SENATOR CAMPBELL: Yes, Senator Coash. The department has contracted and to my understanding completed that amendment with NFC to take over the case management functions that KVC had provided in the eastern service area. [LB961]

SENATOR COASH: Okay. Thank you. So...and I wanted the body to be aware that the provider that we have there is doing more as a result of KVC's exit than they were doing prior to that. And so we are talking about an expansion of one provider's role in providing services to kids. Correct? [LB961]

SENATOR CAMPBELL: That is correct. [LB961]

SENATOR COASH: Okay. Thank you. So services are different, and I do want to talk about the evaluation period and that's on page 4 of the amendment, the last line. It says that the evaluation will be completed pursuant to LB1160 which we just moved. My question, Senator Campbell, is what is the evaluation period in terms of dates that's referenced in your amendment? [LB961 LB1160]

SENATOR CAMPBELL: Senator Coash, that's a good question. The evaluator's report is due to the commission and certainly to the Health and Human Services by the end of this calendar year. [LB961]

SENATOR COASH: So the report is due by the end of this year. Who will...I'm going to get into the evaluation process in a moment so it's due at the end of this year. Over what dates will they be evaluating? When will they...they're going to be pulling data. What will the date that they'll start pulling data and the date that they'll end pulling data that will give the HHS Committee that particular report? [LB961]

SENATOR CAMPBELL: I would say, Senator Coash, that they will start with the beginning of the amendment contract with the pilot project and the department. I think they will have to agree upon what that date is exactly. But when NFC took over the case management and put everything into place, I would think that from that period of time that they'll take a look at. But they also are required to take a look back over a couple of years. And I think that's really to give us some idea, benchmark trending. [LB961]

SENATOR CARLSON: One minute. [LB961]

SENATOR COASH: Okay. So this start date of the evaluation period seems to be fairly...you're suggesting this starts when they took over the KVC. The report is due at

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the end of the year. When will they...I mean you have to have an end date to say this is an evaluation from this date--you kind of described where you think the beginning will be--if the report is due at the end of the year, when do you anticipate the evaluation period will end? [LB961]

SENATOR CAMPBELL: Well, at that point I would assume that their report would or their contract would specify that, Senator Coash. I'm not one to lock them into those specific dates. But you have to realize that the evaluator here is more than, more than just this pilot project. It has to do with a look, a total look down. It's like someone is looking down in terms of the total child welfare... [LB961]

SENATOR CARLSON: Time. Thank you, Senator Coash and Senator Campbell. Those wishing to speak: Senator Ken Haar, Sullivan, and Coash. Senator Haar, you're recognized. [LB961]

SENATOR HAAR: Mr. President, members of the body, once again I want to thank the Human Services Committee. And as I go door-to-door campaigning, it's amazing how many people are keeping up with this and appreciate the work that you as a committee are doing. So I want to...you're heroes of sorts and I want to say that. I wonder if Senator Campbell would be available to answer a few questions. [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR HAAR: Okay. Again, I hope you heard the compliment I paid. [LB961]

SENATOR CAMPBELL: I did. Thank you very much. [LB961]

SENATOR HAAR: Good. Thank you. So just broadly the question is, why are we going back to privatization because it seemed that the initial talk was that that core function needed to come back to the state? [LB961]

SENATOR CAMPBELL: I think that's an excellent question, Senator Haar, and I appreciate you coming up before and saying, you know, I'm going to ask you this question. I think what the Health Committee looked at is that from the time that we did the LR37 report and came out and discussed and the bills were brought to the Legislature in the last, well, now it's almost two weeks, the picture has changed. And knowing that the department would have to transition rather quickly the southeast service area, I think our sense was time has changed. And we need to take that into account and not create such a huge transition, given what's happened in the last couple of weeks. And, Senator Haar, that's probably the best answer I can give you because it did change the picture. And I also think that what we're trying to do in the pilot is we're

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trying to take a look and say, okay, exactly how did these two operate and the reports that will come down so that we have a chance to look at what a private entity is doing and what the department is doing and hopefully have much better reference material to answer those questions. [LB961 LR37]

SENATOR HAAR: Okay. And why was the Omaha area picked? Did you feel that was the one that's being handled the best right now or? [LB961]

SENATOR CAMPBELL: Well, it was the last remaining contract that was there, and NFC was in existence. They showed an interest in this. And what my colleagues in the body need to understand is that we have had discussions, the legal counsel and I did, with NFC. They certainly have an interest in doing a pilot. Their interest was to make sure that what they were required to do the department would be so that the Health and Human Services Committee and the Legislature would be looking at two very similar things, not apples to oranges. [LB961]

SENATOR HAAR: In other words, sort of letting...instead of changing the whole thing at once, okay, that makes sense. You talked some about the standards and then do you see at some point perhaps the state going back to privatization depending on this pilot or what's your intention? [LB961]

SENATOR CAMPBELL: In the LR37 report and certainly what we would expect the commission to look at, the Health and Human Services Committee was not opposed to lead agencies. In fact, we've looked at different models. Nebraska chose a geographic model. There are other models of lead agencies. And we would hope that the commission would look at that and make a recommendation to the Legislature on that issue. It's not that we would say we would never use them again, but until we can analyze this, we think... [LB961 LR37]

SENATOR CARLSON: One minute. [LB961]

SENATOR CAMPBELL: ...this is the best composition of taking a look at it. [LB961]

SENATOR HAAR: Okay. Thank you very much. And I would certainly agree with the statement that Senator Coash made the other day that this whole process is about the children. It's not about who provides the service but the service provided to the children. So thank you for your answers. [LB961]

SENATOR CARLSON: Thank you, Senator Haar and Senator Campbell. Senator Sullivan, you're recognized. [LB961]

SENATOR SULLIVAN: Thank you, Mr. President. Good morning. There certainly are a lot of moving parts to all of these bills. And I agree certainly with what Senator Haar just

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said that we're looking out for the best interests of the children. But in all due consideration to all these moving parts and not wanting to wear Senator Campbell out, I wonder if she would yield for some questions. [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Yes, certainly. [LB961]

SENATOR SULLIVAN: Thank you, Senator. First of all with respect to the fact that a report will be given approximately April 2013, is this report going to be on the pilot project or will it also be a comparison between privatization and the department's work? [LB961]

SENATOR CAMPBELL: Actually, Senator Sullivan, I think it will probably be both. I think the Health and Human Services Committee will give a recommendation with regard to the pilot. But it also probably will tell you how we are doing in terms of looking at the department. In fairness to both entities, I think you need that information. [LB961]

SENATOR SULLIVAN: And is it fair to say then the results of all of this will more than likely result in legislation that will be reintroduced in when, 2014? [LB961]

SENATOR CAMPBELL: It could prompt legislation, Senator Sullivan. And I want to go back to Senator Coash's question a little earlier and that is that the commission will set...they hire the evaluator. They're going to set those dates, and I apologize to Senator Coash for not catching that in his question. But I think all of this will come to bear, Senator Sullivan, on both what the department is doing and how it's going and the pilot. [LB961]

SENATOR SULLIVAN: I wasn't quite sure of what...I think it's indicated in the amendment and also in your remarks, what happens if the pilot project extends beyond April of 2013? What kicks in at that point if they're still working, if the pilot project is still in operation? [LB961]

SENATOR CAMPBELL: I think that's what's important and our conversations with NFC clarified that, and that is by April 1, 2013, the HHS Committee shall review it and shall report out. In other words, we can't just sit on our hands and let this go or not go. The committee is...you, the Legislature, can expect that a report will come to you on that date or by that date. [LB961]

SENATOR SULLIVAN: And my next question kind of gets back to what Senator Coash asked. In this pilot project, is there a difference between how NFC is operating now and what changes would be implemented in the pilot project, in addition to the fact that they probably will have more children involved? [LB961]

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SENATOR CAMPBELL: Senator Sullivan, I think the big change for them is going to be in the fact that they will be reporting on all of the reports in LB1160 to the committee directly and the department to the committee directly. I think it's the reporting and the accountability and transparency that we're trying to look at here and bring to bear in this pilot. [LB961 LB1160]

SENATOR SULLIVAN: Thank you, Senator Campbell. I appreciate your insight. [LB961]

SENATOR CARLSON: Thank you, Senator Sullivan and Senator Campbell. Senator Coash, you're recognized. [LB961]

SENATOR COASH: Thank you, Mr. President. Would Senator Campbell yield to continuing of our conversation? [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR COASH: Thank you, Senator Campbell. We ran out of time and I did get some answers through your conversation with Senator Sullivan. Can we...you mentioned in your conversation with Senator Sullivan that it...will it be the new Children's Commission that will put out the RFP for the evaluators? [LB961]

SENATOR CAMPBELL: That's correct. [LB961]

SENATOR COASH: So it will come through that commission, which is a little different than what we usually see which is HHS would put out an RFP and that would go through DAS and all of that. Is... [LB961]

SENATOR CAMPBELL: I'm sure, Senator Coash, as I talked about earlier that the commission can hire staff to assist them, I'm sure the department is going to have to help them with the logistics of what that would be. But we very purposely wanted the commission to have the direct access to the evaluator so that it truly would be a third party. [LB961]

SENATOR COASH: Okay. Thank you. So I've been involved in a few RFPs through the department. And my experience has been that it takes some time to put together exactly what you're looking for in a...for an evaluator, and we want to be...you got to get that right because they're going to be bidding on what you ask them. And then you have to put it out there and then evaluate the bids and then go through the selection process. How long do you think that will take, Senator Campbell? [LB961]

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SENATOR CAMPBELL: Senator Coash, I've heard this question before. And I think we tried to do our best diligence in putting together the time lines because, and I'm not trying to skirt your question because I think it can have a range of dates, but the Health and Human Services Committee wants to keep this very focused and keep people moving. We cannot allow this question to, say, well, it's fine. We can get it in 2014. We need answers and we need to keep people very, very focused. We feel that the deadline in the bill is reasonable, that they can make it, and that they can bring forth good information as best we have been able to tell. And, Senator Coash, I'm sure that there are people that might disagree with that, but we have to keep people diligent and focused. [LB961]

SENATOR COASH: I agree with you, Senator Campbell. Let me change gears a little bit and ask you about...I was listening to the debate earlier about caseloads and getting...I just want to get some clarity on the caseloads that is referenced in page 6 of your amendment. [LB961]

SENATOR CAMPBELL: Okay. [LB961]

SENATOR COASH: The caseloads that are referenced beginning on page 15 (sic--line) where we talk about the sizes, are these...the references in this part of the amendment, are they references to caseloads that would be for the lead agencies or the department or are they caseload sizes that apply to foster care placing agencies or foster care homes? [LB961]

SENATOR CAMPBELL: Our understanding as we have put this together and consulted with CWLA is that these standards, the definitions that are put into place here, would fit all agencies. [LB961]

SENATOR COASH: Even subcontractors of those... [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR COASH: ...so it does apply to everybody. [LB961]

SENATOR CAMPBELL: It applies...as we understand from talking to CWLA, and that's why you can't say there's just one standard here, because that was a question the other day from senator Council, is it this or that? Well, it's not this or that as you probably well know. The standards are out there but then there are different categories, and that's why the range is put into place and that's why the definitions are there. [LB961]

SENATOR COASH: So it applies to everything, everybody. [LB961]

SENATOR CAMPBELL: It applies...as we understand in consultation, yes, Senator

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Coash, that's true. [LB961]

SENATOR COASH: Okay. Well, if we understand it... [LB961]

SENATOR CARLSON: One minute. [LB961]

SENATOR COASH: Thank you, Mr. President...as we understand it, then that would be our legislative intent. Finally, Senator Campbell, I'm done with my questions on the amendment. My final question is this: When we talked about these, all these bills on General File, I spoke several times about the need to evaluate our decision-making models of how we make a decision that a child is best placed in the system or best left at home with services put in place. And to me all of the things that you and your committee have worked so hard on are at the end of the whip if we don't begin to address that point where the decision is made by HHS to say this kid needs to be sleeping somewhere other than the bed that is in his family's home. [LB961]

SENATOR CARLSON: Time. [LB961]

SENATOR COASH: Thank you, Mr. President. [LB961]

SENATOR CARLSON: Thank you, Senator Coash and Senator Campbell. Those still wishing to speak include Senators Lautenbaugh, Nelson, and Coash. Senator Lautenbaugh, you're recognized. [LB961]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I'm wondering if Senator Campbell would yield to some questions. [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Certainly. [LB961]

SENATOR LAUTENBAUGH: And thank you, Senator Campbell. I realize you're being asked to yield quite a bit here but. My concern was with regarding the remaining contractor. I think it's everyone's intent to make a good faith effort here to see whether or not that can succeed and be a model for future contracting perhaps. Is that your interpretation as well? [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR LAUTENBAUGH: Is there anything that we're doing here that is going to change or increase the cost structure for a contractor? [LB961]

SENATOR CAMPBELL: You know, Senator Lautenbaugh, my reaction to your question

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is that the contract has been signed with regard to the amendment and taking over those cases. And you have a tremendous amount of financial oversight put in in LB949 with the Appropriations Committee. It has not been brought to our attention that anything that we're doing here would increase that cost. But I'm sure that the Appropriations Committee will be following that. [LB961 LB949]

SENATOR LAUTENBAUGH: And thank you, Senator Campbell. I'll profess or confess probably more accurately, it's no surprise I'm not an expert in this area by any measure. But I did just want to make sure that if we are calling this a pilot program and we are allowing it to go forward that on the one hand we're not dooming it to fail with anything else we're passing and on the other hand that we...if there is something here we're doing that is changing the game, we may have to be cognizant of that. A year or two ago I was speaking on some issue involving child welfare and HHS and I was animated about it. And I finally just said, look, why don't we just take it over and the 49 of us can run it? And we can buy 49 mirrors and the next time something bad happens and we're looking for who to blame, all 49 of us can look in our individual mirrors and say, okay. There's that guy we need to get. And I was being a little angry and a little facetious back then, but we're now hip deep in this and rightly so. It's our job I guess is the best way to put it. But there will be no more in the future I think looking around to see who's doing wrong or we'll probably still do some of that. But understand now this is becoming our baby, if you will. We're calling the tune, we're setting the policy, we're setting the standards. It's on us now. And that in no way is meant to argue against voting for any of these. But I just want to make sure we're going in eyes open that it's on us now. We're stepping up. We're taking responsibility for this and the chips will fall where they may. And maybe we need to get those 49 mirrors now in earnest because this is our deal. We've said how we want it to be. We're saying what controls we're going to put in place. And there's nowhere else to look around for responsibility anymore after we enact these things. And if that's not the case, then we need to enact something else because we still haven't done what we think we need to do. And I don't think I'm saying anything remotely profound or telling anything...any of you anything you don't already know. I just want us to go in eyes open and understand that's where we are by our own choice. And if we're not there, we're not doing enough. And if we are there, well, so be it. It's on us. I don't know if that last bit made any sense at all so I'll just yield the rest of my time and thank you, Mr. President. [LB961]

SENATOR CARLSON: Thank you, Senator Lautenbaugh and Senator Campbell. Senator Nelson, you're recognized. [LB961]

SENATOR NELSON: Thank you, Mr. President and members of the body. I first of all I want to commend the Health and Human Services Committee for bringing forth this amendment, AM2311, and continuing with the lead agency in the form of a pilot project. I think it's important that we see if this pilot project works and what can be done under privatization. And I'm heartily in favor of this. I thought it would be unwise to do away

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with privatization entirely as long as we had a lead agency here still in existence, still working under contract that could show what it could do. I have some of the same concerns that Senator Lautenbaugh does, and I would like to address a few questions to Senator Campbell if once again she would yield. [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Certainly. [LB961]

SENATOR CARLSON: (Gavel) [LB961]

SENATOR NELSON: Senator Campbell, you heard my comments, and I want to be as...feel certain that under the provisions of this amendment we're not dooming this pilot project to failure at the very beginning. You provide here on page 4 I believe that prior to April 1, 2013, which is just a little more than a year away, they will report back. Do you think that the pilot project under the new guidelines will have been in existence long enough to get a fair evaluation of that? [LB961]

SENATOR CAMPBELL: Yes, I do, Senator. I feel that if you look in LB1160 there are a great number of reports that have to come in to us. I mean we...the Health and Human Services Committee is going to be taking information from a lot of sources. And I would fully anticipate that with their ability, the pilot's ability to give those reports directly to the committee I think that helps them. They've had the case management segment of this since January of 2010...2011. And I think they have, you know, it isn't as if they're starting afresh. [LB961]

SENATOR NELSON: All right. Well, then thank you. My next question would be shortly thereafter in the amendment caseloads shall be between 12 and 17 cases. Has this been built in? I mean this is going to require additional personnel on the part of this lead agency. Are we covering this, these additional costs and things of that sort, so that they're not at a disadvantage here in trying to fulfill their contract under a pilot project? [LB961]

SENATOR CAMPBELL: Senator Nelson, that's an excellent question because they...NFC has assured me that they are meeting those standards right now and had to do so under their contract. And I think that they're very interested to see because they feel they're meeting these standards. Now they want to see if it will be an apples to apples with the department require... [LB961]

SENATOR NELSON: I feel...that response makes me feel much better if they are in accord on this and feel that they're meeting the standards. Finally, it states here, "If the pilot project continues past April 1, 2013," why would it not continue past that... [LB961]

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SENATOR CARLSON: (Gavel) [LB961]

SENATOR NELSON: ...if the evaluation up to that point is good? [LB961]

SENATOR CAMPBELL: I think the operative part there, Senator, is if it continues, then it comes under what we passed in a previous bill in terms of what would be required of that lead agency, a Nebraska board, 51 percent. [LB961]

SENATOR CARLSON: One minute. [LB961]

SENATOR CAMPBELL: And NFC has assured me that they understand that provision, and they did not find a problem with it. [LB961]

SENATOR NELSON: So the only reason it might not continue is because there were adverse evaluations and Health and Human Services recommended that we discontinue the pilot project. Would that be correct? [LB961]

SENATOR CAMPBELL: That would only be one component, Senator. Don't forget the evaluator and other reports. [LB961]

SENATOR NELSON: All right. Only one component. [LB961]

SENATOR CAMPBELL: Yes. [LB961]

SENATOR NELSON: And other components would be? [LB961]

SENATOR CAMPBELL: The reports that are due to the committee as well as to the evaluation and comments from the Children's Commission. There's any number. It's not just bound by what the department thinks. [LB961]

SENATOR NELSON: All right. Okay. Thank you very much, Senator Campbell. Thank you, Mr. President. [LB961]

SENATOR CARLSON: Thank you, Senator Nelson and Senator Campbell. Senator Coash, you're recognized. [LB961]

SENATOR COASH: Thank you, Mr. President. Would Senator Campbell yield one last time I promise? [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Certainly. [LB961]

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SENATOR COASH: Thank you, Senator Campbell. This is the last time. You've just been a trouper answering these questions, and this will be my last question. I wanted to go back to our role, HHS...as a Legislature, HHS Committee's role, the judicial branch's role, the executive branch's role in trying to get a hold of the issue that we're trying to address with all of these bills at the front end, which is that decision-making point where, as I said on my last time, there's a decision made by someone that this child is better off becoming a state ward and not sleeping in his or her bed that night one minute longer rather than keeping them there. I mentioned on General File I have grave concerns that we have...it's almost a cultural phenomena where, and I understand why, somebody is making the decision, well, I'm not going to have an injured child on my watch and so I'm going to make sure that regardless of the ongoing consequences that tonight he doesn't sleep in his bed tonight any longer because of these reasons. And I am very supportive of all of the initiatives that the HHS Committee has put forward this year. I wanted to make sure that as part of the overall plan we are taking a close look at that front end... [LB961]

SENATOR CARLSON: (Gavel) [LB961]

SENATOR COASH: ...those decision-making models if we're going to use those, the training of the workers, the training of law enforcement, the training of the judicial branch to make sure that those decisions are truly in the best interests of the kid and that we are putting our resources to those children in the most efficient way, the right place at the right time. To me it just seems like this has got to be a next logical step in this process. I'm very...I would like to see that and I would yield you the rest of my time to respond on how you see the committee's work moving forward. Thank you. [LB961]

SENATOR CARLSON: Senator Campbell, you're yielded 2 minutes and 30 seconds. [LB961]

SENATOR CAMPBELL: Thank you, Mr. President. And, Senator Coash, I know your commitment to this issue so I appreciate your questions and would answer as many as you have. A couple of things: One is the department has instituted a new structured decision-making system and I believe it's now statewide that should provide more clarity to that entrance point. That's number one. Number two, in the bills that we're putting in and the judiciary put in, we are going to be monitoring not only the court involved cases but the voluntary cases. That's number two. And number three, back in LB821 the commission should have a provision of leadership for strategies to support high-quality, evidence-based prevention and early intervention services that reduce risk and enhance protection for children. We don't want them just to deal with as it is, but how can we get those services also in place? So, Senator Coash, your questions are dead on as to what needs to be done. Thank you. [LB961 LB821]

SENATOR CARLSON: Thank you, Senator Coash and Senator Campbell. Senator Ken

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Haar, you're recognized. [LB961]

SENATOR HAAR: Mr. President, members of the body, just a lot of people are actually watching this and so could you tell us again who NFC is, Senator Campbell? [LB961]

SENATOR CARLSON: Senator Campbell, would you yield? [LB961]

SENATOR CAMPBELL: Yes. Mr. President, I'm going to go ahead and answer his question on that yield. NFC stands for Nebraska Families Collaborative, which is made up of four major agencies in the Omaha metropolitan area. [LB961]

SENATOR HAAR: And who are those agencies? [LB961]

SENATOR CAMPBELL: Boys Town, Child Saving Institute, Heartland, and OMNI. [LB961]

SENATOR HAAR: Okay. And they are all well-established agencies. [LB961]

SENATOR CAMPBELL: Yes. They've been in the community for a very, very long time. [LB961]

SENATOR HAAR: Okay. Nebraska born and raised. [LB961]

SENATOR CAMPBELL: I'm sorry, Senator. [LB961]

SENATOR HAAR: Nebraska born and raised. [LB961]

SENATOR CAMPBELL: Should be. [LB961]

SENATOR HAAR: Okay. And then looking in your crystal ball, what's sort of strange about this whole process, although I know we need it, is that we are to a certain extent really putting our nose into the business of a coding of an agency that is really overseen by the Governor. When do you see us withdrawing from this? [LB961]

SENATOR CAMPBELL: Senator Haar, in a number of states across the country who have looked at lead agency privatization, the Legislature was involved at the very beginning in terms of setting policy, setting direction. I still see that as our role. We also have a very significant role of oversight. And what we're trying to do is put into place systems of oversight. I would hope, Senator Haar, that for a long time the Legislature continues to have an involvement, along with the executive branch and the judiciary. It's going to take all three of us to work on this system over time. [LB961]

SENATOR HAAR: Okay. Thank you very much. And then once again I'd just like to

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stress in some ways this puts us in the way of a debate over public versus private. And I think what has to be...when that comes up next year at some point or whenever, we're going to have to remember that that's not the issue. The issue is are kids being served? Thank you very much. [LB961]

SENATOR CARLSON: Thank you, Senator Haar and Senator Campbell. There are no other senators wishing to speak. Senator Campbell, you're recognized to close on AM2311. [LB961]

SENATOR CAMPBELL: Colleagues, I very much appreciate the questions. This is a significant amendment to the five bills and probably the last time that I will get to speak on this issue. We all care about the children in this state and you, over the past week, have shown such a diligence and vigilance for what is happening and their needs. We need to continue to stress that we are looking for the safety, well-being, and permanency. We want permanency for children. What does that mean? It means that they can safely return home and thrive with their family or it may mean that they find an adoptive home or a kinship guardianship. But in the end, that has to be our most important goal because every child deserves to have a sense of permanency in their life. Thank you, colleagues, and thank you, Mr. President. [LB961]

SENATOR CARLSON: Thank you, Senator Campbell. Members, you've heard the closing. The question is, shall AM2311 to LB961 be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB961]

ASSISTANT CLERK: 35 ayes, 0 nays on the motion to adopt the amendment, Mr. President. [LB961]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk. [LB961]

ASSISTANT CLERK: Mr. President, I have nothing further on the bill. [LB961]

SENATOR CARLSON: Senator Larson for a motion. [LB961]

SENATOR LARSON: Mr. President, I move that LB961 be advanced to E&R for engrossing. [LB961]

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. Motion carried. (Visitors introduced.) Mr. Clerk, items for the record or announcements. [LB961]

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review respectfully reports they've carefully examined and reviewed LB751 and placed the same on Select File with amendments, LB751A, LB950, LB950A, LB727, LB834,

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LB933, LB993A, LB983, LB842, LB907, LB863, LB1130, LR373CA. (Also LB965 placed on Select File by the Enrollment and Review Committee.) Your Committee on Judiciary reports LB816, LB899, LB1046 to General File, as well as LB538, LB722, LB787, LB865, LB908, LB948, and LB1051 with committee amendments. Amendments to be printed: Senator Nordquist to LB916. New resolutions: LR458, LR459 by Senator Howard, and LR460 by Senator Nordquist. That's all that I have. (Legislative Journal pages 808-827.) [LB751 LB751A LB950 LB950A LB727 LB834 LB933 LB993A LB983 LB842 LB907 LB863 LB1130 LR373CA LB965 LB816 LB899 LB1046 LB538 LB722 LB787 LB865 LB908 LB948 LB1051 LB916 LR458 LR459 LR460]

SENATOR CARLSON: Thank you, Mr. Clerk. Next item.

ASSISTANT CLERK: Mr. President, on General File, the first bill is LB998. The bill was introduced by Senator Krist. (Read title.) The bill was read for the first time on January 17 of this year, referred to the Committee on Health and Human Services. That committee reports the bill to General File with committee amendments. (AM2041, Legislative Journal page 623.) [LB998]

SENATOR CARLSON: Thank you, Mr. Clerk. Senator Krist, you're recognized to open on LB998. [LB998]

SENATOR KRIST: Thank you, Mr. President. Again, good morning, Nebraska and colleagues. LB998 is my personal priority bill for 2012. The committee amendments, AM2041, which will be coming up shortly, actually replaces the green copy and make major changes to the original draft of LB998. And there's a subsequent amendment, AM2332, that explains in detail the changes that needed to be made to make the bill go forward. The purpose of the bill remains the same. It would eliminate the current 11-member governing board of the foster care review process and replace it with a 5-member advisory committee. The bill would also clarify and define the duties of the executive director. The Foster Care Review Board would become the Foster Care Review Office and would remain a noncode agency. I have a handout that you may look at or peruse while we're having a discussion that shows the structure of the current Foster Care Review Board, which lists a line diagram giving you where our responsibilities lie. This bill would affect everyone from the executive director level below the executive director. I'll stop at this point and allow the Chairperson, Senator Campbell, for Health and Human Services Committee to further outline the committee amendments, and we'll go to my amendments after. Thank you. [LB998]

SENATOR CARLSON: Thank you, Senator Krist. As the Clerk mentioned, there are committee amendments. And, Senator Campbell, as Chair of the Health and Human Services Committee, you're recognized to open on AM2041. [LB998]

SENATOR CAMPBELL: Thank you, Mr. President. And, again, good morning,

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colleagues. I want to talk just a little bit about the process that the committee looked at because as Senator Krist indicated, you're going to go all the way down to the line and his final amendment really becomes the bill. So a lot of the statements with regard to the committee amendment may not be as appropriate. But I want to remind the Legislature that the purpose of the office is to: provide information and direct reporting to the courts, the department, and the Legislature; provide oversight of the foster care system; make recommendations regarding foster care policy to the Legislature; and provide regular updates at least quarterly to the Health and Human Services Committee of the Legislature regarding child welfare data and information. The Foster Care Review Board was created by the Nebraska Legislature at a time when it was questioned about where are the children. And the Legislature brought into being the Foster Care Review Board to provide that data management and that case review for children. In looking at this process, we had discussions--and many thanks to Senator Wightman for setting up that meeting that day--in terms of whether this should come under the auspices of the Legislative Council or the Exec Board as we know it. It became apparent to those of us who have worked in this area and certainly, Senator Krist, that this was not a solution that was very workable given the mechanics of the Exec Board and the fact that most of our employees in this branch are within the Capitol, while the Foster Care Review Board may have staff at other parts of the state. And it was at that point that we began to look at how our other boards appointed, what should be the role of that board, and what should be the role as the Legislature looks at this. But the Foster Care Review Board, I want to remind everyone in this body, was created by the Legislature. And should you ever have the opportunity, and I'm sure that you won't have to ask very long to ask former-Senator Dave Landis who was a critical senator in terms of the formation as to why the Legislature wanted this, why it is important to the Legislature. This is a critical issue. We created it and we need to pay attention to how it's formulated and what the intent of it is. And with that, Mr. President, I will conclude my remarks. Thank you. [LB998]

SENATOR CARLSON: Thank you, Senator Campbell. You've heard the opening now on AM2041. The floor is open for debate. Those wishing to speak include: Mello, McGill, and Langemeier. Senator Mello, you're recognized. [LB998]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I rise in support of LB998 for a variety of reasons, and I want to thank Senator Krist for taking on this issue that many of us in, I'd say, the Appropriations Committee, the Health and Human Services Committee, and other senators interested in child welfare issues no doubt have been brought to or have been engaged in over the last few years. As an Appropriations Committee member, many of us throughout the last few years have sought information from the Foster Care Review Board in regards to what is happening within the Department of Health and Human Services. And the reason why is because obviously you know over the discussion we've had from the bills coming from the Health and Human Services Committee that this is a very large agency and that sometimes

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data can get lost and sometimes, unfortunately, children can get lost in the process. And the Foster Care Review Board is always, in our perspective, has been that independent voice on behalf of the Legislature to be able to get information when needed, to be able to help us find the solutions to problems that are brought to us. The unique component that Senator Krist has mentioned is that the Foster Care Review Board's original intent when it was created was to be an independent watchdog, to be able to provide unfettered information to the Legislature on issues that surround our foster care system. I think we can agree that children, primarily those children in the foster care system, are constituents of ours, and they're constituents essentially of the Foster Care Review Board. With what Senator Krist is trying to do with LB998 with the committee amendment and what Senator McGill introduced in her legislation tries to provide I think a reasonable reform to help ensure that this Legislature has an independent voice, has unfettered information available to us, and has essentially a watchdog on our behalf in the Department of Health and Human Services as it relates to the foster care system. I think...and I know Senator McGill is in the queue as well and she'll speak about her legislation that was incorporated into the committee amendment. But I think the issues that I've seen from my perspective as an Appropriations Committee member and as someone who's dug into some of the data requests and data information that comes along with budget requests and/or budget changes in the Department of Health and Human Services is that we want to ensure that there is no appearance of a conflict of interest when we have an independent, appointed board working on behalf of the Legislature essentially. Now granted I know Senator Krist's original concept was changed dramatically with the committee amendment, and I recognize the give and take, so to speak, that comes with it, and I support what the committee amendment is, but it still provides what I would say, a new day for us to start over. By no means am I singling out or want to single out any particular board member that currently sits on the board or any current staff member that currently works for the Foster Care Review Board. But I think it gives us, as a Legislature in the era of term limits, an opportunity to take a step back and start over, to start over in the sense of creating what Senator Krist had mentioned, an independent voice that tells it like it is, that gives us the data and the information that sometimes we don't know whether or not we need or whether or not we even want. But the general concept is, is that we want to be able to have an independent voice tell us here is the perspective we have on the system, and we want to be able to ensure that you have it from our point of view, which is independent, away from the executive branch, away from any interest group, away from any appearance of a potential conflict of interest. I think all of that occurs under the committee amendment that I urge you to adopt to make the underlying bill LB998. Thank you, Mr. President. [LB998]

SENATOR CARLSON: Thank you, Senator Mello. Senator McGill, you're recognized. [LB998]

SENATOR MCGILL: Thank you, Mr. President, members of the body. I'd like to thank

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Senator Krist and the Health and Human Services Committee for taking this issue on. It was an issue I cared a lot about going into this session as well. As we are looking at child welfare reform in general, it came to my...I guess I had the realization that perhaps our Foster Care Review Board isn't structured in a way that would fit along with what I would consider to be a best practice, and that is making sure there aren't conflicts of interest on the board. When the Foster Care Review Board was initially started, such conflicts didn't exist. But five or six years ago, the Legislature passed into the...or in the statute mandated that certain professionals had to be on the Foster Care Review Board. But by doing that, and I know many of the members of the Foster Care Review Board. They're great individuals who work at many agencies that do good things for children. But when you have people on a board that work somewhere or have some sort of personal vested interest in the relationship with HHS and not wanting to muddy or soil that relationship, then that creates a concern to me that, you know, here I am in a profession...in a role, in a job with a contract with HHS. Is that person then going to be willing to cry out as loudly if they feel HHS is doing something wrong? And it's not that that person isn't capable of being on the Foster Care Review Board. I think it's a very natural reaction to, you know, want to protect your agency and the good work you're doing for kids at the same time. And so I think it's best that we just eliminate that conflict. It was how the Foster Care Review Board was originally set up and was functioning well that way. I feel it is simply a best practice. And I know in the midst of my introducing my bill, eliminating these seeming conflicts, there was...it was around the same time that Carol Stitt, the executive director, was relieved of her job. And there was thought that I was working with her and wanting to get rid of board members, and that is not at all the case. I never once talked to Carol when I went to put this bill, my own bill, dealing with conflict of interest here into the Legislature. I know there was bad blood there between the board and the former executive director. I don't know all the details and I honestly don't care. This is about a best practice for how a board should be structured. And when you're tasked with such a critical job of oversight and providing very detailed information to us, I don't want to take any risk that someone is going to sit on or at least try to minimize some negative information about Health and Human Services because they're concerned about backlash. We hear all the time from caseworkers or foster parents or birth parents about backlash from HHS if they speak out against that agency. And so I think that is a real fear that people can have who could serve on the board and I don't think we should have that conflict. You know, a couple of years ago, I remember during our safe haven time, we did have some trouble getting all the information we wanted to out of the Foster Care Review Board. And so that's one instance of perhaps that conflict playing a role and not bringing as much information to light when we requested it. There are a lot of youth in the system that count on the Foster Care Review Board to be that voice for them and, therefore, we must be very careful about how it's made up, how it's structured to make sure... [LB998]

SENATOR CARLSON: One minute. [LB998]

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SENATOR MCGILL: ...this is a great opportunity to really get our hands dirty again and make sure that the structure is in the best interest of the children of Nebraska. Thank you, Mr. President. [LB998]

SENATOR CARLSON: Thank you, Senator McGill. Senator Langemeier, you're recognized. [LB998]

SENATOR LANGEMEIER: Mr. President, members of the body, I rise to ask questions, but mainly I've got to figure out where we're going here. We have a committee amendment. We have two amendments to follow that strike everything previously done. And so I guess I'm going to vote for this committee amendment to move to the next one and I'm not sure I'll like the next one. Would Senator Krist yield to a question? [LB998]

SENATOR CARLSON: Senator Krist, would you yield? [LB998]

SENATOR KRIST: Yes, sir. [LB998]

SENATOR LANGEMEIER: Senator Krist, just for planning sake here, we're going to vote on this committee amendment that really isn't going to do anything because you have two amendments to follow. Is it your intent to withdraw AM...the first amendment, AM2279, and then take up AM2332? [LB998]

SENATOR KRIST: That's correct. [LB998]

SENATOR LANGEMEIER: Okay. [LB998]

SENATOR KRIST: Procedurally we'll have to vote on the committee amendment, AM2041. I will withdraw the first, which is 92, and the substance of the changes as coordinated with the Chair are in the last amendment. [LB998]

SENATOR LANGEMEIER: Okay. Thank you. That's kind of what I thought but I thought everybody else should follow along with us. So at this time I'm not going to talk anymore. I'm going to vote for the committee amendment. I do have concerns and Senator Krist and I have talked about them a little bit, and we'll talk through that amendment when we get to it. So at this time, I'll conclude and, again, vote on this Health Committee amendment so we can move onto the next amendment. Thank you. [LB998]

SENATOR CARLSON: Thank you, Senator Langemeier and Senator Krist. Those wishing to speak include Senators Harms and Howard. Senator Harms, you're recognized. [LB998]

SENATOR HARMS: Thank you, Mr. President, colleagues. I wanted to take just a

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moment if I could this morning to talk to you a little bit about the conflict of interest, some of the things that are being said here on the floor. In 2009, the Performance Audit Committee introduced LB679 in response to a review we did in 2008 on the Foster Care Review Board. I'm going to take a minute to read this to you because I don't know how else to get this out so that it's absolutely correct. And here's what we said in the study: The Performance Audit Committee's decision to introduce LB679 came from our currently released audit report of the Foster Care Review Board. During the course of that audit, concerns were raised about possible conflicts of interest for several current board members. Due to this, one of the main scope questions of the audit asked if the Foster Care Review Board members have employment or other interests that created a conflict with the responsibilities as members of this board. In order to determine if any of the current state board members had conflicts of interest, the Performance Audit Committee staff looked at the state's accountability and disclosure laws which are the only legal requirement for Nebraska state employees regarding conflict of interests. While the act does not define the phrase a "conflict of interest," it addresses a current...a relatively narrow set of possible conflicts involving the potential financial impact certain decisions made in the course of public services may have on a state employee. For a conflict of interest to be present under the Accountability and Disclosure Act, the state board member would have to be in a situation which they could benefit or be harmed financially from an official action they took as a board member. Board members told staff, and the independent research confirmed, that the votes taken by the state board members from January 2006 to 2008 did not have any financial impact on any of the state board members' business associations. Consequently, the audit staff found that none of the state board members had encountered a conflict of interest as defined by this narrow scope by the Accountability and Disclosure Act. While several members have been linked to the foster care for various capacities, none of their decisions have been tied to nor any kind of financial benefit, again, according to the Accountability and Disclosure Act. Actually, what this, LB676 (sic) did was that we would require any potential Foster Care Review Board state board members to disclose to the Governor's Office any income he or she received from the Department of Health and Human Services and any funding his or her employment received from the Department of Health and Human Services. This would allow the Legislature to decide what level of the Department of Health and Human Services financial involvement they are comfortable with prior to appointing an individual to the board. So I think what we found, at least by this definition and it's the only definition you can use, that there really was not a conflict. There's a lot of perception that there is and there may be today, but we tried to spell this out very carefully. And the Performance Audit Committee staff did an awful good job of reviewing that issue. So I'm just giving this to you for consideration to look at as you think about where you'd like to be with this particular issue. Thank you, Mr. President. [LB998]

SENATOR CARLSON: Thank you, Senator Harms. There are no other senators wishing to speak, Senator Campbell, as Chair of the Health and Human Services

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Committee, you're recognized to close on AM2041. [LB998]

SENATOR CAMPBELL: Members, I would just...thank you, Mr. President, members, I would just urge you to vote for the committee amendment. As Senator Langemeier explains far better than we have to this point that you need to pass the amendment in order to get to what will be the bill and discussion. Thank you, Mr. President. [LB998]

SENATOR CARLSON: Thank you, Senator Campbell. Members, you've heard the closing. The question is, shall AM2041 be adopted to LB998? All those in favor vote yea; opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB998]

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB998]

SENATOR CARLSON: The amendment is adopted. Mr. Clerk for an amendment. [LB998]

ASSISTANT CLERK: Mr. President, the first amendment is offered by Senator Krist, AM2279. Senator, this is the one I have a note to withdraw. In that case, Mr. President, Senator Krist would offer AM2332. (Legislative Journal page 803.) [LB998]

SENATOR CARLSON: Senator Krist, you're recognized to open on your amendment. [LB998]

SENATOR KRIST: I saved most of my dialogue for the actual intent for this amendment and I thank Senator Langemeier for helping us move along procedurally and understanding where we needed to get to. I, this past summer, had great occasion to deal with information, a lot of information. LR37 was all about information and about kids and about gathering the data that we needed to make good decisions, the kind of decisions that will come out of the legislation that we have passed this morning. In the course of doing that, I encountered what I thought was a dysfunctional agency in terms of presenting data in a timely manner, in an accurate manner, and always to us. Although when there was a little bit of teeth pulling, the data was there and we were able to get support that we needed for LR37. And I don't think there's anybody on my committee that will tell you any differently. That information was critical. So I tried to think about how to streamline the process. As I always do or sometimes do, I try to go back in history and see what was the original intent. The original intent of the Foster Care Review Board as it exists, as was defined by Senator DeCamp in 1982, was the Legislature's watchdog over the foster care review process, the foster care kids, the numbers, the data, making sure that they didn't get lost because, again, remember these are our children. What I hope that I have done in this last amendment, and I'm sorry for the confusion, but we have finally decided as a committee...and rest assured, this is not just my amendment. I would never have done this without the support of the

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committee and my Chair. I think we have defined a point in space where we can go back to accountability where there's no conflict of interest and there is no perceived problem with the process itself. A new five-member advisory committee will have three members from local boards, one member with data analysis experience, and one member at large from the community. This new five-member advisory committee shall have no financial ties to the office, the Department of Health and Human Services, child-caring agency, child-placing agency, or the courts. The new five-member advisory committee will have the following duties: They will appoint an executive director for the Foster Care Review Office; review management and employee issues of the office in conjunction with the executive director; assist the executive director in focusing on key issues and resolution of those issues. The current 11-member Foster Care Review Board will terminate on the effective date of this act. And some of those, if they qualify, may reapply. All staff, except the executive director, will transfer to the office as well as all equipment and property, uninterrupted flow of duties. The new five-member Foster Care Advisory Committee will hire an executive director. The duties of the executive director are now defined in statute as follows: Executive director of Foster Care Review Office shall hire, fire and supervise office staff and responsible for the duties of the offices provided by law, including the annual report and other reporting, review, tracking, data collection, and analysis, and oversight of training of the local boards. These changes will bring the Foster Care Review Office back to the original intent of the 1982 legislation. Thank you, Mr. President. [LB998 LR37]

SENATOR CARLSON: Thank you, Senator Krist. You're heard the opening on AM2332. The floor is now open for debate. Those wishing to speak include: Senators Langemeier, Hansen, and Howard. Senator Langemeier, you're recognized. [LB998]

SENATOR LANGEMEIER: Mr. President, members of the body, I thank my colleges for voting on that committee amendment so we...or, excuse me, the committee amendment so we can get to the amendment that finally will be making the decision. You know, as I read through it I understand the idea and I understand the concept that Senator Krist laid out before us, but as I read the bill I'm not so sure we get to that goal. And so I'm going to bring this up for something that might be something to work on prior to Select File. So, Mr. President, would Senator Krist yield? [LB998]

SENATOR CARLSON: Senator Krist, would you yield? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR LANGEMEIER: Senator Krist, I'm going to bring this stuff up and I'm not trying to be critical but I'm just trying to think through how things work. And on your committee amendment page 10, you talk about the termination of the Foster Care Review Board, and that board terminates immediately upon the passage of this bill. Would you agree? [LB998]

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SENATOR KRIST: I would agree. [LB998]

SENATOR LANGEMEIER: And then the...we go through a process of nominating individuals to send to the Governor and let them make selections. That has to take place in 30 days and be in place. Do you agree? [LB998]

SENATOR KRIST: Yes. [LB998]

SENATOR LANGEMEIER: So we have a window in here that is nothing. And maybe some would say the Foster Care Review Board wasn't doing anything, so what's 30 days with nothing because we had nothing before. I don't know. But technically in the bill we don't have anything for 30 days. That...and I don't know that's a concern, but it's just something that's there. The other thing in here, and a lot of times when you create these kind of boards you have the initial process of creating a board plus the process to replace the board over time. And in this bill it's all about the creation of a board and a process over time. When it talks in here, the committee shall hold confirmation hearings for those individuals that the Governor appoints, if within 30 days we appoint these...or the Governor appoints these people, that confirmation hearing can't happen until January 2013. So my question is, is it your intent that this board would be able to start even though they're not confirmed and do some function of hiring an executive director prior to their confirmation? Because otherwise you don't confirm them until January. Our 30 days now went from the moment this is passed until January 10, 12, 13, or whatever it is next session. Is it...so my question is, is that are you hoping that these individuals can start immediately and work after the 30 days? [LB998]

SENATOR KRIST: My intent is that the process as you describe would happen and the 28 employees that are really doing the work in the Foster Care Review Office would continue to do their duty as outlined. The board members would start their responsibilities and then would be confirmed. And I don't think that's abnormal within our system of a confirmation hearing happening after someone is put onto a board. [LB998]

SENATOR LANGEMEIER: I don't disagree. I think that is very typical that into the future, let's say we have this board created and we're past that. And we now have an opening, and that process starts, and somebody applies. They go in. They mix in with the board. They're part of it. You get confirmed when the...the next time the Legislature is in session whether it's a regular session or a special session. I'm not so sure that we don't need something in here to get those first people on the job sooner is my concern, otherwise I think you have a big gap of time where you're requiring them to be confirmed yet you can't confirm them. And do they really have the authority to hire the executive director? So I appreciate your answers and something to think about. Now when we flip over to page 11, in (3) you have the duties of the... [LB998]

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SENATOR CARLSON: One minute. [LB998]

SENATOR LANGEMEIER: ...duties of the Foster Care Review Board are advisory, and I don't have a problem with that either. But as I read through it, I think we tend to go from advisory to management to advisory to management as we go through this. And under (3)(a), one of their jobs is to hire an executive director. It says we appoint one. It doesn't say anything about that you can terminate the executive director. So you can hire them. Are they in there forever? Because the board is advisory, they don't have any authority to terminate that person and get them out. And then in (c), and I'm going to wind down because I'm going to run out of time, but in (c) where it says they assist the executive director in their focus, I get that. But in (b) just above that it says, review management employee...of employees of the office. [LB998]

SENATOR CARLSON: Time. [LB998]

SENATOR LANGEMEIER: Thank you. [LB998]

SENATOR CARLSON: Thank you, Senator Langemeier and Senator Krist. Senator Hansen, you're recognizes. [LB998]

SENATOR HANSEN: Thank you, Mr. President, members of the Legislature. We certainly need to continue that line of questioning from Senator Langemeier and Senator Krist. But before we do that, I would like to make just a few comments if I could. When I was immediately elected in 2006, the first two people that contacted me, one was a lady at church and said, why don't we have a safe haven bill in the state of Nebraska. And the second person that contacted me was Carol Stitt with the Foster Care Review Board saying that they had a training day in North Platte and invited me to go there. After that, it seemed like it was a natural fit that I was certainly concerned about children and certainly concerned about foster care providers in this state and especially in my district. Got a lot of phone calls from them right out of the gate. I mean, it was immediately out of the gate some of the problems they were having. But to foster children, I think this means to grow and guide children in their development, and the care part I think is to protect and make safe. And the people we're trying to protect and make safe are the children. And we cannot lose sight of that. It's the children that we've got to take care of. It's not the money and it's not the money for the providers. It's not the money for the...certainly not for the board members, but we need to protect and keep safe the children of the state of Nebraska that are in the care of the state or wards of the state. When I have questions of different agencies of the state, I'll give you an example: if I have a question about the Department of Roads, I call Monty Fredrickson. If I have a problem with DEQ, whether it be feedlot compliance, questions from my district, or anything that has to do with the environmental status of anything going on in the state, I call Mike Linder. DNR, I call Brian Dunnigan. Game and Parks, I used to call

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Rex Amack. I'm not sure who we're going to call now, but that's being decided. Brand Committee, if we have questions about our brand laws, I'd call Steve Stanec. And the Foster Care Review Board, when we had trouble with cases out in the country out in my district, I'd call Carol Stitt. Two thousand nine, I went to a state board meeting of the Foster Care Review Board and I told them how important it was and I've tried to reiterate how important it was that senators asked the Foster Care Review Board questions and that the senators needed answers, and they needed answers fairly quickly about issues and about budgets and about where we were going with these wards of the state. In 2011, we found out that some of the questions that we asked, well, during the special session on safe haven in 2009 and then continued on to 2011 when we asked questions of the director of the Foster Care Review Board, that those questions had to be answered, okayed, those answers had to be okayed by the chairman of the board would seem like a very encumbered and not widespread in other state agencies that the chairman of the board had to okay those answers. I think that that was something that went on there that just did not seem right. This is from a staff that was a national model for data, for data collections, tracking, and analysis. I think that the staff was there, was very hard working, is very hard working. We do need to come up with the answers that Senator Langemeier was asking Senator Krist about the smooth transition from one to the other. I came back one day from a meeting across the street in Foster Care Review Board where Senator... [LB998]

SENATOR CARLSON: One minute. [LB998]

SENATOR HANSEN: Thank you...where Senator Christensen and I were asked to leave without...it was a public meeting, we had no comments, and that just happened to be the day that they let their executive director go. But I came back, Senator Krist was talking about this bill, and this is when I decided that a change needed to be made and I appreciate Senator Krist trying to make those changes. I stand in support of the amendment and the underlying bill. Thank you, Mr. President. [LB998]

SENATOR CARLSON: Thank you, Senator Hansen. Senator Howard, you're recognized. [LB998]

SENATOR HOWARD: Thank you, Mr. President and members of the body. I rise in support of LB998 and also in the amendment, AM2332, brought by Senator Krist. And I want to say that I have appreciated Senator Krist's sincerity and commitment to children's issues since the day he joined us on the Health Committee. His spirit is...I don't know if this is a word, but his spirit is undauntable and I, for one, certainly appreciate that. I was here in 2005 when Senator Thompson, Nancy Thompson, proposed the Foster Care Review Board's executive board structure that's now in place. The intent at that time as I remember it was to put a governing structure over the Foster Care Review Board structure. And it sounded like a good idea at the time and we said, well, let's see if that really gives us more information, if that improves this system. But

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what you find is that so many things that we deal with, we take a second look at, we go back to after a period of time. And this is one of those issues where a good idea didn't pan out to be quite what was anticipated or expected. And I'll give you a bit more history of the Foster Care Review Board because I was a case manager when this was originally put in. At the time that the Foster Care Review Board was put in place, and I might also say an internal review structure was put in place, they ran tandem, the juvenile court system was not in a position to be able to do six-month reviews on every case, and this was required by the federal government. So basically we were in violation of a federal requirement which put us at jeopardy of getting funds--the usual story. So the Foster Care Review Board was put in place, along with the internal review system, to meet the federal requirements, and the federal government was willing to accept the review of the children through our review system at HHS and the Foster Care Review Board system so we weren't running a risk of not receiving federal funds. Now over the course of time, the juvenile court system has put in a structured review system, and so it's no longer necessary for the Foster Care Review Board to be in place for this reason. As I see it, at this time, the primary purpose of the Foster Care Review Board is to provide information to this body and upon request or as requested by the court system, to provide them information. And, frankly, they have done a very good job in the past of being available and supplying that information, especially in terms of the history of a child, why they came into care, what's happened to them along the way, how many placements they've had, what the permanency goal is, what the court legal standing is or if the parental rights have been terminated, if they're intact, all the things that are very pertinent to the case that we as a body need to know. I certainly find these things to be incredibly important. I've requested information from the Foster Care Review Board a number of times, and they've always been very forthright and up to the current time have always given me everything that I've requested. It's become a difficult process and Senator Krist has recognized this, has stepped forward, has worked diligently to correct the process so that it is still valuable. [LB998]

SENATOR CARLSON: One minute. [LB998]

SENATOR HOWARD: We do still use it. Thank you. I certainly intend to vote green on the amendment and on the bill itself. The Foster Care Review Board does have a place in our process, it is our review system. It's the only review system that we have anymore. The internal system was discontinued. The entire process was given to the Foster Care Review Board in 1989. As I said, this is our review process, we need to make it work for this body. Thank you. [LB998]

SENATOR CARLSON: Thank you, Senator Howard. Mr. Clerk, are there any messages, reports, or announcements? [LB998]

ASSISTANT CLERK: Mr. President, there are. Your Committee on Appropriations reports LB131, LB968, and LB969 to General File, all with committee amendments.

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Senator Wightman has an amendment to LB996 to be printed. Name adds: Senator Pirsch to LB821, LB1160, and LB949. (Legislative Journal pages 828-831.) [LB131 LB968 LB969 LB996 LB821 LB1160 LB949]

And, finally, Senator Langemeier would move to recess until 1:30 p.m.

SENATOR CARLSON: Members, you've heard the motion. All in favor say aye. Opposed, nay. We are recessed until 1:30 p.m.

RECESS

SPEAKER FLOOD PRESIDING

SPEAKER FLOOD: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to begin. Senators, please record your presence. Mr. Clerk, please record.

CLERK: I have a quorum present, Mr. President.

SPEAKER FLOOD: Any items?

CLERK: I have no items, Mr. President.

SPEAKER FLOOD: Members, we're now going to proceed on our agenda to the bill that we left off at prior to recess, LB998. Prior to recess, we have three lights indicating members wishing to speak on LB998. They include Senators Sullivan, Langemeier, and Council. Senator Sullivan, you are recognized. [LB998]

SENATOR SULLIVAN: Thank you, Mr. President. Good afternoon, colleagues. It's fair to say that all of the discussion that we had this last morning...earlier this morning and continuing now into this afternoon is all about improving circumstances for children, particularly those in custody of the state of Nebraska and, specifically with this legislation, those in the foster care system. So my quest here is, I'm searching for how this proposed change moves us farther along in this effort. And to that end, I've got a number of questions. So I wondered if Senator Krist would yield. [LB998]

SPEAKER FLOOD: Senator Krist, will you yield to a question from Senator Sullivan? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR SULLIVAN: Thank you, Senator. The larger scope of things, in this legislation do you think in your estimation does this essentially make the Legislature the

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overseer or manager of the system for reviewing foster care in Nebraska? [LB998]

SENATOR KRIST: No. [LB998]

SENATOR SULLIVAN: Why not? [LB998]

SENATOR KRIST: I want a return to the 1982 standard by which the foster care review process is not entangled in anyway with conflict of interest, or with a board who has a vested interest or financial interest in the outcome that comes from that data, and then is reported to all three branches of government. [LB998]

SENATOR SULLIVAN: In the duties of the Foster Care Review Committee, I'm looking at your amendment now, and admittedly I was a little confused because you shared with me the one amendment yesterday that now you've withdrawn, and we're dealing with this AM2332 as your amendment, right? [LB998]

SENATOR KRIST: The substance of AM2332, Senator, the only change between what I shared with you yesterday and AM2332, was brought to my attention at 3 p.m. yesterday... [LB998]

SENATOR SULLIVAN: Okay. [LB998]

SENATOR KRIST: ...afternoon as a Attorney General's Opinion that I had to provide within the bill structure more choices for the Governor to choose from. [LB998]

SENATOR SULLIVAN: Oh, okay. [LB998]

SENATOR KRIST: But the two amendments were identical with the exception of that one addition. [LB998]

SENATOR SULLIVAN: Gotcha. Okay. In looking at the amendment then, it says that some of the duties of the Foster Care Advisory Committee are to appoint an executive director. I take that to mean just what it says and not necessarily hire or, and/or fire? How do you interpret that? [LB998]

SENATOR KRIST: Well, I interpret...the bill does say hire. This morning we identified that the word "fire" was not in there. I think between General and Select what we need to make sure of is that that advisory board or board, if we need to remove the word "advisory," has the authority to hire and fire the executive director. [LB998]

SENATOR SULLIVAN: In addition to the function of the committee, it says to assist the executive director. Again, it...I interpret that to mean work alongside, not necessarily oversee or direct. Is that right? [LB998]

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SENATOR KRIST: That's correct. [LB998]

SENATOR SULLIVAN: So then, what is the relationship between the committee and the executive director? [LB998]

SENATOR KRIST: Well, more importantly, what is not the...what is not included in this new piece of legislation is the fact or the principle that any board could restrict information from flowing from the data systems to this Legislature in a timely and accurate manner for any reason. [LB998]

SENATOR SULLIVAN: Right along with that, what role and what's the relationship with the committee and the Legislature? [LB998]

SENATOR KRIST: The committee is responsible for making sure that the report structures that are required to go to both the Department of Health and Human Services and to the Legislature, and as required to the judicial branch and the executive branch, would be conducted...or would be delivered in a timely manner. [LB998]

SENATOR SULLIVAN: I'm still struggling a little with this role of the executive director because... [LB998]

SPEAKER FLOOD: One minute. [LB998]

SENATOR SULLIVAN: ...who does this director report to? [LB998]

SENATOR KRIST: The board. [LB998]

SENATOR SULLIVAN: Well, it's not the board. It's the committee who assists and works alongside the executive... [LB998]

SENATOR KRIST: I'm sorry, I misspoke. The committee. [LB998]

SENATOR SULLIVAN: Okay. So...but they don't hire and fire, they appoint. So, who... [LB998]

SENATOR KRIST: No, I did say between General and Select we'll make sure that the correct terminology, which is in part of the bill which it says they will hire, they will be hiring and firing the executive director. [LB998]

SENATOR SULLIVAN: Well, I know our time is running out and my list of questions is about halfway through, so I'll reserve those for a later time. Thank you. [LB998]

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SPEAKER FLOOD: Thank you, Senator Sullivan. Senator Langemeier, you're recognized. [LB998]

SENATOR LANGEMEIER: Mr. President and members of the body. Again, I rise just to talk about some of the technical issues here. And I'm going to go back to where I left off in Section 4...Section 4, (3)(b) it talks about review, manage...review the management and employee issues. Would Senator Krist yield to a question? [LB998]

SPEAKER FLOOD: Senator Krist, will you yield to a question from Senator Langemeier? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR LANGEMEIER: Senator Krist, first of all, I appreciate working through this and I think this is all stuff you can address for Select File or have the answers by then to tell me why I'm nuts, which is easily done, but when it talks about review the management and employee issues, I don't see in here where it gives them any authority after they reviewed them to do anything about it. What are you hoping they're going to do in that review? [LB998]

SENATOR KRIST: The same thing a CEO function or a management function or an oversight function would do when they have the responsibility to hire and fire the executive director. Let me give you an example. If someone within the structure was having a drug or alcohol problem and the director was not...the executive director was not handling that issue correctly, that management issue or that problem would be brought to the board's attention. They would make sure that those issues were being taken care of, and support the executive director as a manager of the function in those 27 other people in function of helping her or him out. [LB998]

SENATOR LANGEMEIER: So maybe if we address the...appoint an executive director to hire and fire, that might take care of itself if they have that authority to hire and fire. That gives them kind of a hammer to do a review of management or employee issues. Maybe that will resolve itself. [LB998]

SENATOR KRIST: Absolutely. And to Senator Sullivan's point, and now to say it again, in my initial draft of this bill it gave the board the ability to hire and fire. Sometime between the amendments and throughout, that's been lost. I intend to fix that between General and Select. [LB998]

SENATOR LANGEMEIER: And then, again I'm just kind of talking about function of this bill. On page 14, line 16, you talk about the office shall also provide at a time specified by the Health and Human Services of the Legislature regular updates about child welfare. Do you want that just to be the office? I mean, is that...the office is the group of

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individuals that are employed. [LB998]

SENATOR KRIST: That's correct. [LB998]

SENATOR LANGEMEIER: Do you want it just anybody, the guy or gal that answers the phone for the office could come give an update, or do you want that update from the executive director? [LB998]

SENATOR KRIST: The executive director would facilitate those reports as they come from the office. If the terminology should be more appropriate, the executive director will instruct the office and structure to perform the reporting structure, then we can fix that as well. But the intent there was, it's not the board that decides what information is forwarded in the reports. It is the office function, which is the data collection and analysis function. [LB998]

SENATOR LANGEMEIER: Thank you for that answer. I just want to clarify that as we've had some thoughts out there that people are stonewalling and not giving out information. I think you want it to be clear who is the one that if they aren't providing the information, who are you going to go to and say, hey, this says, you need to provide this. So I think that clarification is good. And so with that, that's all the questions I have at this time. I would yield...thank you, Mr. President. [LB998]

SPEAKER FLOOD: Thank you, Senator Langemeier. Senator Council, you're recognized. [LB998]

SENATOR COUNCIL: Yes, thank you very much, Mr. President. And I begin by thanking Senator Krist and the members of the Health and Human Services Committee for addressing this issue revolving about...around a very critical part of our child welfare system. And I rise in strong support of the underlying intent of LB998 and AM2332. I appreciate the questions that Senator Langemeier has raised because I think this legislation needs to be drafted as tightly and as clearly as possible. Some of my colleagues may be...remember that not long...I think it was during my first six months as a member of this body, I had to join three of my colleagues in writing a letter to the Foster Care Review Board regarding their role and their responsibilities and their relationship with this body. I know there have been issues raised with regard to lack of cooperation, and I think that many of us have examples of that. But there have been occasions where I believe, quite frankly, the relationship has bordered on being the Foster Care Review Board showing a degree of contempt for the Legislature. The whole issue about conflict of interest, I don't believe that the issue is conflict of interest in the strict legal sense of the term. And as Senator Harms referenced this morning, there was a finding that there was no conflict of interest in the strict legal sense of that term, but what I believe that there is a conflict with under the current structure of the Foster Care Review Board is their statutory mandate. And that statutory mandate requires them to

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be an independent body to provide independent and meaningful information to, among others, this Legislature. And I find it difficult to suggest that this board could be an independent body reviewing, analyzing, and critiquing the Department of Health and Human Services when there are so many relationships between members of that board and the Department of Health and Human Services. And I'm not suggesting that they're necessarily monetary in nature, and the performance audit report indicated that there was no conflict of interest in the monetary sense of the term, but I cannot be convinced that the independence of this board is not affected by the relationships that the entities that the members are affiliated with, or actually head, have with the Department of Health and Human Services. And I think it's critical that the public believe that there is transparency and accountability and that this body is actually operating independently. And in order to do so, it requires a massive overhaul of the Foster Care Review Board's structure. I concur with Senator Langemeier that I think between now and Select File we need to tighten up the language, the duties, how the entity, the new advisory committee actually does come into effect. [LB998]

SENATOR COASH PRESIDING

SENATOR COASH: One minute. [LB998]

SENATOR COUNCIL: I had the same question about an appointment that has to be approved by the Legislature that can't be confirmed until January of next year. So, Senator Krist, we must work on devising a way that this body can either become effective within the next 30 days, or that we provide some other transition mechanism to make sure that the work of this very important agency move forward. But again, let me stress, one of the things being accomplished by LB998 is, I think, getting the Foster Care Review system, whether you call it the board, the advisory committee, back to its statutory mandate, which is to be an independent body that is reviewing and analyzing these cases, providing reports and recommendation to the court, the judiciary, the... [LB998]

SENATOR COASH: Time, Senator. [LB998]

SENATOR COUNCIL: Thank you very much. [LB998]

SENATOR COASH: Thank you, Senator Council. Those still wishing to speak, Senators Dubas, Sullivan, and Christensen. Senator Dubas, you're recognized. [LB998]

SENATOR DUBAS: Thank you very much, Mr. President. Good afternoon, colleagues. I've really appreciated the conversation that we've had so far on this and I certainly know and understand where Senator Krist is coming from and the work that the Health Committee has done on. I'm going to kind of follow along the same vein that some of the other senators have been on in asking some questions, getting some clarification so

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that I'm sure I'm understanding what we are doing. So if Senator Krist would yield, I would appreciate that. [LB998]

SENATOR COASH: Senator Krist, will you yield? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR DUBAS: Again, thank you, Senator Krist. I know how important this issue has been to you and it should be to all of us because I think the Foster Care Review Board was meant to be that link for the Legislature to have that access to that information. So the questions I'm asking are just to help clarify things in my mind. [LB998]

SENATOR KRIST: Sure. [LB998]

SENATOR DUBAS: Will anything in your amendment change the way the local boards operate or are selected or will it change anything for them? [LB998]

SENATOR KRIST: No. As a matter of fact, below the executive director, nothing changes in the entire system. [LB998]

SENATOR DUBAS: So they will still be...they'll still be reporting to the advisory board and the office and so they're going to be the ones that will be the boots on the ground getting the real information that's needed. Is that correct? [LB998]

SENATOR KRIST: In my introduction to the committee, and I'll say it again here today, the real work is done at the local level and the data that flows upwards. So from the executive director level down, everything is identical. [LB998]

SENATOR DUBAS: And so if I'm understanding it correctly, what you change through the advisory board, you're taking out all of those connections that may be to the department or anything else, and you're making it more of a managerial type of a board where they aren't dealing with the actual cases. They're dealing with how the office and the local boards operate. [LB998]

SENATOR KRIST: I'm guaranteeing the independence of the committee. [LB998]

SENATOR DUBAS: Okay. That has really been helpful to me and I think some of the technical things I think can get ironed out between now and Select File, but I certainly know and understand where you're going from. And I think having that more objective type of an advisory board as they manage things will help our local boards do their jobs better. I've had the opportunity to sit in on some of those local boards as they've gone through the cases and as I said, they're the boots on the ground. They know and

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understand these. And we have to have that connection. We have to have those people who are involved either through day-care or as foster families or whatever that are dealing with these children. We need that knowledge. They are the ones that really understand what's going on and they are the ones that can give us that accurate picture of what's going on so that as we are working on policy, we'll really be doing something for them rather than to them. So I'm very glad to hear that those local boards will still be an important part of this and that their makeup won't change. And I think by going to this advisory type of a board where they are just overseeing the management of the Foster Care Review Office, I think will get us to where we need to go. So I thank you, Senator Krist, for your work. [LB998]

SENATOR KRIST: Thank you. [LB998]

SENATOR COASH: Thank you, Senators. Senator Sullivan, you're recognized. [LB998]

SENATOR SULLIVAN: Thank you, Mr. President. Continuing my quest for answers to questions, I wonder if Senator Krist would yield. [LB998]

SENATOR COASH: Senator Krist, will you yield? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR SULLIVAN: And first of all, Senator, I should...I really commend you and all the members of the committee because you've done a monumental job and I'm not doing this to be an irritant. I'm simply trying to drill down and ask questions because I'm still a little confused if whether or not this change is going to produce the good results that we all want. So I'm looking at page 12 of the amendment and it says, the office shall designate a local board to conduct file audit case reviews for each case of children in foster care placement. Could you explain to me how that is different than what we do now? [LB998]

SENATOR KRIST: Essentially what we're saying here is that they're going to designate the people who are, as Senator Dubas described them, the boots on the ground who are actually closest to the work that's being done, and designate those offices or office to do periodic reviews of those cases so that the data that's coming from the local board gets directly to the office structure for data dissemination and then directly to the user of that data, which would be the Legislature, the executive branch, or the judiciary. [LB998]

SENATOR SULLIVAN: So with this new proposed structure, you feel that that process will be ensured that there will not be...because it seems to me that one of the bones of contention has been that the board has...the current board has withheld information and it's been difficult to get information. And yet in talking with some of the members of the board, I get a little different impression that what they were wanting to ensure is that the

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information that was being put forth was reliable and accurate and valid. So is there going to be any litmus test, if you will, as to ensure that that is the kind of data that the Legislature is receiving? [LB998]

SENATOR KRIST: I could answer that and take up the rest of ten minutes but I'll just be very brief. There have been several situations, documented situations where the board has to physically come together because of the open meeting law in order to release information and allow the executive director to release information. That, by itself, gives me cause for pause. What we're saying is they have to have a regular meeting in order to tell us during safe haven or during the foster care review process that we have a dangerous situation statistically finding its way that should find its way to us, as in the number of case managers that have turned over in excess of what would be an acceptable standard in the foster care review process. [LB998]

SENATOR SULLIVAN: So you're saying that this structure now that by virtue of us having an advisory committee, that step will be eliminated or that, as you call it, a sort of obstruction, will not be in place. [LB998]

SENATOR KRIST: There will be no filter between the data office and the dissemination of that data. [LB998]

SENATOR SULLIVAN: Okay. Couple questions about the makeup of the committee and forgive me, I did not do a thesaurus check. What does pecuniary mean? [LB998]

SENATOR KRIST: The...I guess you'd have to ask a lawyer that question, but it has to do with potentially with just with the money side of the house. [LB998]

SENATOR SULLIVAN: Okay. So there won't be any financial interests on the part of the members of the advisory committee. [LB998]

SENATOR KRIST: There won't be a member of the advisory committee who relies on most of the money that comes through the DHHS process going into his or her company. That's correct. [LB998]

SENATOR SULLIVAN: Okay. And then... [LB998]

SENATOR COASH: One minute. [LB998]

SENATOR SULLIVAN: ...as far as the names that will be put forth to be members of this committee, I know some of them are going to be coming from the Legislature, some from the Governor. How are these going to be solicited? Do you have any expectation of how this will be done? [LB998]

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SENATOR KRIST: I would imagine there will be several members of the current board that will submit some kind of resume and want to be reappointed. I would imagine that there's board...potential board members out there that are listening to this dialogue right now that are writing up their resumes and sending them in. And they would be collected and then sent to the Governor for his consideration and appointment. [LB998]

SENATOR SULLIVAN: You know, there's some speculation, or certainly perception is nine-tenths of reality. We know that. But it's not our job here to base our decisions on perception and all I'm trying to do is drill down and really get at what I hope will be some significant changes that will result in good things happening with the foster care review system. Thank you. [LB998]

SENATOR COASH: Thank you, Senators. Senator Christensen, you're recognized. [LB998]

SENATOR CHRISTENSEN: Thank you, Mr. President. I'd gladly share a little light on how I think it's going to change. Right now, a lot of the people on the board are making money off of foster care. So when a problem arises, do you think they want it public? It might be their own firm or their close friends right there. Of course, they're not going to make it public. Of course, they're going to delay you. Safe haven was a deliberate move because they didn't want the truth out. That's why this is a great bill. It gives the opportunity to get rid of conflicts of interest and allow people to evaluate on the facts instead of protection. That's all this comes down to. It's great that we bring it in, controls the nominations, and get the appointment done because what we've got now is, I'll scratch your back if you scratch mine, protected. It's corrupt. I'll call it like it is. I went to the meeting that Senator Hansen talked about earlier that wouldn't let us speak, they didn't want to talk to us, they said come back again. If you worked in it very long, it didn't take you long to realize the board was against you and the former director was the one that wanted to work for you. She liked the kids. Whether you like her or not doesn't make any difference, you've got to have somebody that's willing to tell the truth. And the fact is, the conflict of interest was a disaster. Go back and look at it before that law was changed a number of years ago when the conflict of interest, or supposedly to make a better board allowing people on the inside to understand, was changed. Information was reduced. And if you think it...go back and think why they tried to fire the last director. She was getting out information to you as a senator, if you asked, and to the people to work for the kids. And the fact is, they didn't want it out. But let's look? See was it factual truth? What did the auditor's report show? What did the legislative audit show? They matched the report the director got out, but the board didn't like it. That's why they're after her. They got her out. Now, it's time to clean it up. I told them that day when they said I couldn't speak, they didn't want any public input, I said, that's fine. You guys are the problem and it's time to eliminate you. I didn't mince any words. I told them like I believed and I'm telling you like I believe. I have worked on this. I give up six different weekends, or three, four days at a crack and went to Omaha, talked to unhappy people

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about what was going on in foster care. I drove from Imperial over there. Besides all of them I dealt with and if I called over to get information, it was difficult. It needs to be controlled by us... [LB998]

SENATOR COASH: One minute. [LB998]

SENATOR CHRISTENSEN: ...if we want factual good information. I have no doubt we got a great audit done, in-house, and from the Auditor. If that doesn't make you sick, and then I can just give you case after case. And if you don't believe there ain't a problem because the corruption isn't being exposed, then why are so many foster parents walking away? If we'd clean house from the top all the way down, you'd get a lot of foster parents back. It surprised me in talking to people that have said, I give up, I'm not taking it no more, that said they love the kids, they'll come back if we got good management, and they weren't looked at as a problem trying to make these kids lives better. [LB998]

SENATOR COASH: Time, Senator. [LB998]

SENATOR CHRISTENSEN: Thank you. [LB998]

SENATOR COASH: Thank you, Senator Christensen. Those wishing to speak: Senators Wallman, Pahls, and Nelson. Senator Wallman, you're recognized. [LB998]

SENATOR WALLMAN: Thank you, Mr. President. Would Senator Howard yield to a question, please? [LB998]

SENATOR COASH: Senator Howard, would you yield to a question? [LB998]

SENATOR HOWARD: Yes. [LB998]

SENATOR WALLMAN: Thank you, Senator. I know you're quite well-versed on caseworkers and all this thing and I'm glad you are. Do you think we would have any trouble getting nonbiased people on this board? [LB998]

SENATOR HOWARD: No, I don't think we would at all. As a matter of fact, I just had someone stop down in my office, and thank me for some remarks I had made in the morning, who serves on a local board reviewing cases. So there are many, many people out there that don't have direct ties to the department in some way or another who really genuinely care about children and would stand up and make themselves available to do that. [LB998]

SENATOR WALLMAN: Thank you, Senator,... [LB998]

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SENATOR HOWARD: Thank you. [LB998]

SENATOR WALLMAN: ...and thank you, Senator Krist. I know this is a tremendous shift in how we do things but sometimes it take a crisis and times are changing. Maybe they are changing for the better. And I thank Senator Krist for bringing this forth. Thank you, Mr. President. [LB998]

SENATOR COASH: Thank you, Senator Wallman. Senator Pahls, you're recognized. [LB998]

SENATOR PAHLS: Thank you, Mr. President and members of the body. I need to stand up because I hear the word corruption thrown around, and I do not have the pain that Senator Christensen has suffered with his dealings. I'm really a novice in this particular area, but I must tell you I have somebody who sits on that board and I know she's not corrupt. She is not corrupt. In fact, I encouraged her to run for my seat when I leave. Do you think I want a corrupt person in this body? I understand that there are, perhaps, some major issues that I truly do not understand. I get that. But I think when we throw those words around, I know there...I truly believe there's pain in there and there may be some justification, but a blanket statement like that is...when some people say all legislators are full of you know what. Well, maybe there's some truth to that. But I am concerned because I know this person. She works hard for this as long as she's been on that board and I just don't view her as somebody trying to do something evil to this system. But, again, I have not suffered as some people have. Thank you. [LB998]

SENATOR COASH: Thank you, Senator Pahls. Senator Nelson, you're recognized. [LB998]

SENATOR NELSON: Thank you, Mr. President and members of the body. I have a question or two for Senator Krist if he will yield. [LB998]

SENATOR COASH: Senator Krist, will you yield? [LB998]

SENATOR KRIST: Absolutely. [LB998]

SENATOR NELSON: Thank you, Senator Krist. I'm looking at page 11 of your amendment and line 5 where it says, the advisory committee shall appoint an executive director for the Foster Care Review Office who has training and experience in the foster care system in Nebraska. First question is, is that the only criteria they're going to use? [LB998]

SENATOR KRIST: No, sir, there is a job description that has been drawn up for this position. It's been in place for many years. It was just actually adjusted and updated in November of 2011 and is currently in place. And that would also be in place for the

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hiring and firing of a new director. [LB998]

SENATOR NELSON: All right. That's good to hear. To the best of your knowledge, is that criteria required that the person have training experience in the foster care system in Nebraska? [LB998]

SENATOR KRIST: It does, sir, and it also specifies among other things, college education, data entry, and data analysis experience, etcetera, etcetera. [LB998]

SENATOR NELSON: All right. Could you just kind of, for the record, tell us what training and experience, in your estimation, what area that covers? How that might be expanded in who they would look for, and where would that person be drawn from, one of the local boards, or what other places might that person come from? [LB998]

SENATOR KRIST: Well, I think a justified interpretation might very well be someone who is in the data industry and the IT industry who has data collection analysis experience and who, for whatever reason, was interested in the local board level or was a foster parent themselves. That would be an association with the current system in Nebraska, and I'm hoping that all those data folks that are out there that qualify are going to be knocking on the door. [LB998]

SENATOR NELSON: Is our foster care system here unique to Nebraska or are there other states that have similar systems? Are you aware of any in other states? [LB998]

SENATOR KRIST: I can't speak to other states other than the fact that I know that our current system in Nebraska given the process itself, disconnected from the board structure, the process itself, has been written up and acclaimed nationwide and the terms of the data collection process. So I know that it's at the top of the heap. We're probably in the top ten in that data collection and process and analysis. [LB998]

SENATOR NELSON: I guess my question is directed to the fact that maybe we might be better off to bring an executive director in from outside of Nebraska who has had experience in other systems rather than, perhaps, might have acquired some, some...I don't want to use the word "prejudices," but opinions as to how things should be run. Would we be better off to go outside if that's possible, or do we have to confine this to the system here in Nebraska? [LB998]

SENATOR KRIST: Senator Nelson, I would be happy to discuss with you between now and Select and if that is...opens up a broader and better qualified base, I'd be happy to talk about that. [LB998]

SENATOR NELSON: All right. Thank you very much, Senator Krist. Thank you, Mr. President. [LB998]

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SENATOR COASH: Thank you, Senator Nelson and Senator Krist. Those wishing to speak: Senators Christensen and Carlson. Senator Christensen, you're recognized. [LB998]

SENATOR CHRISTENSEN: Thank you, Mr. President. First of all, I would agree with Senator Pahls in what he said. I was speaking about those that had the conflict of interest. There's actually a very good friend of mine on there that I know that doesn't have that, and I would not call them corrupt. But I also say, whenever you have a situation that you're covering up situations and we have proved it by three different audits or reports of bad use of money and things this way, and went through the different cases, if you've ever looked at what you can get information on, you'll clearly see there's a major problem. And, you know, I apologize if anybody took it wrong that I was saying everyone there is corrupt. I'm not. I'm saying the system they're using having conflicts of interest is corrupt. And I looked at several of them that have that conflict in that meeting and I said, you are the reason, the problem. And I meant it. I won't back up from it. But I do want to agree with Senator Pahls. I'm not saying they're all corrupt there, but the process is corrupted when you have the ability to make money off of it, and you're supposed to be evaluating it? That is corrupt. So I just want to clarify that. I thank you, Senator Pahls for bringing that up. I did make a very general statement. Didn't mean it that way. I want to make sure it's clarified. There was many problems. We can avert, get away from that, avoid that by using the process that we have laid forth in this bill. And I'll be glad to visit with any of you and work with Senator Krist if there's things to work on between now and Select File because I'm a firm supporter asking everyone of you to support this bill and move it forward because we got to get rid of that conflict of interest, we've got to get rid of the problems and get a fair analysis of the problems going on. There's a number of things need done yet. I don't think we've got them all taken care of. I've shared some of my interests before because until we have a situation where we can't have an individual caseworker just moving somebody in the foster care system out because they have a personality conflict of interest, we are not going to get to where we need to be. But we get an independent review committee, we'll start revealing them situations and be able to get a better handle on it. It is a very good thing, but again I'll repeat what I said earlier, we got to start at the top and get the right management, have the right appointees on this board, and have the right people hired if we're ever going to handle this situation correctly. Thank you. [LB998]

SENATOR COASH: Thank you, Senator Christensen. Senator Carlson, you're recognized. [LB998]

SENATOR CARLSON: Mr. President and members of the Legislature, I'm going to make a brief contribution to this debate. First of all, thank Senator Krist for being willing to tackle this problem and bring a bill that we can debate. I have limited knowledge of

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the foster care system but I've spoken with the former director on several occasions and I think I'm a pretty good judge of character. I think she's a good person who tried everything she could to do the job the way it's supposed to be done. I've talked to a judge that has a very keen, genuine interest in the foster care program and process. He took it on himself to come and talk to me and indicated there needs to be some changes. I talked to an attorney, former Foster Care Review Board member, who represents families and children and he made a special point to talk to me about this problem, indicated there need to be some changes. I appreciate Senator Pahls's remarks and I know that he's a good judge of character and the individual he's talking about on the board, I'm sure, is a very, very good person that wanted to do the best they possibly could. But, you know, we're in a body of 49. When one of us steps out of line, it puts a bad picture on the entire group. That's just the way things are. And so we each have a responsibility trying to do the very best that we can so that we shed a good light on this entire body. I think that there have been conflicts of interest and those conflicts of interest are a problem. And so I think change is due. Again, I appreciate what Senator Krist has done, and I'm in support of LB998 and AM2332. Thank you. [LB998]

SENATOR COASH: Thank you, Senator Carlson. Seeing no other members wishing to speak, Senator Krist, you are recognized to close on AM2332. [LB998]

SENATOR KRIST: I'm going to be extremely brief and I'm going to tell you that between now and Select File, I need to roll up my sleeves and get some things done to definitively make some changes, some technical in nature, some descriptive in terms of how a transition would happen. I promise you that will happen, and I thank Senator Langemeier in particular for pointing out those issues that are there. I thank Senator Campbell and the committee for allowing me to do something unusual, put a personal amendment on to replace a committee amendment on to my bill. I really appreciate that you've allowed me to do that but we needed to clean up the action that needs to be taken. I appreciate every one of your questions. Some come from different backgrounds, some come from the backgrounds that I have had up until the last year and a half, and I particularly appreciate the comments that have said, in an objective way, change is needed to guarantee the independence of the data processing and data delivery system that we need to make good decisions on this floor. I ask you for your green light on AM2332, and rest assured, as I've said, those changes will be made prior to bringing it back on Select. Thank you, colleagues. [LB998]

SENATOR COASH: Thank you, Senator Krist. Members, you've heard the closing to AM2332. The question before the body is, shall AM2332 be adopted? All those in favor vote aye; all those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB998]

CLERK: 40 ayes, 0 nays, Mr. President, on adoption of Senator Krist's amendment. [LB998]

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SENATOR COASH: The amendment is adopted. [LB998]

CLERK: I have nothing further on the bill, Mr. President. [LB998]

SENATOR COASH: Returning to discussion on LB998. Seeing no members wishing to speak, Senator Krist, you are recognized to close on LB998. [LB998]

SENATOR KRIST: One of my colleagues back here reminds me daily that you should never waive your responsibility to close, but you can always be brief. I will be very brief. Thank you, Senator Bloomfield, for allowing me to borrow your LA. She's wonderful. With that, I would ask you for a green light on LB998 and I will bring it back cleaned up. Thank you. [LB998]

SENATOR COASH: Thank you, Senator Krist. Members, you've heard the closing to LB998. The question before the body is, shall LB998 advance? All those in favor vote aye; those opposed vote nay. Have all voted who wish? Record, Mr. Clerk. [LB998]

CLERK: 43 ayes, 0 nays, Mr. President, on the advancement of LB998. [LB998]

SENATOR COASH: LB998 does advance. Speaker Flood for an announcement. [LB998]

SPEAKER FLOOD: Thank you, Mr. President. Good afternoon, members. As you note, today's agenda at 2:30 shows us moving to LB806 from Senator Lautenbaugh. We're going to go ahead and do that as soon as I'm done here in the interest of time not wanting to open up on another bill before we move to that at 2:30, so we're going to be moving to LB806 right now. I'm handing out to you, momentarily, a memo from my office regarding late nights and a schedule for the remainder of the session as it relates to working into the evening. A couple of notes I want to pass along. In addition to late nights to try and minimize the amount of time we spend late into the night, there are couple of dates that I'm going to start at 8 a.m. instead of the tradition 9 a.m. This is being done for two reasons. One, I think it will minimize the amount of time that we have to spend late into the night recognizing that folks go home to their families when they can, and to reduce maybe the hours late into the night that you're driving to...and also I think folks are sharp at work and ready to go by 8 a.m. That will allow us to work through some bills and make a lot of progress before noon on some days. And that memo is coming out. The other note I'll make on late nights, in the event that we are working one of those, obviously, we'll have supper provided, but I also want to remind you that sometimes we cancel those and I don't always have the information at noon or 1 or 2, but as soon as I have it, I'll do my best to give you a heads up as to whether or not we'd have to cancel a late night. It's all in the memo. If you have any questions, please see me. But please ask your staff to make these changes on your calendar so

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that you're ready to go. Thank you very much, Mr. President.

SENATOR COASH: Thanks, Speaker Flood. Mr. Clerk, for items.

CLERK: Thank you, Mr. President. Amendments to be printed: Senator Lautenbaugh to LB806; Senator Flood to LB968 and to LB131. New resolutions: Senator Brasch, LR461. That will be laid over. LR462 by Senator McCoy calls for an interim study. That will be sent to Reference Committee. That's all that I have, Mr. President. (Legislative Journal pages 832-834.) [LB806 LB968 LB131 LR461 LR462]

SENATOR COASH: Thank you, Mr. Clerk. As the Speaker stated, we will now move to LB806. Mr. Clerk. [LB806]

CLERK: Mr. President, LB806 was a bill originally introduced by Senator Lautenbaugh. (Read title.) The bill was introduced in January of last year, referred to Judiciary, advanced to General File. The bill was discussed yesterday. Committee amendments were presented and when the Legislature left the issue, Senator McCoy had pending, as an amendment to the committee amendments, AM2229. (Legislative Journal page 741.) [LB806]

SENATOR COASH: Thank you, Mr. Clerk. Senator Lautenbaugh, would you give us a brief recap of LB806? [LB806]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I'd be happy to. LB806 is a measure that's designed to save Nebraska jobs and a Nebraska industry. What it does is, it would authorize another form of pari-mutuel wagering at racetracks, only at racetracks, licensed racetracks in Nebraska, to provide for historic horse race wagering. As I explained yesterday, I believe this bill is important for saving this industry and the thousands of jobs that are dependent upon it in our state, which makes it unlike any other kind of gaming, I believe. And I would note that we saw a lot of those people who currently hold those jobs here yesterday. And I think we have to look at this from a certain position of responsibility, meaning in a certain way, we are responsible for this. We can argue that, you know, well, someone said horse racing is on the decline. I think you can tie a lot of that to what we've done with keno here in the past, and other forms of gaming. And then we went one step further and voted to take away the Lincoln track in effect a few years ago, and some believed we would replace it and move on. Well, the revenue has not been there to do that but that was another blow to an industry that has done so much and provides so much for our state. And this bill is meant to give them another source of revenue, still based upon horse racing, still based upon pari-mutuel wagering, and try to save and resuscitate this industry and save these jobs. And I look forward to your support and approval. [LB806]

SENATOR COASH: Thank you, Senator Lautenbaugh. Senator Ashford, would you

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give a brief recap of AM1852, please? [LB806]

SENATOR ASHFORD: Yes, thank you, Mr. President. The committee amendments do make some relatively technical changes in various sections of the bill. The major change is the movement of the funds, excess funds to the equine fund that will help fund programs for children and animals and that is the basic change. There are some other changes, but I don't think they are significantly substantive. I would make one comment if I could, Mr. President. There's been some discussion about the constitutionality of this bill. I want to make clear to the body that the Judiciary Committee...everyone in this room can make a decision about whether or not they feel that it's appropriate to vote to pass this bill. They can vote yes or no on the historic horse racing bill and that's a fair decision that everybody will make and must be respected. However, the committee has reviewed the constitutional issue, and I know that constitutional issues continue to be brought up here, and amendments continue to be drafted and submitted. I'm convinced, and was convinced prior to the memo being handed around by Senator Lautenbaugh yesterday, that this bill is constitutional. We would not send a bill out here that we felt was unconstitutional. We feel, I feel, even though I did not vote to advance the bill, in fairness, it was not because I felt that the measure was unconstitutional. So I just want to make absolutely clear for the record that I feel, the staff feels, that Senator Lautenbaugh's bill does pass constitutional muster, and in fact, in my view, with very little debate or dispute. The other issues, the policy issues, are matters of fair debate and everyone here has...certainly will have their own view and vote on this. But if...I think to belabor the constitutionality any further, I think is without some substantive reason for addressing it. I think it's just sort of wasting time on this bill, and so with that I would conclude my comments. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator Ashford. Senator McCoy, would you give us a brief update on AM2229. [LB806]

SENATOR McCOY: Thank you, Mr. President and members. Briefly, AM2229 seeks to earmark the revenue of these proposed games if we're to go the direction of this bill towards the construction of a racetrack to replace the one that will no longer be here in the city of Lincoln, and also eliminates the very vague definition of equitable treatment of the equine species that exists in AM1852. And that's the nexus of AM2229. And I believe that if we're to move forward on this bill, and again I do not support this legislation, I think this amendment must be on it in order to take care of the concerns that are there along those lines. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator McCoy. Members, you've heard the opening to LB806, the committee amendment and the amendment to the committee amendment. Returning to discussion, those wishing to speak: Senators Lautenbaugh, Fulton, Harms and Schilz. Senator Lautenbaugh, you're recognized. [LB806]

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SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. Yesterday there was some discussion on this amendment, and I learned to my surprise, that it was not part of a filibuster but it's meant to be taken as a serious proposal despite the fact that it was never mentioned to me before the filibuster. But we are where we are, and so I'm taking people at their word that this is a serious attempt to address issues surrounding this issue. And we do have an amendment that does take care of the equine language, if you will, to make it clear that we are talking about therapeutic horse riding for children with special needs, and vets who have been injured, not anything that would even open the door to HSUSA. That's not what this is about and I won't...Senator Loudon wasn't bringing up a red herring. He was bringing up a good point and we're going to address that. But similarly, this amendment raises something that's important, too, when it came up on the floor debate yesterday. We heard that this is a dead industry, dead business, barely exists. So that the people who were here trying to defend their jobs yesterday seemed real enough but I guess they're supposed to look elsewhere. But that said, this is about saving the industry and you're being given some distracting arguments about what it is really about, and that they don't want to do this, they want to do that, and in the spirit of this amendment, I would look favorably at something along the following lines. Give these people a chance to get this up running. Give them about, I'd say, seven years, take two years to get this going if we approved it today, and set some benchmarks because we are talking about saving this industry. And if that's not believed, well, then here are the benchmarks. Say the purses have to be up 10 percent, 15 percent over that time, the new track in Lincoln has to exist, and the number of live racing days have to have increased. And if those things haven't transpired, then the Racing Commission would no longer be authorized to issue licenses. So these things would go away. To use another gambling metaphor, I think of this as kind of calling the bluff regarding some of the concerns that have been raised. If you don't think this will save the industry, if you don't think we're serious about saving the industry, and if you don't think anything should help or can help, then this is the amendment for you. Because with no further action by us, if this does not work out as we said, the Racing Commission is no longer authorized to issue licenses. You won't find this amendment on your gadget yet, it's not there yet. But it is a sincere offer because we are serious about this. And we believe...there's a gentleman here who is intimately familiar with this, not in here, but outside, who can tell you about this if you're curious about it, this has turned things around in Kentucky. This has turned things around in places where it has been tried. This isn't my opinion. This is fact. This is happening in reality. And to say that horse racing is on the decline and there's nothing we can do about it, one thing we could do is stop constantly tying their hands, stop constantly interfering with their business, stop constantly saying no. They aren't asking for a handout. They're asking for a chance to pursue this. They're not asking for state funds. And by the way, we've heard quite a bit about the tax breaks they get because the first ten million of the pari-mutuel tax or revenue isn't subject to the pari-mutuel tax. Well, understand, that's a tax that no one else pays so it's not like they get a tax break

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that somebody else doesn't get. [LB806]

SENATOR COASH: One minute. [LB806]

SENATOR LAUTENBAUGH: This is a special tax above and beyond everything else they have to pay and the first ten million is exempt. That's not something special that other industries don't get. They're the only ones who pay the tax at all, so that's a red herring, I would say. But that's another way where we're being told we've done everything we can do and we can't do any more. I disagree. This proposal is a modest, reasonable step confined to the tracks, designed to save thousands of jobs in Nebraska. And it's the kind of thing we have to stop turning our noses up at or people may start to question our sincerity on some of the issues we talk about with job growth and job preservation. And I would urge you to support the underlying bill, and I don't support this amendment because it kind of does the opposite. Once the track exists, you have to take the money away and then the purse is declined. That's the opposite of what I'm proposing here. I'm saying take us at our word, call our bluff. If the track isn't there... [LB806]

SENATOR COASH: Time, Senator. [LB806]

SENATOR LAUTENBAUGH: Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator Lautenbaugh. Those wishing to speak: Senators Fulton, Harms, Schilz, and McCoy. Senator Fulton, you're recognized. [LB806]

SENATOR FULTON: Thank you, Mr. President and members of the body. This amendment, AM2229, is a mechanism by which a horse track could be built in Lincoln. And it seems to me that a horse track built in Lincoln would indeed help the industry. If we are about helping the industry, then the adoption of this amendment, it seems, would get us toward our end. Now the argument could be put forward that we should allow this then, therefore, to continue. Fair enough argument, but to say that the building...that directing these monies to the building of a horse track in Lincoln, which is sorely needed, to say that doesn't help the industry just defies...that's not true, it would. So understandably this is a...Senator McCoy's amendment is a different approach than what has been proposed by Senator Lautenbaugh, but I ask you to consider Senator McCoy's amendment because we have considered Senator Lautenbaugh's idea. It was before us a couple of years back. This is another approach. Now as to whether there are other ways that this industry can be aided, whether there are things that we as a Legislature can decide to do in order to help this industry, I think there are. I had a talk with Senator Loudon here earlier today and he had some ideas as to how we could help this industry without...and here's the key. I don't think there's anyone that you would ask here would say, I don't want to help this industry. I want to let this industry die. The question here is whether we are willing to engage the use of these machines, which I

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maintain employ an element of chance much more so than I could even conceive that they would employ a skill. This is the avenue by which a proposal is being put forward to help the industry. And so you have to ask yourself, will the people look favorably upon this? Have the people spoken on this issue? There are those who say they have not. There are those, like me, who say that it's not unreasonable to say that they have. And that if we through force of statute were to allow these machines, which closely resemble slot machines, I understand that they may not be slot machines, and I do grasp, comprehend the argument given by Senator Lautenbaugh that he has a lighter that looks like a gun, yet it's a lighter. If that's what we want to go forward as a Legislature and tell the people of Nebraska that yes, we know it looks like a slot machine but really it's not, I'm not willing to support that. I wasn't a couple of years ago, many of you weren't, I'm still not. But that's the key here. Here's the help, here's the mechanism by which we get the help, the mechanism is in question. So what Senator McCoy is doing here is, as I mentioned before, taking a bill which he does not support, which I don't support, a number of you don't support, and making it better. So if we adopt AM2229, there is a tangible way that these monies will be used. Now there is an amendment that appears that Senator Lautenbaugh has filed, and I think it's filed on Select File, which would define a little more closely what half of these monies could be used for. Half of the money, I remind you, is going to the compulsive gamblers fund, the other half would be...what Senator Lautenbaugh's put forth. Senator McCoy is proposing... [LB806]

SENATOR COASH: One minute. [LB806]

SENATOR FULTON: ...a tangible way for these monies to be spent, a way that I don't know that anyone could argue doesn't help this industry. And so it seems to me that we ought to adopt AM2229. Now, if there's concern that we have some sunset, that this is not going to continue and after the racetrack is built, that we should allow this revenue to continue, then let's have that discussion. But certainly recognize that if indeed we're trying to help the industry, here's a way we could help the industry. It will be interesting to see how everyone votes on AM2229. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator Fulton. Mr. Clerk, for an announcement. [LB806]

CLERK: Thank you, Mr. President. The Natural Resources Committee will have an Executive Session at 2:45 under the south balcony. Natural Resources, 2:45, south balcony. [LB806]

SENATOR COASH: Thank you, Mr. Clerk. Senator Harms, you are recognized. [LB806]

SENATOR HARMS: Thank you, Mr. President and colleagues. In listening to the discussion today and I really don't believe, to be very frank with you, if you build a racetrack in Lincoln, Nebraska, you build one in Kearney, Nebraska, and if you had the

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money to build one in Scottsbluff, Nebraska, it's not going to save this industry. But we're just going to have to understand this. This is a dead industry. I mean, just look at the data and the research that shows all across the country it's not doing well. And as I said before, if you look at some of the research that showed what I brought up yesterday and how they rank this and what people's interest are, horse racing is not there, period. And in order to do it, you have to attract young people, and young people are not attracted to this type of activity. It's just not going to happen. We need to face the fact. You don't want to see the people lose jobs, but it is a dead industry. The other side of it, there's a lot of social issues with this aspect of gambling. Let me walk you through some of those that I have major concerns about. First, let's talk about abuse. Two years after slot machines were introduced in Deadwood, South Dakota, reports of children abuse rose 42 percent. Reports of domestic violence and assaults increased by 80 percent. Is that the kind of industry you want? Is that the kind of business you want in this great state of Nebraska? Let's go to bankruptcy. After slots were introduced in Iowa, bankruptcy filings jumped 34 percent in one year. Not only do you have abuse, but you got bankruptcy occurring. Retail suffered and families joined the welfare rolls in the states that have pushed the slots. Let's look at crime. In a survey of 400 Gamblers Anonymous members, 57 percent admits...57 percent admits stealing to finance their gambling addiction, which by the way, averages \$135,000 a year. Council Bluffs, which everybody looks at, had the highest crime rate in Iowa three years after slots were allowed. Now, you can shake your head, you can say what you want, but I'm here to tell you, colleagues, this brings social issues that I don't think we want to have incur...to continue to encourage. Let's talk about divorce. When spouses became addicted and the rent goes unpaid and the car's being repossessed, there's havoc in the home, there's havoc with the children. Embezzlement. Embezzlement is a great example of people who have gotten involved with this up to as much as a half a million dollars where people have embezzled because they wanted to support their gambling commitment and their gambling illness. Sixty percent of gambling machine revenues comes from addicts, people who are addicted to it. You know what, it's kind of like looking at...slot machines kind of looking at meth and cocaine. It's an addiction. I guess, you know, the best way to put this, if it looks like a duck, it quacks like a duck, you know, walks like a duck, it swims like a duck, it's a duck, colleagues. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator Harms. Senator Schilz, you're recognized. [LB806]

SENATOR SCHILZ: Thank you, Mr. President and members of the industry...members of the body. (Laughter) I'm not sure who I'm talking to anymore. Thank you for the opportunity, I guess. You know, yesterday, we had quite a lively debate on this. I do believe that building a racetrack in Lincoln would help the industry. It's one of those things. I think a racetrack in Scottsbluff would help the industry. You know, we sit here now...I'm not sure when those numbers that Senator Harms...when those came about or

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what year that those happened, but I know this over the last five to ten years we've seen quite a bit of decline in the economy all over. You know, there's social ills with all sorts of things. When somebody loses their job, there's issues with that as well. And we are talking about jobs here. And I think it gets lost in the argument that we are talking about real people, good people, agricultural type people that have found their interest in what they want to do by training, owning, running race horses, and yes, on the other side there is the fact of wagering on these. Let's talk about addictions. Addictive personalities are out there everywhere. And if there's gambling, they might become addicted to gambling. If there's alcohol, they may be addicted to alcohol. If there's food, shopping, Internet, cell phones, people become addicted to very various things. It happens. It's part of the human condition. The question is, is it our job to protect them from themselves at every turn? I'm not sure it is. I thought about last night a little bit about the term expanded gambling. And it seems that we have, you know, depending on what the situation is, we seem to be able to shift that around as to what it means. Does expanded gambling mean new and different games? Does it mean new cards that they send out for lottery tickets that are different than before? Does it have to do with advertising? Does it have to do with raising revenues? Because if it has to do with raising revenues, then quite honestly if you put that definition to it, expanded gambling is not going on at all. Gambling in Nebraska is contracting because of all of the other gambling that goes on everywhere else. So if you want to take that turn and look at it that way, all this bill is trying to do is to provide those folks, the horsemen of the state of Nebraska, and their industry, with the ability to help themselves. They're not looking for a handout from the government. They're not asking the state of Nebraska to build them a racetrack. They're not doing any of that. They're saying, let us have this one thing. I was looking on the Internet at Oaklawn Park out in Arkansas. In the year 2000, they put in this pari-mutuel machines there in 2000. It's one of the most successful racetracks in the country. They have a lot going on there. The pari-mutuel betting on the historic horse races allowed them to raise their pot and allowed them to raise the stakes on the horse races. And what that's done, is that's allowed them to bring in some of the best horses across the country because they can pay to attract them there by the winnings. It's marketing, guys. It's how you make an industry work, and these folks are just trying to make it on their own. Thank you very much. [LB806]

SENATOR COASH: Thank you, Senator Schilz. Mr. Clerk for an announcement.
[LB806]

CLERK: I do, Mr. President. First of all, an announcement. Urban Affairs will meet at 3:00 p.m. underneath the north balcony. Urban Affairs at 3:00 p.m., north balcony. In addition, hearing notices from Health and Human Services Committee. An amendment to be printed: Senator Smith, LB959. And Committee on Executive Board reports LB711 to General File with amendments, signed by Senator Wightman. Revenue reports LB1097 to General File and LB902 to General File with amendments. Those signed by Senator Cornett. And Urban Affairs, chaired by Senator McGill, reports LB1121 to

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General File with committee amendments attached. Thank you, Mr. President.
(Legislative Journal pages 834-839.) [LB806 LB959 LB711 LB1097 LB902 LB1121]

SENATOR COASH: Thank you, Mr. Clerk. Those still wishing to speak: Senators McCoy, Gloor, Christensen, Lautenbaugh, and others. Senator McCoy, you're recognized. [LB806]

SENATOR McCOY: Thank you, Mr. President and members. I go back to some comments that I made yesterday which I believe are important to make again today and I respect very much the work that...the very difficult work that many times during the session that the Judiciary Committee does for this Legislature and for the state of Nebraska. But I do find some amount of disagreement with what Senator Ashford said earlier about believing this to be constitutional, because, members, as I said yesterday, and I'll read it again, in an opinion, an Attorney General's Opinion that I requested along with Senator Fulton two years ago on LB1102, which is very, very similar in composition to LB806, and again I'll quote from the Attorney General's Opinion: In our view the Nebraska Supreme Court like the Wyoming court--and I'll speak in a moment again of what the Wyoming Supreme Court had to say about these instant racing terminals--would be inclined to view instant racing terminals as slot machines that attempt to mimic traditional, pari-mutuel wagering. And the Wyoming Supreme Court made it very clear in their opinion from 2010, the description of the instant racing gambling device found in the patent documents...description of the instant racing gambling device found in the patent documents, I read from you those U.S. patent documents yesterday, makes it unmistakable that it is a gambling device. We'll talk about the state of Kentucky. Quoting from their Attorney General's Opinion, also from 2010, instant racing does not constitute pari-mutuel wagering as defined by Kentucky law. Members, that's why this didn't go through. It couldn't go through the Kentucky Legislature. They had to find another pathway to make this work in the state of Kentucky. Also read to you an appeals court...from an appeals court decision in the state of Oregon. Thoroughbred Mania, one of the games that was proposed as instant racing in the state of Oregon is not a form of mutuel wagering. So while I highly respect, and I'm not an attorney, while I highly respect what Chairman Ashford, Senator Ashford has said as Chair of the Judiciary Committee, and as Senator Lautenbaugh as the sponsor of this bill, and Senator Larson as the "prioritizer" of this bill, all members of the Judiciary Committee, while I respect their work, I don't believe that there is...this is by any means a closed case on whether or not this is constitutional. I think that in every state, with the exception of the state of Arkansas, that this issue has been presented in the Legislature or otherwise, every single state, with the exception of Arkansas, it's been struck down going through the legislature. It's happening now in Kentucky, but they found a way to do it through the racing commission and it's still being held up in court to this day. Would Senator Lautenbaugh yield to a question, please? [LB806]

SENATOR COASH: Senator Lautenbaugh, will you yield? [LB806]

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SENATOR LAUTENBAUGH: Yes, I will. [LB806]

SENATOR McCOY: Thank you, Senator Lautenbaugh. I was going to ask you some of these questions. Mr. President, how much time do I have? [LB806]

SENATOR COASH: One minute. [LB806]

SENATOR McCOY: I'll be brief and probably have an opportunity to do this again later. When we added simulcasting as a constitutional amendment in 1988, Senator Lautenbaugh, do you recall what the verbiage was that was added? [LB806]

SENATOR LAUTENBAUGH: No. [LB806]

SENATOR McCOY: Okay. Well, let me help you with that. It said where we added, quote, wherever run, either within or outside of the state. That was necessary to conduct simulcast racing. It did not add whenever run, yet another strike on the constitutionality of LB806. And I'm sure I'll have further questions for Senator Lautenbaugh since he's in the Chamber this afternoon to ask him later times on the mike. Thank you, Mr. President. [LB806]

SENATOR COASH: Thank you, Senator McCoy. Senator Gloor, you're recognized. [LB806]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. I want to do something I should have done yesterday and that is thank Senator Lautenbaugh for introducing LB806 and Senator Larson for his prioritization. And I stand as I did yesterday in support of AM1852 and LB806. I'd like to speak to the issue that's come up of racing being a dead industry. And you need not look far to find parallels in sports, of industries of sports, that were supposedly on the ropes. The NFL, National Football League, was considered to be a dying breed until Monday Night Football which resurrected it. The NBA was considered to be a cold weather sport second to hockey until Michael Jordan. And the PGA was a ho-hum sport until Tiger Woods turned watching the Masters into some of the highest ranked television viewing in sporting history. And all of those were considered to be dying sports and did a turnaround. I don't know what's going to turn around racing, but I would be remiss if I didn't point to what we've learned from history, and that is I don't think racing is down and out. I think it may take a while and I don't know what the next revival or where the next revival of the industry will come from, but I do think it's worth the effort to try and keep it afloat and help it as long as possible because I do see it as an economic driver for a lot of our communities with a potential to be an economic driver for a lot of other industries. I'm going to return briefly to my theme yesterday, which is how comfortable we get with certain amounts of gaming. Understand that these tracks, and I'll speak specifically to

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Fonner Park since it's in my district, Fonner Park has, with the dollars it has taken in, done wonderful things for central Nebraska and for the state of Nebraska, I would add. The monies that it has provided that support a host of community events, the support that it provides to a variety of not-for-profit organizations in direct contributions and indirect contributions, and the significant role it played, and the help it provided to this body in the relocation of the State Fair. That relocation would not have been possible had it not been for Fonner Park's contribution, substantial in terms of actual dollars, substantial in terms of the effort they put into and continue to put in making sure that the State Fair's relocation was successful and continues to be successful. All of that comes from these dollars that we seem to think are stained the same way dollars that might come from the riverboats or for casinos located in a variety of areas. So now we have an amendment that says to us, and I'd say this by way of emphasizing the point of how we get comfortable apparently with some types of gaming and not other types of gaming, we're going to say that it's okay to return to have historic racing machines available to an end. That end appears to be to get a racetrack built. So that appears to be successful or not successful but acceptable. What isn't acceptable is that we continue those same machines for an indeterminate period of time in racing. That compromise doesn't make sense to me because it says we do see horse racing... [LB806]

SENATOR ADAMS PRESIDING

SENATOR ADAMS: One minute, Senator. [LB806]

SENATOR GLOOR: Thank you, Mr. President...we do see thoroughbred racing in a different light than the casinos, enough so that they were willing, some here who have overall objections see it as something that can be used as a means to an end, that end being building a track in Lincoln and seeing if that's successful. I would argue that that means to an end should be, let's use it to make sure we shore up an important industry in this state and in a form of gaming that we have found acceptable for decades and decades and decades and a form of racing or a form of gaming that goes back to our roots as an agricultural state. Thank you, Mr. President. [LB806]

SENATOR ADAMS: Thank you, Senator Gloor. The Chair recognizes Senator Christensen. [LB806]

SENATOR CHRISTENSEN: Thank you, Mr. President. I stand in opposition to this bill. I do believe this is expanded gambling. This is a machine very similar to a slot machine. You're going to put in your money, you're going to watch a clip of a race. And if this isn't, you know, I hear the discussion that we're here to save the horse racing industry. Just don't have to look any further than over to Iowa, then why has Iowa had bills for several years to eliminate dog races now that they have slot machines? That's because the money is in the slots. You know, if you think about this industry, why is the horse racing

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industry failing? We live in a microwave society--instant gratification. You can't set up a horse race, run the race, and set the next race quick enough to keep everyone's attention, to keep people wanting to set there and bet. So how do they save the industry? I don't believe putting in these machines is the approach. It will generate income. It will generate revenue. It expands gambling. But it is not changing the reason the horse industry is not working. It's too slow. If you can change society back to when we used to have families take an afternoon Sunday drive, they didn't used to go shopping or anything else on Sunday, they went to church, then they had the day off. People respected families and time more back then. And the horse industry was alive. You know, I hear they need more facilities because we moved State Fair Park and it took it away from them. I'll give an example. If they're really looking to expand to have more locations, are they really looking? I just refer to the car racetrack in Lexington. It's a dirt track, could also operate horse races. Why don't they? I don't know. Are they really trying to save their industry or are we really just trying to open up a new form of gambling? I believe the latter. They're not out to save the horses with this bill. They're out to expand gambling in the state. So I just ask you, if it's more tracks, more locations, they don't have to build them. They need to go make agreements with the current tracks that are out there. And I give you one example. I've known a couple of other tracks that's just been torn down because nobody was using them. There's still a vacant track. The stands are gone now but the track is still there in Beaver City. It was originally a high school track. They used to have tractor pulls. They used to do a number of things on that dirt track. [LB806]

SENATOR ADAMS: One minute, Senator. [LB806]

SENATOR CHRISTENSEN: Another location--thank you--that could be utilized very easily. Grandstands are movable. If you really believe that additional sites are available, I'm sure I could come up with a bunch of them. But I don't see that happening. I've seen bill after bill saying let's expand gambling to save the industry. I don't dislike horse races. But at the same time I don't see them stepping up and spreading out the horse races across the state to save themselves. You know, I've got some former horse owners, racers, in my hometown. [LB806]

SENATOR ADAMS: Time, Senator. [LB806]

SENATOR CHRISTENSEN: Thank you. [LB806]

SENATOR ADAMS: Thank you, Senator Christensen. Senator Lautenbaugh, you're recognized. [LB806]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I don't know if anyone is paying attention at this point anymore because we obviously are just in a filibuster and that's that. And I'm not going to speak again today because I'm

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not going to help that along. But let me say this. Opponents of this, you cannot have it both ways. Senator Harms, if you're worried about problem gambling from this, that would presuppose that people have to go. If you also know somehow that this is going to fail, that means people will not go. So which is it? Is this doomed to fail or is it doomed to ruin all of us with problem gambling? It can't be both. I'll tell you what it's been in the states that have actually tried it, and that has been new lifeblood for the industry, moving it forward. And now we have this amendment that says, well, yeah, this is a serious proposal. We didn't call it to your attention before the first day of floor debate but we mean it. And as long as you can build a track, fine, then we'll cut off this additional source of revenue to increase the purses and everything else. The purpose of constructing the track is not constructing the track. We're not building a track for the track's sake. We're building this to promote historic...promote horse racing in reality in this state. And I've heard Senator Christensen talk about a variety of dirt tracks that they should start racing thoroughbreds with out in the Panhandle. And I can't conceive (laugh) whether or not he has any knowledge of what it takes to get licensed, what you have to install to have a track, the equipment involved, the investment involved, and somehow a place where they previously had tractor pulls is put out as something that would be acceptable to expand this industry. That is why I'm saying that this is not what I would call a serious floor debate when we're discussing ideas to save this industry. Senator Fulton conceived there should be a track built in Lincoln. I'm not sure what for because we can't do this on a continuing basis per this amendment to continue to increase the purses, continue to increase interest. Senator Harms believed this is doomed to fail but problem gambling will skyrocket while it's failing. How can that be possible? They either have no interest in this whatsoever or they're hopelessly addicted to it whatsoever. You can't have both be true in the same floor speech. And I'll answer questions if you have ones about this or any of the particulars of the bill, happy to. But we aren't doing that here. I've offered a proposal here that basically calls the bluff of the opponents. If you don't think we're serious about building a track, if you don't think this will save the industry, if you're going to ignore the evidence from the states that have tried it, if you're going to turn your back on...if you think we're going to turn our back on the jobs that...of the people who are here currently in the industry, fine. Give us our shot and if it doesn't happen exactly as we said, the authority to issue licenses no longer exists in the commission. That means it's over. If it's really a dead industry, what's the risk? If people really won't go, how can there be problem gambling? Again, these arguments against this are not what you would call logically consistent. I'll happily answer questions if they go to the merits of the bill, but, again, I don't take this as a serious proposal. I floated a serious proposal and we'll see if that gets us anywhere if people truly are interested in saving this industry, saving these jobs, and actually building a track in Lincoln. Thank you, Mr. President. [LB806]

SENATOR ADAMS: Thank you, Senator Lautenbaugh. The Chair recognizes Senator Nelson. [LB806]

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SENATOR NELSON: Thank you, Mr. President and members of the body. Let me say at the beginning that I've been in Omaha for a number of years, and when horse racing was a viable industry and I did like to go over to Ak-Sar-Ben every once in a while, in fact I was nearby when the tornado that went through and I thank my lucky stars that I wasn't over there at that time. I was in a little safer place. But that's in the past. I just simply say that because I enjoyed horse racing, especially the horses, all of the people that worked with the industry. As I drive through Ak-Sar-Ben grounds now and I see everything gone and everything new, I still long for that experience that we used to have there when it was betting on live horse races and you could stand there and you could place a \$2 bet perhaps, and that's about all I ever did in an afternoon. But there was excitement and thrill. So there has been a decline of the industry, and the question is, can it be save. I've had and I think most of you have had comments on LB806 from someone I think somewhere in Nebraska who is very involved in the industry or follows it. And let me say that I'm opposed to LB806 but I do support Senator McCoy's amendment, AM2229, to make it a better bill. I just want to read a couple of these comments which I found interesting: There needs to be an agreement with the state to allow the Nebraska horsemen to bond over a portion of the tax revenue from racing and place it toward the building of a new track in Lincoln. That's a stream of revenue to state coffers that will ultimately dry up completely if action isn't taken to assist in building a new track. That's the proposal that we have here in the amendment, and I think it's a sincere proposal as a start toward trying to do something that will sustain the industry by getting the track here in Lincoln that unfortunately was taken out as a result of moving the State Fair. And the writer goes on to say this is the only fair thing to do. Horse racing shouldn't be forced to die simply because the Lincoln track has been displaced. This plan wouldn't cost the state a dime and would, in fact, guarantee a revenue stream that will cease to exist if no action is taken. Make no mistake about it, horse racing in Nebraska cannot survive without the Lincoln race dates and the simulcast facility in Lincoln. So let me ask Senator Lautenbaugh a question if he will yield. [LB806]

SENATOR LAUTENBAUGH: Yes. [LB806]

SENATOR ADAMS: Senator Lautenbaugh, will you yield to a question? [LB806]

SENATOR LAUTENBAUGH: Yes, Mr. President. [LB806]

SENATOR NELSON: Isn't it possible, in your mind, to come to an agreement and direct the revenue stream toward the building of a Lincoln track without adding the historic racetrack devices? Can't this be done with the existing revenue or finding other ways to increase revenue besides an expansion of this sort? [LB806]

SENATOR LAUTENBAUGH: Well, Senator Nelson, the short answer is no. As the other tracks have issues as well with revenue, and this was designed to be a statewide turnaround, and I'm struggling with... [LB806]

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SENATOR ADAMS: One minute. [LB806]

SENATOR LAUTENBAUGH: ...the logic of what you're asking because if we are interested in other sources of revenue, some hypothetical source, that's what this is. And I keep hearing the argument that anything that increases revenue is expanded gambling, so we're right back to my bill again. But the short answer to your question is no, we cannot use the revenue from the existing tracks or else that would basically leave the existing tracks without revenue. We've contributed to this downward spiral with our action a couple of years ago. [LB806]

SENATOR NELSON: So you're saying there just simply isn't enough revenue in existence at this time to divert part of that revenue toward building a track here. [LB806]

SENATOR LAUTENBAUGH: With existing programs that they currently have, yeah, the...well, I can tell for certain it doesn't because the track would have been built. Their interest is in running live races and in having the facility. If the revenue was there to build it, they would have built it already. [LB806]

SENATOR NELSON: I guess...thank you, thank you, Senator Lautenbaugh, I'm thinking if... [LB806]

SENATOR ADAMS: Time, Senators. [LB806]

SENATOR NELSON: Thank you. [LB806]

SENATOR ADAMS: Thank you, Senator Nelson and Senator Lautenbaugh. Senator Price, you're recognized. [LB806]

SENATOR PRICE: Thank you, Mr. President and members of the body. My first years down here, we had a bill that dealt with the number of days that a track had to be open and the original enacting legislation which said a track had to be...have a certain number of races every year. And as I sat on the General Affairs Committee and we dealt with that, what became very apparent was a deep fracture, a divide, if you would, between track owners and horse owners. And in this divide, what we were seeing was the track owners were proposing to reduce the number of horse races yet maintain everything. So what became problematic is how are they helping the industry when you get rid of the...when you don't run the horse races? There's a tremendous cost. We've heard a lot of discussion about jobs. There are a lot of jobs at a track on race day or nearby and I assume thereafter. But the track owners or the people who are owning the pari-mutuel operations seemed...I'm not going to try to put words in their mouth, but it seemed they'd be content to not run any more horse races and just...if they could not...if they didn't have to run a horse race statutorily, they wouldn't run them because they're

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making revenue off their pari-mutuel operations. And that's just the way it is. That's a snapshot. They did provide a deep look into a schism that existed between horse owners and horse...track owners. And I would like to know, would Senator Lautenbaugh yield to a question? [LB806]

SENATOR ADAMS: Senator Lautenbaugh, would you yield? [LB806]

SENATOR LAUTENBAUGH: Yes, I will. [LB806]

SENATOR PRICE: Thank you, Senator Lautenbaugh. And I agree with you. I think conversation has gone on a lot of different places, so I wanted to ask a couple of questions of you to...as succinctly as I can and with your answers. How do having these new capabilities in machines at tracks ensure more horses will run in more races? [LB806]

SENATOR LAUTENBAUGH: Simple put, well, if we created a new track, there would be another facility to do it or replace the Lincoln track, there would be a place to actually run the races in this, the second largest city of the state. The live days would still be out there and the revenue would also go as it has in the states where this has been tried to an increase in purses. And live racing days are already up in Kentucky dramatically after a year or two of having this. [LB806]

SENATOR PRICE: Okay. Great. Well, thank you very much, Senator Lautenbaugh. I appreciate that. Okay. So now when I examine that, by having these and being able to generate more revenue, I don't know if I saw in the bill how they're not going to have the machines once they are able to fund the racetrack. I mean, do they have to pull the machines out of the tracks once a new track is funded? No, that's okay, Senator Lautenbaugh. I appreciate it. These are rhetorical questions that we need to think about. Once we have the machines in there, the bait...and I don't mean this negative but once the bait is there and we rose up and we've accepted that and now the track is built, do they take them out? The other question is, I still don't see a direct linkage. I haven't heard the conversation. You know, Kentucky is a horse-racing state. I mean, they do have a couple of premier races there. So, I mean, to say they have more money for more purses is almost like taking coals to Newcastle, in my opinion. Now the other part about that is we don't see an increase in the number of days they have to have live racing. I tell you, ladies and gentlemen, if they had to increase the number of live racing days, there would be more jobs. And then my next question in listening to the debate is the free market principle. We often hear about how the free market will solve... [LB806]

SENATOR ADAMS: One minute, Senator. [LB806]

SENATOR PRICE: Thank you...will solve many of the conditions and issues we have. Some businesses, like you take the Chevy Volt. They're not producing it anymore. It had

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its heyday and it's done, at least for now. But the market even with government intervention, the market made the decision that the Volt is not being produced. Now in this situation, where is the free market argument that you can do this on the merit of the industry itself and not with the government intervention and addition? So I'll be listening for the answers to that as we move along. Thank you, Mr. President. [LB806]

SENATOR ADAMS: Thank you, Senator Price. Senator Harms, you're recognized. [LB806]

SENATOR HARMS: Thank you, Mr. President. Would Senator Schilz yield? [LB806]

SENATOR ADAMS: Senator Schilz? [LB806]

SENATOR HARMS: Yes. [LB806]

SENATOR ADAMS: Is he available...is Senator Schilz available to yield to a question? Apparently not, Senator Harms. [LB806]

SENATOR HARMS: Thank you, Mr. President. One of the things I wanted to talk to you about is how much tax...well, let's really back up here again, what kind of tax exemptions do we give the racing...the track today? What kind of exemptions do we give those that are in the horse racing today? Well, the answer to that is that they don't pay anything at all for the first \$10 million, and from \$10 million to \$73 million, we only charge them 2.5 percent on taxes. Now I'm telling you, colleagues, that we are giving them about as much help as you can give them. If it was any other business, they would probably do really well. And Senator Lautenbaugh says that I'm doom and gloom. No, I'm not doom and gloom. I'm just telling the facts. It's a dying business. It's a dying industry. And I really object to us giving gambling any kind of a state aid, any kind of breaks financially. And so the hard-earned, small business doesn't get these kind of breaks and I object to that. The other thing that I wanted to make sure that the senator understood, first of all, Senator Schilz asked where was I getting my information. Let me tell him now since he's not here. It comes from The New York Times. It's titled, "State Hooked on Gambling for Revenue" by Peter Applebome, and the date, it was July 25, 2010. Pretty fresh stuff, colleagues. It's not old. It's not outdated information. And so what I'm telling you is that I think this is, and I keep coming back it's a dead industry, and I don't think whatever we do and whether you build a track here, it's not going to make any difference. You have to attract another body of people and they're not at all attracted to this. They're not interested in this kind of gambling. And the sooner we understand that, the easier we will get to the end of this. I think it's wrong and I think it's brought for the wrong reasons. It is truly a move to save that industry and they've said that. They've talked about jobs, they've talked about people being out of work. Folks, they're already out of work. Many of them have already lost their jobs. They can't afford to pay them in many cases because you don't have people gambling, you don't have

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people participating in this particular industry. So I'd just simply say, colleagues, that I wouldn't support LB806 in any form or manner and I'm willing to take it the full distance. If you want to go eight hours, we'll go eight hours and we'll see how you do on the cloture. Thank you, Mr. President. [LB806]

SENATOR ADAMS: Thank you, Senator Harms. Senator Dubas is recognized. [LB806]

SENATOR DUBAS: Thank you, Mr. President. I decided to come down in support of this bill because of the people who showed up yesterday. Many of those people I know as constituents. I've gotten to know them over the course of my service in the Legislature and I respect the work that they do, and they are not ready to say that their industry is dead. They will be the first to tell you they have struggles and challenges ahead of them. They know it better than any of us in here because they live with it every single day. But they are a very important part of our economy and losing them would definitely leave a very tangible void. All they're asking for is an opportunity to change with the times. They are operating under some pretty definite confines. They want to be able to change with the times to keep their industry viable. I like the idea that Senator Lautenbaugh has put forward with putting benchmarks in place. Give them an opportunity to prove what they can do. I know the people of Grand Island. I know they would not support something that would bring all of the social ills into their community that have been listed. As I said yesterday, these are honorable, hardworking citizens who are making and want to continue to make a very positive contribution to their town as well as our state. And that's why I've decided to support this. Also as Senator Gloor has said, this is a sport, this is something that has been around since the beginning of our state's implementation, and so I look at that in a different view. And with that, I would yield the remainder of my time to Senator Lautenbaugh. [LB806]

SENATOR ADAMS: Senator Lautenbaugh, you are yielded 3 minutes 12 seconds. [LB806]

SENATOR LAUTENBAUGH: Thank you, Senator Dubas. And, again, I'll make another offer. I think we should exempt every other business in the state, give them the same exemption, from paying the pari-mutuel tax that the horse racing industry gets, which is the first \$10 million is tax exempt. I can tell you the fiscal note for that exemption will be zero because nobody else pays the pari-mutuel tax. So to say that we give them some generous exemption, no, we've levied a special tax on them and we've made the first \$10 million free of the tax. That's not a great deal if you think about it. But in any event, thank you for the time, Senator Dubas. And I would like to in the time that I have try to share some testimony from a gentleman who testified in committee. He was explaining what happens at the track. Each horse is cared for at the track by a trainer, and this is kind of nuts and bolts about how it works. The trainer is paid a fee by the owner. The owner races their horses to try to win purse money. Now depending on the size of the stable you run, a small army of workers is required just to take care of one horse. The

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horse needs a ferrier, a dentist, a vet, a groomer, an exercise rider, a jockey, and a pony person just to run one race. That's just the direct jobs. Now there's another group that are employed that include secondary or indirect people. These are the people involved in licensing, testing, racing staff, the medical, agents, insurance, security, ticket taking, parking, catering, etcetera. And then the last piece of the racing puzzle when you think about it, the whole big picture, is the economics of breeding. Think about the farms and so on and so forth. So this is an astounding amount of money and jobs created just through horse racing. Think about the supply and the labor of materials, the supply of labor and materials and where it comes from. It's all agricultural and it's all local. That's a business that's very unique for this state. One horse can create almost 30 jobs. And from a dollar-and-cents standpoint in our stable, it's probably the easiest way to put it, we carry about 40 head and spend \$15 per day per horse... [LB806]

SENATOR ADAMS: One minute, Senator. [LB806]

SENATOR LAUTENBAUGH: Thank you, Mr. President...on supplies and \$10 a day on labor. So you average it out, you know that's \$5,000 a month. It goes on. And this is just one individual talking. This is different from everything else we talk about in the gaming world that we already allow. I can't underline that point enough. And we can talk about jobs, we can talk about how much we care, but we had to look into the faces of those people who were here a couple of days ago, yesterday I guess to you and me, and tell them: yeah, we think your industry is dying, so let it die. I'm unwilling to do that. I will always be unwilling to do that. They were here because they need those jobs and we should not turn our backs on them. Thank you, Mr. President. [LB806]

SENATOR ADAMS: Thank you, Senator Lautenbaugh. Senator Avery, you're recognized. [LB806]

SENATOR AVERY: Thank you, Mr. President. We've heard a lot of talk today about saving the industry. And I don't think that any of us who are arguing against this bill want to kill the industry. I'm not sure that people believe us when we say that but it's true. I remember when simulcast wagering was being proposed for the horse tracks. This was sold to us as a way of saving horse racing in Nebraska. Did that happen? I don't think it did because we wouldn't be here discussing this bill if simulcasting was the savior that it was presented to be. So why should we view this expansion of gambling any different than we would now view simulcasting? Simulcasting did not save the industry. This particular expansion of gambling is also not the silver bullet that it is claimed to be. Also I've heard addressed today, Senator Schilz, for example, addressed what we mean by expanded gambling. And if I am not mistaken, he essentially said that what we're talking about in this bill is not expanded gambling because he doesn't think it is. Well, yesterday I addressed this question, and it seems to me that it's pretty easy to figure out when you're expanding gambling. When you expand gambling, you're doing one of two things: You're introducing a new mode of gambling, such as casinos. That, obviously, is

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an expanded gambling activity. Or you can, in fact, introduce additional forms of gambling opportunities within a currently existing legal form. That's what we're talking about with this bill. It is an example of introducing an additional gambling opportunity within an existing legal form. I think that is pretty clear to me anyway that that's a clear distinction that makes it possible for us to know when, in fact, are we talking about expanded gambling and when are we not. I would also point out that gambling once was considered a vice and lawmakers always talked about it in that context. In fairness to them, there were not at that time a lot of objective studies available on the consequences of legalized gambling. So over time it became easy to forget why gambling was considered a vice. However, because of the explosion of new gambling outlets all across the country, we have more opportunities now for social and economic research. In fact, by 1994, the considerable body of evidence accumulated that shows that the expansion of legalized gambling destroys individuals, wrecks families, increases crime, ultimately cost society far more than the gambling income brings in. It's important to understand that gambling addiction is just as real and its consequences, just as tragic as alcohol or drug abuse. I think Senator Harms addressed this. The American Psychiatric Association and the American Medical Association recognize psychological or compulsive gambling as a diagnosable disorder. Experts on pathological gambling have shown that the prevalence of this disorder is linked closely to two things: the accessibility of gambling opportunities and the acceptability... [LB806]

SENATOR ADAMS: One minute. [LB806]

SENATOR AVERY: ...of gambling in society. Like alcoholism, just a small percentage of Americans are susceptible to addiction. As more people try gambling in its various forms, more of those prone to the onus will be exposed. So the more legalized gambling opportunities you have in the state, the more pathological behavior is likely to occur. In Iowa, the legalization of casinos more than tripled the addiction problem. In Louisiana, four years after the state legalized casinos and slots, a study found that 7 percent of adults had become addicted to gambling. In Minnesota, as 16 Indian casinos opened across the state, the number of Gamblers Anonymous groups shot up from 1 to 49. No matter what the form of gambling, the odds always favor the house, so the more one gambles against those odds... [LB806]

SENATOR ADAMS: Time. [LB806]

SENATOR AVERY: ...the more certain it is that that person is likely to lose. [LB806]

SENATOR ADAMS: Time, Senator. [LB806]

SENATOR AVERY: Thank you, Mr. President. [LB806]

SENATOR ADAMS: Senator Fulton, you're recognized. [LB806]

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SENATOR FULTON: Thank you, Mr. President, members of the body. In free market practice, when your business is in trouble you try to figure out why it's in trouble. Now I have some ideas that I'll put forward here, but I'll ask...I'll put them in the form of a question. If Senator Lautenbaugh...Madam President, would Senator Lautenbaugh yield to a question? Madam President? [LB806]

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SENATOR COUNCIL: Senator Lautenbaugh, will you yield? [LB806]

SENATOR LAUTENBAUGH: Yes, I will. [LB806]

SENATOR FULTON: Thank you, Senator. And you're gracious for being here and enduring our questioning. [LB806]

SENATOR LAUTENBAUGH: I do work here, Senator Fulton. [LB806]

SENATOR FULTON: (Laugh) What is the industry's...this industry, do they have a target audience? [LB806]

SENATOR LAUTENBAUGH: People, I would say. I don't know...I don't think they turn anyone away. [LB806]

SENATOR FULTON: But in terms of marketing. In a business setting, there's a certain amount of money that is budgeted for marketing such that one can either grow or increase business. And in order to maximize the amount of marketing dollars spent or bang for the buck, you have a target market. You know, for my business it's elderly people and, you know, for someone that's selling video games, it's young people. Has this industry identified a target audience? [LB806]

SENATOR LAUTENBAUGH: I don't know the answer to that. [LB806]

SENATOR FULTON: Okay. Are you aware of any specific marketing plans that have been embarked upon that then have been evaluated and, well, this one paid back, this one didn't? Are you aware of any of those? [LB806]

SENATOR LAUTENBAUGH: No. [LB806]

SENATOR FULTON: Okay. I'll stop there. Thank you, Senator. I didn't study business in college. I had to study something else. But business principles are pretty straightforward. When in trouble, you try to figure out why you're in trouble. And so we've had this idea brought to us, Senator Lautenbaugh's bill, a number of times now.

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And it was turned away and now it's brought back again. And so one has to ask the question, well, what part of no is not getting through here? And it just seems to me that the folks who work in this industry--good folks, I talked with some of them yesterday--there are other things that can be tried rather than asking the Legislature to extend itself where clearly the Legislature is not comfortable doing. And so there are some really basic things. I just went to Facebook to see if the Nebraska Racing Commission has a page and it doesn't. There actually...there's a place on Nebraska Racing Commission and there are two followers. Is there a YouTube channel? Is there any type of social marketing...social networking...social network marketing engaged in? And not that I can see. Now my family, as I was thinking through, how...what could I do here? Rather than just saying no over and over, what are some things that we can go? So rather than negating what are things that we can posit as a body? And so if the folks from this industry would like to sit down and talk with me, I have some ideas for them. You need to identify your target audience. You can't simply say, we're going to market to everyone out there and hope that someone shows up. That's a waste of marketing dollars. My family, we have a number of children, most all of them, they're old enough, are in 4-H. I come from an ag background or at least Auburn. There are those back in Nemaha County who call Auburn the "big city" but we'll leave that for another debate. We would be, I'd say, probably lower, middle-class family, but we do have some disposable income and we'll spend it for sports, we do soccer, we do baseball, we do football. We do all the sports. But this is a type of thing where we might actually attend... [LB806]

SENATOR COUNCIL: One minute, Senator. [LB806]

SENATOR FULTON: ...one of these events if for nothing else than to expose our kids to this industry, to the horses. Or as a friend of mine used to say, hey, I'm going down to see the ponies, do you want to come. They've not identified a target audience. If they have, I'm not part of it because I've never received a piece of direct mail. There's another thing, in marketing you can use direct mail and you can get a precise idea as to whether that direct mail paid off. Has that ever been embarked upon in this industry? I don't know, but I don't think so. Probably not. If these very basic business concepts have not been engaged upon, have not been kicked around, contemplated, then it seems to me they ought to be because this industry is coming to the Legislature in the form of this bill, and I do admire their persistence. But clearly this Legislature is uncomfortable doing this. And we are spending a great deal of time... [LB806]

SENATOR COUNCIL: Time, Senator. [LB806]

SENATOR FULTON: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator McCoy, you're recognized. [LB806]

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SENATOR McCOY: Thank you, Madam President and members. I'd like to withdraw AM2229, please, Mr. Clerk. [LB806]

SENATOR COUNCIL: Mr. Clerk, next amendment. [LB806]

CLERK: Next amendment, Madam President, Senator McCoy, I have AM2219. [LB806]

SENATOR McCOY: Thank you. I'd like to withdraw that amendment please, Mr. Clerk. [LB806]

SENATOR COUNCIL: The amendment is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: Madam President, Senator Harms, I now have your AM2226. [LB806]

SENATOR HARMS: I'd like to withdraw that, Madam President. [LB806]

SENATOR COUNCIL: AM2226 is withdrawn. Are there any additional amendments, Mr. Clerk? [LB806]

CLERK: There are, Madam President. The next amendment is Senator Harms, AM2230. [LB806]

SENATOR HARMS: Madam President, I'd like to withdraw that, please. [LB806]

SENATOR COUNCIL: AM2230 is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: Madam President, Senator Nelson would offer AM2223. [LB806]

SENATOR NELSON: Mr. President, I would withdraw that amendment at this time, AM2223. [LB806]

SENATOR COUNCIL: AM2223 is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: There are, Madam President. Senator Avery, AM2217. [LB806]

SENATOR AVERY: Madam President, I wish to withdraw AM2217. [LB806]

SENATOR COUNCIL: AM2217 is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

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CLERK: Senator Avery, AM2216. [LB806]

SENATOR AVERY: Madam President, I wish to withdraw AM2216. [LB806]

SENATOR COUNCIL: AM2216 is withdrawn. Are there other amendments, Mr. Clerk? [LB806]

CLERK: There are, Madam President. Senator Avery, AM2225. [LB806]

SENATOR AVERY: Madam President, I wish to withdraw AM2225 as well. [LB806]

SENATOR COUNCIL: AM2225 is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: Senator Avery, AM2218. [LB806]

SENATOR AVERY: Madam President, I wish to withdraw AM2218. Thank you. [LB806]

SENATOR COUNCIL: AM2218 is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: Senator Smith, AM2224. [LB806]

SENATOR COUNCIL: Senator Smith. We will pass over the amendment. Are there other amendments, Mr. Clerk? [LB806]

CLERK: Senator Christensen, AM2227. [LB806]

SENATOR COUNCIL: Senator Christensen, you're recognized to open on AM2227. [LB806]

SENATOR CHRISTENSEN: I'll lift it. [LB806]

SENATOR COUNCIL: The amendment is withdrawn. Are there additional amendments, Mr. Clerk? [LB806]

CLERK: Senator Fulton, AM2220. [LB806]

SENATOR COUNCIL: Senator Fulton. (Gavel) [LB806]

SENATOR FULTON: I'd like to withdraw that amendment. [LB806]

SENATOR COUNCIL: AM2220 is withdrawn. Are there additional amendments, Mr.

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Clerk? [LB806]

CLERK: There are, Madam President. Senator Fulton, AM2221. [LB806]

SENATOR COUNCIL: Senator Fulton. [LB806]

SENATOR FULTON: I would like to withdraw that amendment as well. [LB806]

SENATOR COUNCIL: AM2221 is withdrawn. Are there other amendments, Mr. Clerk? [LB806]

CLERK: Senator Fulton, AM2222. [LB806]

SENATOR COUNCIL: Senator Fulton. [LB806]

SENATOR FULTON: I'd withdraw that amendment as well, Madam President. [LB806]

SENATOR COUNCIL: AM2222 is withdrawn. Mr. Clerk, are there other amendments? [LB806]

CLERK: I am back to Senator Smith's AM2224. [LB806]

SENATOR COUNCIL: Senator Smith, are you ready to open on AM2224? In Senator Smith's absence, is there anyone authorized to open on that amendment? Okay. We are back to the committee amendments. Any discussion? Senator Harms, you are recognized. Senator Avery, you are recognized. [LB806]

SENATOR AVERY: Madam President, I'll pass. [LB806]

SENATOR COUNCIL: Thank you, Senator Avery. Senator Karpisek, you are recognized. [LB806]

SENATOR KARPISEK: Thank you, Madam President, members of the body. Nice try. Not quite. Senator Fulton in the body? If not, I'll just...I just heard him talking a little bit about that these people should do something different. I see Senator Fulton going to his mike. Because I'm sure that obviously these horse people couldn't have enough sense enough to try to do anything on their own other than this. Would Senator Fulton yield, please? [LB806]

SENATOR COUNCIL: Senator Fulton, will you yield? [LB806]

SENATOR FULTON: I will. [LB806]

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SENATOR KARPISEK: Senator Fulton, what did you do since the last time to help these people to come up with a marketing plan since you have these great ideas? [LB806]

SENATOR FULTON: I didn't do anything because I wasn't asked. [LB806]

SENATOR KARPISEK: And so you never go do anything unless you're asked? [LB806]

SENATOR FULTON: Not unless it's something I have an interest in, Senator. [LB806]

SENATOR KARPISEK: Oh, I thought you just said that you were concerned about these people that are good people. [LB806]

SENATOR FULTON: I think they are good people, but I don't spend my time going around helping everyone who I think is a good person. [LB806]

SENATOR KARPISEK: Well, I hope that we got a little bit of that on record because that's very true, you don't. Senator Fulton, do you think that these people haven't tried to do anything else other than to come here and try to revive this bill? [LB806]

SENATOR FULTON: I asked them the question and couldn't receive a response in the affirmative, and so the assumption is seeing no other efforts, no. [LB806]

SENATOR KARPISEK: And where have you looked to see these other efforts? On-line, I assume, is all, right? [LB806]

SENATOR FULTON: On-line, in my mailbox. Can you tell me? Is there a target audience for this industry? [LB806]

SENATOR KARPISEK: I don't know. I'm not involved with their marketing either, Senator Fulton. But your assumption that they have done nothing I would say is wrong. So for you to stand up and say those sort of things I just want to say I think you're wrong. Now, Senator Fulton, have you ever brought a bill more than once to the Legislature? [LB806]

SENATOR FULTON: I might have. I'm not certain whether that's the case, but I know I've not brought a bill out here more than once. [LB806]

SENATOR KARPISEK: Well, that's probably because when you get it out here it probably moves and if it failed and you felt strongly, would you bring it more than once? [LB806]

SENATOR FULTON: If I felt strongly enough about it, I probably would, but... [LB806]

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SENATOR KARPISEK: Then why are you chastising people about bringing this bill again? [LB806]

SENATOR FULTON: I wasn't chastising, I... [LB806]

SENATOR KARPISEK: Yes, you were, Senator Fulton. You were going on and on about it's obviously the body doesn't have the taste for this. [LB806]

SENATOR FULTON: Senator, if I were chastising you would know it. Now I brought forward ideas and I don't think any of the ideas have been tried. If I'm wrong, then perhaps you could point out where I'm wrong. [LB806]

SENATOR KARPISEK: And you're going to know when I'm chastising also and I think you know that I am right now. [LB806]

SENATOR FULTON: I think that's probably true, Senator. [LB806]

SENATOR KARPISEK: I think so. I've tried to stay in my office to stay out of this so this doesn't happen. But as usual, you've pulled me up by the remarks that have been going on. I tried my "darnedest." I couldn't anymore. I had to come up. I will hit my light a few more times. We all know probably where this is going and that's fine. Been on the losing end of a few fights, and I'm sure before I'm done I'm going to be on the winning end of a few fights before we get out of here this session. These people have tried. I have...cannot tell you all the different industries that we incentivize or we give tax breaks to. And that's just fine. Hundreds of millions of dollars. But for some reason that's okay. [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR KARPISEK: So if we're going to incentivize all those people, I don't...why? Do they need it? If they need it, then it seems like we shouldn't give it to them following the reasoning here on the floor today. If they don't need it, why would we give it to them? They don't need it. But we do. The money is not our money; it's the state's money. And I'll tell you, I know that a lot of people that are really sick and tired of us giving all these tax breaks to people that we don't even know who they are. I'll hit my light again. Thank you, Madam President. [LB806]

SENATOR COUNCIL: Thank you, Senator Karpisek. Senator Lautenbaugh, you are recognized. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President, members of the body. I think I intimated yesterday that I had a couple of versions of my opening. I'll give the one

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I didn't give now I guess. Good afternoon, colleagues. There are a lot of misconceptions regarding horse racing in Nebraska and historic horse racing. I'll attempt to address these misconceptions. First of all, who are the horsemen and who runs the licensed tracks? The horsemen and the racetrack operators are nonprofit organizations. I repeat, they are nonprofit organizations. Nonprofit agricultural societies, underline agricultural there. The budgets are very straightforward--personal costs and money for live purses. Second, what is historic horse racing? Historic horse racing is pari-mutuel wagering on races that have already been run at licensed racetracks, only at licensed racetracks again. These have already taken place but all the daily racing information is available to the wagerer while they play historic horse racing. Not to get too technical, but historic horse racing machines operate the exact same way as self-service wager system currently at the licensed tracks. As a matter of fact, I believe the original machine was the same machine. It is simply a modern, more entertaining form of horse race wagering. Pari-mutuel means that the horse race fans wager with one another and not against the house. The same format that is used at the racetracks is used with historic horse racing. Let me deviate from my second opening here a bit because a thought just occurred to me. I'm not going to insult your intelligence. We're sitting here chewing a little time to make sure we have our votes here. Because the people that were so painfully concerned about these jobs and willing to compromise and offer that last amendment in seriousness have pulled all the amendments to try to catch us off guard. So I'm going to talk probably the rest of the day until I know that we have our votes here. And I don't know why we're fearing to bring this to a vote. Once our people are here, we'll go for it. Why historic horse racing? Because it provides revenue which supplements jobs. And I do have to on a certain level echo some of Senator Karpisek's statements. A lot of times, I don't know if we think we have infinite wisdom or we just assume that everyone else is foolish. But, no, I was unaware of what advertising programs, targets, and whatnot the racetracks currently use. I wouldn't presume to assume that they don't advertise. I know I've seen ads. And these people aren't fools. They aren't interested in going out of business. But that's where we were. We're telling them, well, maybe you should try this, maybe you need a Facebook page. We tore down your track in Lincoln, but maybe you should have a Facebook page that people come to more often. Do we listen to ourselves when we say these patently offensive things sometimes? I have to wonder. And I wish those 200 people were back today so you could look them in the eyes and say this is horrible, you can't do this, but you should have a Facebook page. Are you kidding me? Are you kidding me? So we're going to talk, now it's my turn I guess, and we'll have some votes eventually. But I cannot for the life of me understand how we think we can substitute our judgment for these people. And to say they came back after being narrowly defeated two years ago, yes, I did. I even introduced the bill on my own this year without them urging me to do it because it's the right thing to do and they need it, and it was right two years ago and what we've managed to do is waste two years. [LB806]

SENATOR COUNCIL: One minute. [LB806]

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SENATOR LAUTENBAUGH: But with Facebook becoming ever more popular, maybe the problem will take care of itself. I'm sorry, but this is frankly an outrage. And I'm not going to stand here and tell you something...tell you I'm doing something I'm not doing. I'm going to keep on talking, we're going to keep on talking, and our votes will get here, and apparently somebody thinks we have the votes to move this because all of these serious amendments that were meant to address the problem have been pulled. I've got a few coming that are not serious amendments. But I'm going to make sure everybody is here and I'm not going to on one hand say I'm serious about something and on the other hand try some maneuver to short-circuit it. We're either serious about saving these jobs or we're just saying that, and what we're really serious about is answering to the people who make no room... [LB806]

SENATOR COUNCIL: Time, Senator. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Schilz, you're recognized. [LB806]

SENATOR SCHILZ: Thank you, Madam President, members of the body. You know, as Senator Lautenbaugh has said, we've now been discussing this for a couple of years. We've tried to let people understand that this is about families. This is about parents, sons, and daughters, communities. And if you've ever been to the horse track and had a chance to go back in the barns and see what goes on with the trainers, the owners, and their families, and how much a place of community it really is, I don't think you'd ever say that this is a dead industry. This is an industry that is hurting. This is an industry that is trying to find ways because it is trapped with...inside of government to do things and they need our help to do it. They're not asking for a handout. They're not asking for someone to step up and save them. What they're asking for is somebody to give them the ability to use the tools that are already there that have already been deemed legal to be able to try and turn things around. I worked in economic development quite a few years back in my hometown in my home county. And the first thing that I learned in economic development was that the best economic development is having those folks that are there, that are in business, that are working remain there because it's a heck of a lot easier to keep a job than it is to try to create another one. And I can tell you this, if this industry fails in the state of Nebraska, those folks aren't going to go looking for other jobs in the state of Nebraska. Those folks will leave, and they will go someplace where they can make a go of what they enjoy doing. Who are we to say what somebody should be passionate about? Do you like to farm? I like to farm. I want the opportunity to do that, and I will work to make sure that farming has every advantage that it can when it comes to regulation and government. Other people like to raise horses. What's wrong with that? There's a little thing off to the side of this that's waging that's talked about. (Laugh) Quite honestly, it's all part of the same pie but I'm telling you what, this is about

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jobs, it's about people, and it's about understanding that people should have the opportunity for, what do we call it, the pursuit of happiness. And that means that they should be able to do what they want, especially when this sits right in the middle of our constitution. We thought it so important back when we brought it on board that it needed to be in the constitution and the people of the state of Nebraska voted for that. And they haven't voted it out yet. So when it's time to take this away, then let's do that. I think I mentioned this yesterday. If it's time, and this is a huge issue and a huge problem, then let's do that. Let's stand up and let's tell everybody what the right thing to do is. But I'm telling you this: Horse racing is not a bad industry. The horsemen are not bad people. They're our neighbors. They're our friends. They're the people that we do business with every day. A lot of people own horses. A lot of people you wouldn't know... [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR SCHILZ: ...own horses. Let's not let them die. Thank you very much. [LB806]

SENATOR COUNCIL: Thank you, Senator Schilz. Senator Larson, you are recognized. [LB806]

SENATOR LARSON: Thank you, Madam President. I rise today in support of LB806, as someone who grew up around horses, who raises them, whose family raises them, not specifically race horses but horses nonetheless. I remember when I was little, my father makes saddles, repairs tack, things like that. And I went everywhere with him. He was a school teacher. He built a business and in that business it involved a lot of people within southeast, north central Nebraska that were buying his saddles, repairing his...having him repair their tack. And one person in particular from Mead, I think that's Senator Langemeier's district, he trained these horses. And I remember growing up when I was 10, 12, I was always so excited to go drop off the tack at Leon's (phonetic) because I got to see the thoroughbreds. I got to get up close. You know, we raised quarter horses. They're different. You know, they're not...the legs aren't quite as long and they don't have the power that those thoroughbreds had. And he had a track at his house and we'd get to sit there and we'd get to watch him, you know, work out. And I think that's the key point, what Senator Schilz and Senator Lautenbaugh are talking about here is without LB806, that job is gone. He won't be here. It's pure and simple. We hear all the time in this body: save rural jobs; let's incentivize rural people. Well, that is a rural job. That is somebody that will disappear. He's not going to stay in Nebraska. He's going to move. He's going to go to the Arkansas, the Kentucky, places like that. And if we want to support current Nebraska industries, support the people that are here, the jobs that are here, LB806 does that. And I just wanted to share that story because, I mean, this will affect these people. And if Senator Lautenbaugh would have it, I'd yield the rest of my time. [LB806]

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SENATOR COUNCIL: You have 2 minutes 11 seconds, Senator Lautenbaugh. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President, members of the body. I'm just looking ahead. We have a lot to accomplish yet this session, so I'll give you my views on what I think we're going to accomplish. We're just looking ahead, well, since today, so. We've made some good progress. We started with a prayer and I thought the chaplain of the day did an excellent job, as is always the case. I've never served as the chaplain myself but I'm sure my turn will come. I've never asked in all fairness, so I can't really complain that I never got the opportunity so far. We've covered a lot of ground on health and human service type things. I think Senator Campbell did an admirable job. LB821, says it creates the Nebraska Children's Commission and adopt the office of Inspector General of the Nebraska Child Welfare Act. There was an amendment to that. I remember us discussing it this morning for quite some time. And I think the amendment definitely improved the bill, as a good amendment should. And I think I voted...I'm sure I voted for that after some questions. And Senator Campbell was gracious enough to answer my questions, as she always is. [LB806 LB821]

SENATOR COUNCIL: One minute. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Campbell? [LB806]

SENATOR LAUTENBAUGH: Oh no,... [LB806]

SENATOR COUNCIL: I heard... [LB806]

SENATOR LAUTENBAUGH: ...I was saying she was gracious today to answer my questions. I think she's done enough. But you know Senator Campbell. I mean, you can't really stop her. I mean she has brought heart and focus and dedication to this area, and I would hate to ever try to outwork Senator Campbell because her heart is in this and that committee is a tough committee. I don't know if I'd be able to sit through those hearings and hear the stories they hear day after day on the first day of the session, well, the first day of committee hearings at least, then on the second day of hearings, then on the third day of hearings, then on the fourth and fifth days of hearings, too, I presume were just as bad as the first three. And it would just go on and on like that. And I honor and admire her spirit and her ability. [LB806]

SENATOR COUNCIL: Time. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Karpisek, you are recognized. [LB806]

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SENATOR KARPISEK: Thank you, Madam President, members of the body. I do want to apologize for the last time I was on the mike and apologize to Senator Fulton. But I will tell him that one of us is lucky that we don't sit closer to each other. Took me a while to get over to him. Both of us on...all of us on both sides of this get tired of hearing the same thing over and over and over and over and over. We do. I know you get tired of hearing me bring up great analogies about gambling and other things. Well, I think they're great anyway. And I'll bring some of those up here in a little bit, but since it seems like we're filibustering our own bill, something that I haven't...well, I've probably done before but I didn't mean to. But it's going to give me a lot of good practice for the days ahead, as Senator Lautenbaugh talked about. It takes a while to get in the groove in a session. And silly me as I always do starting a session trying to sit down and be quiet as not to ruffle feathers. So my bills don't get just sunk right out of the boat. Well, one did this week, so game on. I'll be up. Why not. It doesn't matter. A lot of these bills are probably just as much personality driven as they are content driven. Who's telling who to do what on them. So we'll talk about things. I've got some bills that I really want to get passed too. But we'll talk, see how things go. I guess I probably won't do a lot of filibustering on first round of debate. I think it just chews up too much time. See where the votes are on first round, let them have it on second round. I just let out a little bit of my crazy theories on life. And if Senator Avery was here, I heard him talking about a lot of experts in the field on things. And I don't know how you get to be an expert if you're over 50 miles from home, I've often heard. I'm only 40 from home here. So I wish that I could move or move the Capitol and I could probably become an expert on everything. I know we have quite a few in here that are over 50 miles away from home and they obviously are experts in their books. This is a tough, tough subject, it is. I don't necessarily like talking about it either because I know where it's going to go. Now those of you that are...just have a strong conviction against gambling, I give you all the kudos in the world. I think you're wrong but good. Those of you that are in the middle that want to do it but not let other people do it, I have no respect for your opinion on the matter. I've seen some of these people gambling, smoking at the boats as they cast their vote to make Nebraska smoke-free, and thinking it was rather funny and laughing with their cigar in their hand. I didn't find that so funny. I think it affects people here, people trying to run a business that we need to stick our noses in. I think there are a lot of things that the horsemen do need to do. I do agree with Senator Fulton on that. And they are trying a lot of those things. But they also need some money to work with. [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR KARPISEK: They are trying. They've got some good ideas. Ak-Sar-Ben was pulled out from under them. That hurt. The Lincoln course is being pulled out from under them. That hurt, which always makes me wonder. We talk about...I heard one senator talking about government help here, government subsidies. I don't...this is not a subsidy. This is just saying go ahead and go out and try to make your own money. This

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body is the one that has taken some of the revenue away from them. Let's try to help them out. Thank you, Madam President. [LB806]

SENATOR COUNCIL: Thank you, Senator Karpisek. Senator Gloor, you are recognized. [LB806]

SENATOR GLOOR: Thank you, Madam President, and good afternoon, members. Let me talk a little bit about some of the employees that I have known over the years who worked at Fonner Park or who now work at Fonner Park so that we can put faces, if not names we can put faces to some of the people that work there. I can remember back in the 1980s, and I'll try and work my way forward or backward decade by decade on some of these people. But a young woman who showed up actually had a child. And during the beginning of race season sometime in January as they're getting ready for race season, what people don't realize is just because the races may start at the end of February, quite a few of the trainers and their staff come anywhere from four to six to eight weeks, well in advance, to get ready for this session. And there are workout tracks that people can use. And so we end up with people who are in town not just during the three...roughly three-month racing season but actually four to four-and-a-half to five months. And so that has a prolonged economic impact on the community. This particular woman was there in January, started the new year, and came to my church, brought her child who was in the preschool and sang in the choir. Her husband, as I recall, was a trainer. And so we're talking about a family of three. And her husband as the trainer I think employed her, and she was employed to do a variety of things, everything from I think repairing tack to mucking stalls. So, you know, she was a handyman just trying to help out, but trying to maintain the family unit travelling. But at the same time I always thought it was interesting that she was doing everything she could to maintain a semblance of appropriate family life. And I tell this story as I got to thinking about the people who were out in the Rotunda yesterday because we may have our own visual images of these people. We may have our own stereotypes, fairly or unfairly. But in this case, here was a young woman with a child and a husband and trying to work to make sure that that family had exposure to church, the child had exposure to educational opportunities, and at the same time holding down a job. Had a lot of admiration for that lady. And after about five or six years, I didn't see her anymore. I'm going to assume that the family moved on to other things or just stopped coming to our particular track. I also remember the foreman of one of my father's lumberyards whose mother lived in Grand Island. Now this was back in the days of Dreisbach's. Some of you will remember Dreisbach's as a famous steak house in Grand Island. I travel across the country, used to quite a bit, not so much anymore obviously. But when I told people I was from Grand Island, I was always amazed at the number of people who would say, is Dreisbach's still there--sadly, it isn't--but who could connect with Dreisbach's. Her job at Dreisbach's, her one and only job at Dreisbach's was making salads. She'd come in in the morning and she would chop cabbage for the coleslaw. She would chop heads of lettuce for the salads. She did nothing but make lettuce and

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cabbage for coleslaw. She made salads starting about five in the morning and by nine or ten in the evening as I or afternoon... [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR GLOOR: Thank you, Madam President...she was done, except when race season came around. Because during race season, as I mentioned yesterday when we were having this conversation, there were so many people that came to Grand Island, buses that would roll in from cities outside this state. The line to get into Dreisbach's was so long, the amount of food that needed to be served by Dreisbach's so great in quantity that she worked basically twice as long. And I always thought that was very telling when it came. She actually didn't look forward to race season. She liked the hours that she worked normally but knew that she had to do this when it was race season. It went with the territory. She's one of the few people I knew who just didn't need to or want to work any more than she had to, but that's what she did. That's what the job called for. [LB806]

SENATOR COUNCIL: Time. [LB806]

SENATOR GLOOR: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Dubas, you are recognized... [LB806]

SENATOR DUBAS: Thank you, Madam President. There's been a lot of talk about that this industry is dying and, you know, it's just time to put the final nail in the coffin and move on. Well, at one point in time people said that about family farm agricultural also. Said the family farmer no longer exists. And now the family farmer no longer exists in that Norman Rockwell type of existence. There's not the 40-acre patches with a couple of cows and a few hogs and some chickens and you were pretty much self-sustaining. But the family farmer still does exist today because he and she have adapted, they've changed. Some have found niches that they could fill. Some have gotten larger and taken on more farm ground and different ways of operating. But the point is that they have all...we have all done different things to adapt to the times to try to make our businesses viable and sustainable and, most importantly, profitable so that we can stay in business. So it's certainly not the same as it was once upon a time, but it is still a business that I'm very proud to be a part of. And that's what I heard from the people who filled the Rotunda yesterday. They know that their industry is not what it once was. Things have changed. I think someone earlier today called us a microwave society. We are looking for instant gratification and I wouldn't necessarily disagree with that perspective. We do, we want things five minutes ago. And the horse racing industry, they get that, and so they're looking for ways to change and adapt and keep their industry strong and viable and profitable so that they can stay in business, so that they can continue to be...stay and be a part of the community that they love so well, have

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their families in the communities that they love so well, and be a positive contribution to that community. And so I see what they're asking for through LB806 is nothing different than what we in agriculture have done to keep our businesses strong and viable. But we weren't...agriculture wasn't restricted, so to speak, in our ability to look for new and inventive ways to stay viable, whereas the horse racing industry has operated within some pretty restrictive boundaries. And I see this bill is just trying to loosen those restrictive bands just a little bit to give this industry an opportunity to grow. And I think through the amendment that Senator Lautenbaugh would like to discuss maybe at a later date we would put those benchmarks in place, we would give them those opportunities to prove can they or can't they grow their industry. And if they can't, then that's the time to have this discussion. But we've not given them that opportunity. And I would yield to the remainder of my time to Senator Lautenbaugh should he choose to take it. [LB806]

SENATOR COUNCIL: Senator Lautenbaugh, you are yielded 1 minute and 43 seconds. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President, and thank you, Senator Dubas. I would go back again, just because I'd be remiss if I didn't, in pointing out what we were prepared to offer today as an amendment, and may still get in today if we can, to address the argument that this is a dying industry and that people aren't sincere about actually trying to save the industry and save horse breeding and racing in Nebraska. We proposed basically, let these things go forward, let them be installed, review it over seven years to see if the purses have increased, if the new track in Lincoln exists and the number of days of live racing have increased. And if that hasn't happened as we represented... [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President...if it hasn't happened as we represented, then the commission can no longer license these things. That's the end of it. And I think that's a sincere thing. That's a sincere offer. If you truly believe no one will go, then this will fail. If you truly believe there's no interest in pursuing this, then fine, it won't work. But we've had some talk earlier about the free market and that this might somehow be government assistance or something. You know, we are...there is no free market in this particular industry. We are in the way and we can get out of the way of the market, but this is not a government handout. This is us ceasing to be an impediment. That's very different. And, again, that amendment will come up and it was offered in good faith because we all say we want to save these jobs and save this industry. And by gosh... [LB806]

SENATOR COUNCIL: Time, Senator. [LB806]

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SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Nordquist, you are recognized. [LB806]

SENATOR NORDQUIST: Thank you, Madam President and members. You know, we've been at this now for a few hours and all we've really heard is that this so called dying industry that needs to send a few targeted, fancy mailers out and everything would be all right. I mean, I just don't think that's the case. And I think Senator Lautenbaugh very much so rebutted that and addressed that issue, that this industry needs help. And they're not coming in the form of a tax credit or government subsidy like a lot of other industries do. They're asking to just be able to operate pari-mutuel wagering in a different form. We also heard during the debate the discussion of free enterprise. Just, you know, for...if the markets would speak everything would be fine. Well, if we would be...if we wouldn't have eliminated one of the largest markets, maybe everything would have been or would be better. But we are the ones, legislators before us, who tied the hands of this industry. But this job or this bill comes down to jobs, jobs, jobs. I was looking through our Planning Committee document that Senator Harms chairs. And there's a graph in there, on page 23, of farm employment in Nebraska over the last two decades. These are jobs in rural Nebraska. And we're talking in 1990 there were over 70,000, not exact numbers is on here, it's a chart, but I would say in the neighborhood of 73,000 to 74,000 jobs, farm employment jobs. In 2010, which was the latest data published in this document, was slightly above 50,000, 51,000 and some change. So rural Nebraska over those two decades has lost 20,000 in the farm employment. Now I don't know the definition, I didn't see it in here. I didn't have time to pull it up on the...from the source document to see exactly what's included in that. But I'm guessing that those are 20,000 jobs in rural Nebraska that are gone. And we also heard in the debate somebody mentioned that gambling is a zero sum game, essentially, that money just spins around. Well, it probably does when you put it in a machine, although there are probably still jobs there ultimately between servicing the machines and creating those machines. But this is significantly different. These are real jobs associated with this industry. So it's not a zero sum game. As Senator Larson talked about the entrepreneurship of his family and the way that they were involved in this and other people, Senator Gloor talked about in Grand Island. These are real people and real jobs that this industry helps support. I know Senator Lautenbaugh, in his opening, mentioned it. But if he would yield to a question, Madam President, would Senator Lautenbaugh yield to a question? [LB806]

SENATOR COUNCIL: Senator Lautenbaugh, will you yield? [LB806]

SENATOR LAUTENBAUGH: Yes, I will. [LB806]

SENATOR NORDQUIST: Senator Lautenbaugh, in your opening you talked about the jobs associated with this, you had a long list of them. I know we've heard 3,000 jobs.

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Could you kind of reiterate the licensed jobs that you mentioned in your opening.
[LB806]

SENATOR LAUTENBAUGH: I'd be happy to. And I think I read a snippet from committee testimony that backed this up as well. So I may do that again too. But we have trainers, and we have authorized agents, and there's people licensed to do horse lease agreements, and there are jockeys to ride the horses, as I understand it, and there are apprentice jockeys. And I would assume that apprentice jockeys are people who are learning how to be jockeys. I think it's kind of an apprenticeship program. And there's jockey agents,... [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR LAUTENBAUGH: ...I guess if you're a particularly successful jockey you get an agent and you're off the Hollywood. I'm pretty sure that's not what that is, but then there's assistant trainers, and there's grooms, there are grooms, and there's an exercise rider, there's a practicing veterinarian and there's a veterinarian assistant, there's a planer. I'll be honest, I don't know what a planer is. There's an outrider, same problem, valet, probably not what I think it is, pony person, unsure. Then there are officials and assistants involved as with everything in this life and there's concession operations, and there's mutuel employees, and there's concession employees. There's medical and ambulance people, there's the security employee, there's the video and photo finish employee, which I assume would be... [LB806]

SENATOR COUNCIL: Time, Senators. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Lautenbaugh, it is your time now. [LB806]

SENATOR LAUTENBAUGH: Thank you. I think I left off with the video and photo finish employees. Then there's the wagering system employee. And again, I've never professed to be an expert in this. And I did enjoy Senator Karpisek's saying that if you're...how did that go again? Senator Karpisek, will you yield? [LB806]

SENATOR COUNCIL: Senator Karpisek, will you yield? [LB806]

SENATOR KARPISEK: Yes, I will. [LB806]

SENATOR LAUTENBAUGH: Senator Karpisek, what was that phrase you used about expertise and how far you are from home? [LB806]

SENATOR KARPISEK: Well, I've heard it's 50 miles from home, Senator Lautenbaugh.

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I thought maybe I had learned that from you, but maybe not. [LB806]

SENATOR LAUTENBAUGH: I don't ever remember saying that. I do have a father-in-law who says lots of folksy sayings, and that sounds like something he might say. And I'd like to share some of those with you, but I can't. (Laughter) But they're funny and he's a good guy. Okay. After the wagering system employee there's the category of other employees. And I don't really know what that encompasses as far as the licensed employees go, but I'm assuming it would be everyone else at the track. So as I indicated in my opening, there are a lot of jobs here at stake. And there's been some talk in the media recently and other places about whether or not we put too much emphasis now as a people on college degrees and college education and whatnot. And I know that Senator Ashford had done some work on perhaps bringing back something akin to Tech High School in Omaha, to maybe address the fact that some of...some people don't go to college. I went to Omaha South. Most people I went to high school with did not go to college. Most of them have jobs now certainly, but they were not college-bound. And I think the problem is when we spend so much time here focusing on jobs we can attract we should take great care and great pains not to give short shrift, if you will, to jobs that are more blue collar, if you will. And that would surely describe some of the people who were here yesterday who work in this industry. And this is not something that, you know, we're not saying we're trying to go out and create a new industry and attract, you know, master's students in astrophysics or anything like that. That's not what this is about. But these are real jobs and they exist now. And I think just as surely as we should do everything we can within reason to try to encourage more jobs to come to this state, we should also do everything we can to keep the ones we have. And I'm not willing to look at these jobs, jobs at the tracks on which I don't even know what they are, as I read them off a few minutes ago, and kind of turn up my nose at them and, you know, sniff disapprovingly and say, well, you should go to college. That's not an option for some. That may not have been an option for some of these people. Maybe some of them did, I don't know. And there were a couple hundred here yesterday and I obviously am not familiar with the back story on each and every one of them. But these jobs exist and these people have them and they are dependent upon them. And I think that's kind of important. And we're underlining, obviously, because I'm doing it, and that's what this bill is about. We're talking about not-for-profit tracks employing good Nebraskans currently. And again, we talked about the free market earlier and some suggested, well, how do they need this help in the free market? That's completely the opposite of what we're talking about here. [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. The market is not now free because we have several strictures on it, some of them rightfully so. But this is a way for us to get out of the way and allow more revenue to be had from a form of wagering that currently is authorized in Nebraska. And, yes, I've been persistent on this, a lot of

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people have been persistent on this. This isn't the easiest way to get something done, but the people who know more about this than us say that this is the right way to get something done and this will make a difference based upon what's happened in other states. That's irrefutable, it's out there. You can look at what happened in Kentucky with the increase in live race days. That happened because of historic horse racing. That's a commitment to the industry. Live horse racing is what we're talking about preserving here. [LB806]

SENATOR COUNCIL: Time, Senator. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Ken Haar, you are recognized. [LB806]

SENATOR HAAR: Mr. President, Madam President, excuse me, I'm sorry. We should, frankly, have more women in this Legislature. Thank you very much. I rise in support of LB806. There was a Caesar at some point in Roman history that put it this way, citizens need bread and circus. And I believe in that. We need recreation as well as hard work. So I want to tell you about a situation last summer where my circus was going to the track in Lincoln. Hot summer day, hot summer weekend and so my wife and I decided to take two of our grandkids, Alicia and Jenny, to the track. They had never been to the racetrack, and I, frankly, haven't been there all that often. So we went to the track in Lincoln. We had a great time. For me it was recreation. And, yes, we bet a few dollars. And, of course, I bet the money but I let the girls pick the horses. And they had a great time. They both love horses. They've both done a little bit of horseback riding. And so it wasn't only watching the race where, yes, there was some adrenaline and we got up out of our seats and we were cheering on our winners, and we didn't win, unfortunately...well, I think Jenny won one of the races. But we had a great time. And then we actually watched the horses trot around the track. We got to get a little closer to the horses and see those beautiful animals. And so I would be...I'd be very sad if there's no more horse racing in Lincoln. And it's not...you know, it's not for everyone. No one is forced to go to the races. But I really hope that it's going to be there for not only for me and for my grandkids, but for future generations, because it is a great sport. We ate hotdogs and we had soft drinks. We had a good time and when we left there we all had smiles on our face. And so at least for me, at least for me I don't see that horse racing is dead. It certainly is better than having those grandkids sit in front of a TV all Sunday afternoon or having them sit with their computer games, which they do by the way, which is fine too. But this is an opportunity for grandparents to take their kids to an activity that we all enjoyed, we all had a good time. And I think for those of us who went there is going to be a new appreciation for those beautiful animals called horses. And then we went back after that horse racing, we went to Netflix and we found all the horse racing movies that we could find and we had a good time with that. So I'm not one to go to the funeral for horse racing. I want to go to watch those horses race. And I rise in

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support of LB806. [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR HAAR: Thank you very much, Madam Chair. And if he'd like it, I'd give the rest of my time to Senator Schilz. [LB806]

SENATOR COUNCIL: Senator Schilz, you are yielded 45 seconds. [LB806]

SENATOR SCHILZ: Thank you, Madam President. Thank you, Senator Haar, appreciate that. You know, sitting here, you know, this is an important issue to me. This is an issue that's not black and white. I understand that. It's a gray issue. And that's why it's so tough. But I think we need to put people and jobs in the first priority. I believe that. I do support the bill, I proudly support the bill because I know some of the people that have worked around the racetracks. Like I said, my in-laws used to have horses and actually used to work at the tracks themselves. They had a family... [LB806]

SENATOR CORNETT: Time, Senator Schilz, but you are now on your own time. [LB806]

SENATOR SCHILZ: Thank you, Madam President. They were a family, they were the Ritters, Jack and Kate Ritter. They worked with my father-in-law and his family for over 20 years training horses. And they'd take those horses from Fonner Park to Columbus to Lincoln to Omaha and they'd race those horses. And I'm telling you what, these people, they were salt of the earth. I mean their skin was so suntanned, I mean, they were in the sun all the time. But good people, every time you saw them there was a smile on their face. I know they didn't make a lot of money. They lived in a camper most of the year, and they'd travel it from racetrack to racetrack. But they loved what they'd do. They loved it, they really did and that's what they wanted to do every, single day. And when somebody has that kind of passion, you don't want to take that away arbitrarily, you want to do everything you can to give them the opportunities that they need to thrive. I do have some interesting statistics here that surprised me. You know, when we hear numbers, and numbers can do anything, you can make them say whatever you want, but this comes from the U.S. courts, from the U.S. Census and all sorts of stuff. Personal bankruptcies, Iowa and South Dakota both have casinos, guess what? Nebraska right now is higher in personal bankruptcies, 44 percent or .44 percent compared to .32 percent for Iowa, compared to .25 percent for South Dakota, both those other states have casinos. And we're not talking about casinos here, but we've delved into this. Divorce, once again Nebraska is higher. Violent crime, once again Nebraska is higher. Robberies, burglaries, excuse me, I'm sorry, the burglaries Iowa is a little higher. Larceny, Nebraska is higher. Motor vehicle theft, Nebraska is higher. Numbers can say whatever you want them to. These are just raw numbers that were pulled up from the census and from the U.S. courts. I don't think that's what we're

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talking about here, folks. You're not going to find this at the horse races. Where we have horse tracks, has anybody looked at the statistics from Grand Island? Maybe Senator Gloor could answer a question, but I'm not asking him to. You know, is the crime a lot higher around that racetrack there? I don't think so. Did crime go down in Lincoln, Nebraska, when we found out that the track was going to be gone? Did that happen? What about at Ak-Sar-Ben? I don't know, but I'm guessing that it probably didn't change much. Once again, I'm here to say we're talking about good people, we're talking about people that just want to do their jobs, that don't want to have to worry about going bankrupt, that want to be able to take care of their families. I want to help them do that. I want to get out of the way on this one, small issue to allow them to try to turn their industry around. I believe it's the right thing to do. I believe it's the moral thing to do. Thank you very much. [LB806]

SENATOR COUNCIL: Thank you, Senator Schilz. Senator Price, you are recognized. [LB806]

SENATOR PRICE: Thank you, Madam President and members. I did something kind of silly, I read the bill. Okay, that's not silly, I apologize, it's late in the day. But I did have a question and I was wondering, would Senator Karpisek yield to a question? [LB806]

SENATOR COUNCIL: Senator Karpisek, will you yield to a question? [LB806]

SENATOR KARPISEK: Yes, I will. [LB806]

SENATOR PRICE: Thank you very much, Senator Karpisek. I do appreciate you taking the time to walk me through things. But I did look on paragraph 3, lines 11 and 12, where it basically is talking about that the commission will run enough of a historic race to maintain the integrity of such horse race before another wager takes place or beginning another historic horse race. So my question is, what is the period of time we're talking about here? Was that discussed pretty well in the committee and in the hearings? Do you know of that? [LB806]

SENATOR KARPISEK: I don't know, Senator. I didn't introduce the bill, nor am I on that committee. However, I don't know what that is. And as I told you off the mike, that is one part of this bill that I particularly don't like. I shouldn't say the bill, the machine. I wish that it would show the whole game, or the whole game, the whole race. And I would be more than happy to...I'd support an amendment like that. [LB806]

SENATOR PRICE: All right, thank you so much, Senator Karpisek. [LB806]

SENATOR KARPISEK: Thank you. [LB806]

SENATOR PRICE: I do appreciate you helping me out there. Ladies and gentlemen,

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from what I've been able to ascertain you'll sit before this terminal and there will be a snippet of a race, the last 30 seconds of a race maybe. Most races are two minutes long, of course, quarter horse I heard are much shorter. But my question is, you're sitting there, you're looking at a screen and they're going to run a race real quick. Now I have the good fortune, I have been married to the woman I did and her family and my mother-in-law likes the horse races. And my mother-in-law is legally blind. That doesn't detract from her still liking to go. So I have the dubious or the honorable distinction of attending and helping her with her racing forms. For those of you who have not been to a horse race, you get a book. And what you can do, and again I'm just a rookie at this, but I have to do the reading for her because she wants to know how did the horse perform the last race, what type of track was the horse on, don't know about the other. There are a lot of elements that go into wagering. And I dare say my mother-in-law (laugh) has done quite well. She's playing on the same, initial money she started with back in 1990. And she's not ever had to add money to her kitty or the pool. So we don't...you don't have that anymore in this. So my question is, in this product you don't have the opportunity to know how the horse has performed. So you're wagering I guess on something...a number, number six. I like six or three. They're very difficult because I understand the number of races programmed into the machine are too numerous to know how this race and who won the race. We're not seeing the whole race. You don't see how the race started. So I have concerns, you know, I've been sitting here listening to the debate and all the different aspects that were talked about. But I have a grave concern that people are going to sit before a machine and it's going to be kind of like when we were young and we would draw cartoons on a...on sheets of paper and then flip through them real quick. That's about how long it's going to last, you know. You're going to get a 30 second snippet. You'll have no idea of that. I don't know and I'm not going to sit here and say that only long shot races will be in there, so... [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR PRICE: Thank you. The bill doesn't talk to how races will be loaded into it. And I don't believe it needs to talk about that. But it needs to be spoken about as which races are going to be put in there. Only the ones where it's obvious that the one horse that you think is going to win doesn't? I don't know, and so that's a question that I'm sure we'll get an answer to. But again, where is the rest of the horse race on this other than the last 30 seconds? And I think that's problematic. Thank you, Madam President. [LB806]

SENATOR COUNCIL: Thank you, Senator Price. Senator Larson, you're recognized. [LB806]

SENATOR LARSON: Thank you, Senator Council. I talked a little bit on the mike last time about a personal experience of mine and how, you know, this bill will directly affect that trainer. And ultimately also, you know, as my family's business services him it

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affects our jobs as well, it affects my dad's small business. But I want to kind of turn over to community service and what these racetracks do for our local communities. If Senator Wallman would yield to a question I'd appreciate it. [LB806]

SENATOR COUNCIL: Senator Wallman, will you yield? [LB806]

SENATOR WALLMAN: Yes, I will. [LB806]

SENATOR LARSON: Senator Wallman, I know, do you have...did your kids or your grandkids did they join 4-H? [LB806]

SENATOR WALLMAN: My kids were in 4-H and FFA and the horse people were very gracious to help you out and also the horse society, you know, in 4-H club. And they taught kids responsibility and how to take care of your horse and everything like this. [LB806]

SENATOR LARSON: Did you know that the horse tracks at Columbus and Fonner actually let the 4-H organizations use their grounds for free for 4-H events and their buildings for free and things of that nature? [LB806]

SENATOR WALLMAN: No, I didn't. That's great. [LB806]

SENATOR LARSON: And to me, you know, this goes...I mean, jobs are a huge part of it. But these tracks are offering community services as well to our kids, to our kids that...the kids, the 4-H kids, the FFA kids, the kids that are going to go back to rural Nebraska. These tracks are giving them a place to do what they love. And it's given the people that work at the tracks, as Senator Lautenbaugh said, that might not have the college degrees, it's giving them the job they love. And that's why they'll leave. And this is why it's about jobs and how it's great for the community. So with that, I would like to say I support LB806, AM1852. And I appreciate everybody's vote. [LB806]

SENATOR COUNCIL: Thank you. There are no others senators wishing to be heard. Senator Ashford, you are recognized to close on the committee amendment. [LB806]

SENATOR ASHFORD: Thank you, Madam President. The debate today has been clearly on the bill and the underlying policy considerations. Again the Judiciary Committee amendments are rather technical compared to these broad policy questions. But I would urge the adoption of AM1852. Thank you. [LB806]

SENATOR COUNCIL: Thank you, Senator Ashford. The question is,...you are recognized, Senator Ashford. [LB806]

SENATOR ASHFORD: May I ask, yeah, may I ask for a call of the house and a roll call

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vote in reverse order, please. [LB806]

SENATOR COUNCIL: There has been a request to call the house. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB806]

CLERK: 37 ayes, 0 nays to place the house under call. [LB806]

SENATOR COUNCIL: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Krist, Senator Avery, the house is under call. Senator Wightman, the house is under call. Senator Krist, the house is under call. [LB806]

SENATOR ASHFORD: We can go ahead if... [LB806]

SENATOR COUNCIL: A roll call vote has been requested in reverse order. [LB806]

CLERK: (Roll call vote taken, Legislative Journal pages 840-841.) 25 ayes, 17 nays. [LB806]

SENATOR COUNCIL: The amendment passes. Now back to the...you have...are there other amendments? The call is raised. Is there another...are there other amendments, Mr. Clerk? [LB806]

CLERK: There are, Madam President. The next amendment I have, Senator Lautenbaugh, FA42. [LB806]

SENATOR COUNCIL: Senator Lautenbaugh, you're recognized to open on FA42. [LB806]

SENATOR LAUTENBAUGH: I'd like to withdraw that amendment. [LB806]

SENATOR COUNCIL: The amendment is withdrawn. Are there other amendments, Mr. Clerk? [LB806]

CLERK: Senator Lautenbaugh, FA43. [LB806]

SENATOR COUNCIL: Senator Lautenbaugh. [LB806]

SENATOR LAUTENBAUGH: I would like to withdraw that amendment. [LB806]

SENATOR COUNCIL: FA43 is withdrawn. Are there other amendments, Mr. Clerk?

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[LB806]

CLERK: The next motion I have, Madam President, Senator Fulton would move to indefinitely postpone LB806. Senator Lautenbaugh, as the primary introducer, you have the option to lay the bill over at this time. [LB806]

SENATOR COUNCIL: Senator Lautenbaugh. [LB806]

SENATOR LAUTENBAUGH: I'd like to take it up. [LB806]

SENATOR COUNCIL: Senator Fulton, you are recognized. [LB806]

SENATOR FULTON: Thank you, Madam President. We are getting late in the day and we have...I have filed this motion to indefinitely postpone. And I'll go ahead and explain to you my rationale here. Now there are those of us who are against this bill, there are those of us who are in favor of it. I suspect there will be a number who are somewhere in between. We got a sense of where the votes are on this bill. And one of the reasons to put an IPP motion up is, yes, to indefinitely postpone the bill, but also to get an idea of where we are and the will of the body. There are a number of senators who are interested in refiling our amendments that you saw previously today, and there is an intention to do that. I am willing, I think a number of other senators who had their amendments are willing to do that such that we will engage in some more debate on this bill and probably go for a longer period of time. Recognizing what the vote thresholds are, I put this motion up to IPP to give us an opportunity to reflect if indeed we want to go the full time on this bill, recognizing the number of bills that we have before us, recognizing the scarcity of time that exists with which to accomplish these bills. It becomes then not so much a decision of whether you are for or against the bill, but also whether we're willing to engage in protracted debate on the bill. And so I bring this motion to put that question to the body and we'll see where we are on our votes and proceed accordingly afterward. Thank you, Madam President. [LB806]

SENATOR COUNCIL: Thank you, Senator Lautenbaugh, oh, excuse me, Senator Fulton. And, Senator Lautenbaugh, you are recognized. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President and members of the body. I've certainly spoken more this afternoon than was my original intent, I can tell you that. And some of it actually was worthwhile content. But I do have to rise and speak in opposition to this motion and perhaps others will do the same. And here's why. Nothing has changed from what moved me to introduce this bill in the first place. You have not heard what I would call compelling arguments. You've heard arguments that places that have casinos with slot machines, which is to be clear not what we are talking about, have seen an increase in all these bad things, yet they seem to, according to Senator Schilz's list, rank below us. And again, that's not what we're talking about here. This is

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historic horse racing machines at licensed tracks only. And there's a point at which I think we have to defer to the judgment of the people in this industry. And I hope that point comes along early in our deliberations about what to do because they are the experts in this field. And we've heard discussions about how, well, perhaps they should be more aggressive in their advertising, or perhaps there is something they could do differently. Why don't they just...why do they need help from us? Why don't they just compete in the free market? Again, I can't stress enough that they aren't allowed to compete in the free market. We tie their hands in a variety of ways and some seem to revel in it outside of this body at least. I won't cast aspersions within. But, I mean, we've had struggles over moving around race days. Well, if we let them be in the free market, play the free market, if this was a free market, they could do what they see fit. We don't allow that. We regulate this industry heavily. It is not free and they are not free to decide how best to pursue their interest and rightly so in many ways. And understand, I'm not saying that we should just let them go whole hog and do whatever they see fit. But this is not some wild-eyed idea that I just dreamt up on my own because I felt like maybe a Facebook page wasn't enough, so I would go do something like this. That's not what we're talking about here. We have the example of what took place in Kentucky with historic horse racing. We have the example of Arkansas. We don't have to speculate as to what we might think happened. We've heard the sort of perplexing dual argument that on one hand this is doomed to fail because no one wants to go to the tracks; on the other hand, this will lead to a huge spike in problem gambling. You have to ask yourselves how that could conceivably be possible that both of those things could be true. You've heard both of those things. So at some point you have to judge. And that's what we do here in the end, we do make decisions and we make hard choices. And I've been very clear. I think I said in my opening I have never been what I would call a proponent of expanded gambling and again, you can look it up, and yet here I stand bringing this bill. If I have a shred of credibility, I hope you can understand why I hope that's significant to you that I'm standing here bringing this as someone who is opposed to expanded gambling. And we've had discussions about this over the years and at the mike the last few days. And again, I was told at one point that anything that would increase revenue to the tracks would be expanded gambling. [LB806]

SENATOR COUNCIL: One minute. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. And then we had a suggestion, well, maybe there's other ways they could increase revenue. Well, I'm sorry, by that definition that would be expanded gambling. As I pointed out yesterday, an advertising campaign that bore fruit would be expanded gambling, too, by the absolutist definition that anything that increases revenue is expanded gambling. So we don't approach this sometimes with a certain amount of rationality or logic despite what we may claim. And this is something we can do for these people and this industry. It's not much, it's not something we're asking the state to pay for. We're just being asked to get out of the way. And we should avail ourselves of that as often as we can, unless there's

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a compelling reason to do otherwise. And I don't see a compelling reason to continue to say no to these people and the jobs they bring and the industry they bring... [LB806]

SENATOR COUNCIL: Time, Senator. [LB806]

SENATOR LAUTENBAUGH: Thank you, Madam President. [LB806]

SENATOR COUNCIL: Senator Schilz, you are recognized. [LB806]

SENATOR SCHILZ: Thank you, Madam President. I'd like to thank Senator Lautenbaugh for pointing out very eloquently some of the things that we've witnessed here during this debate. It's important that we understand. I just received an e-mail from someone who knew the Ritters as well and thanked me for my kind words towards them. A lot of these folks are really feeling put upon right now, folks, because they hear what we say inside this room, on this floor. Remember, folks, these are our neighbors. These are good people and they have every right that you and I and everybody else within a free society to advocate for what they believe will help them. I also believe that most people, a vast majority of people, have the personal responsibility needed to take care of what we're talking about and the social ills that come with, quote unquote, expanded gambling. I really do trust the people. And I trust the people enough to try and make sure, where I can, to get government out of the way. The most successful nations in the world don't put up roadblocks to their citizens to be successful. I don't think we should do that here either. I would very much appreciate your vote for LB806. The horsemen, the horse racing industry of Nebraska would very much, very much appreciate your vote on LB806. It's a lifeline that we can throw them without having to throw a bunch of dollars at it, a bunch of state dollars. And I think it's a good way to show that we care about their industry and about rural jobs in the state of Nebraska. Thank you very much. [LB806]

SENATOR COUNCIL: Thank you, Senator Schilz. Mr. Clerk, are there items for the record? [LB806]

CLERK: I do, Madam President, items for the record. Senator Carlson would offer LB905A. (Read by title for the first time.) Senator Carlson offers LB1057A. (Read by title for the first time.) Your Committee on Urban Affairs, chaired by Senator McGill, reports LB1126 to General File with amendments attached. Amendments to be printed: Senator Loudon to LB824; Senator McCoy to LB882; Senator Schilz to LB882; Senator McCoy to LB882; Senator Fischer, LB751; Senator Cornett to LB882. Madam President, communication from the Governor to the Clerk. (Read re LB216, LB216A, LB269, LB370, LB427, LB459, LB470, LB498, LB507, LB612, LB646, LB677, LB714, LB725, LB770, LB771, LB800, LB828, LB836, LB852, LB853, LB854, LB873, LB879, LB886, LB890, LB911, LB942, LB1043, and LB1118. Legislative Journal pages 841-846.) [LB905A LB1057A LB1126 LB824 LB882 LB751 LB216 LB216A LB269 LB370 LB427

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LB1118]

And finally, Madam President, priority motion. Senator Campbell would move to adjourn the body until Thursday morning, March 8, at 9:00 a.m.

SENATOR COUNCIL: There is a motion to adjourn. All those in favor say aye. All those opposed say nay. We're done.