

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Floor Debate  
March 08, 2012

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[LB131 LB209 LB310 LB446 LB473 LB489 LB526 LB536 LB686 LB723 LB733 LB735  
LB738 LB739 LB759 LB760 LB773 LB780 LB786 LB790 LB794 LB801 LB806 LB811  
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LB985A LB996 LB1031 LB1064 LB1072 LB1087 LB1137 LB1142 LR40CA]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-first day of the One Hundred Second Legislature, Second Session. Our chaplain for today is Pastor Adam White from the Lutheran Center on the University of Nebraska-Lincoln campus, a guest of Senator Seiler. Would you all please rise.

PASTOR WHITE: (Prayer offered.)

PRESIDENT SHEEHY: Thank you, Pastor White. I now call to order the forty-first day of the One Hundred Second Legislature, Second Session. Senators, please record your presence. Please record, Mr. Clerk.

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

PRESIDENT SHEEHY: Corrections for the Journal?

CLERK: I have none.

PRESIDENT SHEEHY: Messages, reports, or announcements?

CLERK: Hearing notice from Health and Human Services Committee, and the report of registered lobbyists for this week. That's all that I have, Mr. President. (Legislative Journal pages 847-848.)

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Members, the cookies on your desks this morning are for...in recognition of Senator Seiler's 71st birthday, which is on March 10. Mr. Clerk, we will move to Final Reading. Members should return to their seats in preparation for Final Reading. Mr. Clerk, do you have items for the record?

CLERK: I do, Mr. President, thank you. Business and Labor Committee reports LB738 to General File; LB1072, General File with amendments; and LB1142 to General...and that's, I'm sorry. LB1142 is by Health and Human Services Committee. That's all that I have, Mr. President. (Legislative Journal pages 848-853.) [LB738 LB1072 LB1142]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. We will now move to the first item under Final Reading, LB473. Mr. Clerk, the first vote is to dispense with the at... [LB473]

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CLERK: Senator Harr, I understand you want to withdraw your motion, Senator, FA37? That's all that I have, Mr. President. [LB473]

PRESIDENT SHEEHY: FA37 is withdrawn. Mr. Clerk, the first vote is to dispense with the at-large reading on LB473. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB473]

CLERK: 38 ayes, 1 nay, Mr. President, to dispense with the at-large reading. [LB473]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB473]

CLERK: (Read title of LB473.) [LB473]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB473 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB473]

CLERK: (Record vote read, Legislative Journal pages 854-855.) 32 ayes, 11 nays, 2 present and not voting, 4 excused and not voting, Mr. President. [LB473]

PRESIDENT SHEEHY: LB473 passes. We will now proceed to LB446. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB473 LB446]

CLERK: 41 ayes, 3 nays, Mr. President, to dispense with the at-large reading. [LB446]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Please read the title. [LB446]

CLERK: (Read title of LB446.) [LB446]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB446 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB446]

CLERK: (Record vote read, Legislative Journal page 855.) 46 ayes, 0 nays, 3 excused and not voting. [LB446]

PRESIDENT SHEEHY: LB446 passes. We'll now proceed to LB526. [LB446 LB526]

CLERK: (Read LB526 on Final Reading.) [LB526]

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PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB526 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB526]

CLERK: (Record vote read, Legislative Journal page 856.) 47 ayes, 0 nays, 2 excused and not voting. [LB526]

PRESIDENT SHEEHY: LB526 passes with the emergency clause attached. We'll now proceed to LB733. [LB526 LB733]

CLERK: (Read LB733 on Final Reading.) [LB733]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB733 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB733]

CLERK: (Record vote read, Legislative Journal pages 856-857.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB733]

PRESIDENT SHEEHY: LB733 passes. We will now proceed to LB739. [LB733 LB739]

CLERK: (Read LB739 on Final Reading.) [LB739]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB739 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB739]

CLERK: (Record vote read, Legislative Journal pages 857-858.) 45 ayes, 0 nays, 2 present and not voting, 2 excused and not voting, Mr. President. [LB739]

PRESIDENT SHEEHY: LB739 passes with the emergency clause attached. We will now proceed to LB759. [LB739 LB759]

CLERK: (Read LB759 on Final Reading.) [LB759]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB759 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB759]

CLERK: (Record vote read, Legislative Journal page 858.) 41 ayes, 2 nays, 4 present and not voting, 2 excused and not voting, Mr. President. [LB759]

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PRESIDENT SHEEHY: LB759 passes. We'll now proceed to LB760. [LB759 LB760]

CLERK: (Read LB760 on Final Reading.) [LB760]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB760 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB760]

CLERK: (Record vote read, Legislative Journal page 859.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB760]

PRESIDENT SHEEHY: LB760 passes. We'll now proceed to LB780. [LB760 LB780]

CLERK: (Read LB780 on Final Reading.) [LB780]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB780 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB780]

CLERK: (Record vote read, Legislative Journal pages 859-860.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB780]

PRESIDENT SHEEHY: LB780 passes. We'll now proceed to LB786. [LB780 LB786]

CLERK: (Read LB786 on Final Reading.) [LB786]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB786 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Senator Karpisek, were you requesting to speak or voting? Thank you. Record, Mr. Clerk. [LB786]

CLERK: (Record vote read, Legislative Journal pages 860-861.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB786]

PRESIDENT SHEEHY: LB786 passes with the emergency clause attached. We'll now proceed to LB790. [LB786 LB790]

CLERK: (Read LB790 on Final Reading.) [LB790]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB790 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB790]

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CLERK: (Record vote read, Legislative Journal page 861.) 38 ayes, 8 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB790]

PRESIDENT SHEEHY: LB790 passes with the emergency clause attached. We'll now proceed to LB801. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB790 LB801]

CLERK: 41 ayes, 0 nays, Mr. President, to dispense with the at-large reading. [LB801]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Please read the title. [LB801]

CLERK: (Read title of LB801.) [LB801]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB801 pass? All those in favor vote yea; opposed, nay. (Doctor of the day and visitors introduced.) Record, Mr. Clerk. [LB801]

CLERK: (Record vote read, Legislative Journal page 862.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB801]

PRESIDENT SHEEHY: LB801 passes. We will now proceed to LB811. [LB801 LB811]

CLERK: (Read LB811 on Final Reading.) [LB811]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB811 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB811]

CLERK: (Record vote read, Legislative Journal page 863.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB811]

PRESIDENT SHEEHY: LB811 passes. We'll now proceed to LB841. [LB811 LB841]

CLERK: (Read LB841 on Final Reading.) [LB841]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB841 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB841]

CLERK: (Record vote read, Legislative Journal pages 863-864.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB841]

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PRESIDENT SHEEHY: LB841 passes with the emergency clause attached. We'll now proceed to LB860. [LB841 LB860]

CLERK: (Read LB860 on Final Reading.) [LB860]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB860 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB860]

CLERK: (Record vote read, Legislative Journal pages 864-865.) 47 ayes, 0 nays, 2 excused and not voting. [LB860]

PRESIDENT SHEEHY: LB860 passes. We will now proceed to LB878. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB860 LB878]

CLERK: 43 ayes, 0 nays, Mr. President, to dispense with the at-large reading. [LB878]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB878]

CLERK: (Read title of LB878.) [LB878]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB878 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB878]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 865-866.) The vote is 47 ayes, 0 nays, 2 excused and not voting. [LB878]

PRESIDENT SHEEHY: LB878 passes. We'll now proceed to LB1031. [LB878 LB1031]

ASSISTANT CLERK: (Read LB1031 on Final Reading.) [LB1031]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB1031 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB1031]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 866.) The vote is 47 ayes, 0 nays, 2 excused and not voting. [LB1031]

PRESIDENT SHEEHY: LB1031 passes. We'll now proceed to LB686. [LB1031 LB686]

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ASSISTANT CLERK: (Read LB686 on Final Reading.) [LB686]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB686 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB686]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 866-867.) The vote is 43 ayes, 2 nays, 2 present and not voting, 2 excused and not voting, Mr. President. [LB686]

PRESIDENT SHEEHY: LB686 passes. We'll now proceed to LB723. [LB686 LB723]

ASSISTANT CLERK: (Read LB723 on Final Reading.) [LB723]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB723 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB723]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 867-868.) The vote is 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting. [LB723]

PRESIDENT SHEEHY: LB723 passes. We'll now proceed to LB773. [LB723 LB773]

ASSISTANT CLERK: (Read LB773 on Final Reading.) [LB773]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB773 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB773]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 868.) The vote is 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB773]

PRESIDENT SHEEHY: LB773 passes. We will now proceed to LB794. [LB773 LB794]

ASSISTANT CLERK: (Read LB794 on Final Reading.) [LB794]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB794 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB794]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 869.) The vote is 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB794]

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PRESIDENT SHEEHY: LB794 passes. We will now proceed to LB831. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB794 LB831]

ASSISTANT CLERK: 41 ayes, 0 nays to dispense with the at-large reading, Mr. President. [LB831]

PRESIDENT SHEEHY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB831]

ASSISTANT CLERK: (Read title of LB831.) [LB831]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB831 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB831]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 870.) The vote is 46 ayes, 1 nay, 2 excused and not voting. [LB831]

PRESIDENT SHEEHY: LB831 passes. We'll now proceed to LB849. [LB831 LB849]

ASSISTANT CLERK: (Read LB849 on Final Reading.) [LB849]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB849 pass with the emergency clause attached? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB849]

CLERK: (Record vote read, Legislative Journal pages 870-871.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB849]

PRESIDENT SHEEHY: LB849 passes with the emergency clause attached. We'll now proceed to LB871. [LB849 LB871]

CLERK: (Read LB871 on Final Reading.) [LB871]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB871 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB871]

CLERK: (Record vote read, Legislative Journal pages 871-872.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB871]

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PRESIDENT SHEEHY: LB871 passes. We'll now proceed to LB904. [LB871 LB904]

CLERK: (Read LB904 on Final Reading.) [LB904]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB904 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB904]

CLERK: (Record vote read, Legislative Journal page 872.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB904]

PRESIDENT SHEEHY: LB904 passes. We'll now proceed to LB943. [LB904 LB943]

CLERK: (Read LB943 on Final Reading.) [LB943]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB943 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB943]

CLERK: (Record vote read, Legislative Journal page 873.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB943]

PRESIDENT SHEEHY: LB943 passes. We'll now proceed to LB1064. [LB943 LB1064]

CLERK: (Read LB1064 on Final Reading.) [LB1064]

PRESIDENT SHEEHY: All provisions of law relative to procedure having been complied with, the question is, shall LB1064 pass? All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB1064]

CLERK: (Record vote read, Legislative Journal pages 873-874.) 47 ayes, 0 nays, 2 excused, not voting, Mr. President. [LB1064]

PRESIDENT SHEEHY: LB1064 passes. Members, we will be passing over LR40CA as a motion has been filed. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB473, LB446, LB526, LB733, LB739, LB759, LB760, LB780, LB786, LB790, LB801, LB811, LB841, LB860, LB878, LB1031, LB686, LB723, LB773, LB794, LB831, LB849, LB871, LB904, LB943, and LB1064. (Visitors introduced.) Mr. Clerk, we will now move to the next item on the agenda under Final Reading, motion to return to Select File for a specific amendment, LB536. [LB1064 LB473 LB446 LB526 LB733 LB739 LB759 LB760 LB780 LB786 LB790 LB801 LB811 LB841 LB860 LB878 LB1031 LB686 LB723 LB773 LB794 LB831 LB849 LB871 LB904 LB943 LB536]

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CLERK: Mr. President, Senator Seiler would move to return LB536 to Select File for a specific amendment, AM2232. (Legislative Journal page 697.) [LB536]

PRESIDENT SHEEHY: Senator Seiler, you are recognized to open on your motion to return to Select File. [LB536]

SENATOR SEILER: Mr. President and members of the Unicameral, I rise to amend LB536 with the amendment AM2232, which simply takes the words "a proportionate" out of page 6, line 12, which is in the warning under that particular form and is not appropriate to be there. I will answer any questions. [LB536]

PRESIDENT SHEEHY: Thank you, Senator Seiler. You've heard the opening on AM2232 to LB536 for a motion to return to Select File. Member requesting to speak: Senator Wightman. [LB536]

SENATOR WIGHTMAN: Thank you, Mr. President and members of the body. I rise in support of AM2232. It was felt by legal counsel that removing the language previously adopted on Select File is a more accurate summary of the applicable law than if we leave the words "a proportionate" in. So again I would urge your support for AM2232. Thank you, Mr. President. [LB536]

PRESIDENT SHEEHY: Thank you, Senator Wightman. Seeing no additional requests to speak, Senator Seiler, you're recognized to close. Senator Seiler waives closing. The question before the body is on the adoption of AM2232 on the motion to return to Select. The motion before the body is on the motion to return to Select File for a specific amendment. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB536]

CLERK: 39 ayes, 0 nays, Mr. President, on the motion to return. [LB536]

PRESIDENT SHEEHY: The motion to return is adopted. Senator Seiler, you're recognized to open on AM2232. [LB536]

SENATOR SEILER: Again, I'll...Mr. President and members of the Unicameral, again as just proposed, it's a motion to strike "a proportionate" on page 6, line 12, and it just appears in the warning and not in the statute, and therefore should be removed. Thank you. [LB536]

PRESIDENT SHEEHY: Thank you, Senator Seiler. You've heard the opening of AM2232 to LB536. Seeing no requests to speak, Senator Seiler, you're recognized to close. Senator Seiler waives closing. The question before the body is on the adoption of AM2232 to LB536. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB536]

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CLERK: 42 ayes, 0 nays on adoption of the Select File amendment, Mr. President. [LB536]

PRESIDENT SHEEHY: AM2232 is adopted. Senator Larson, you're recognized for a motion. [LB536]

SENATOR LARSON: Mr. President, I move that LB536 be advanced to E&R for engrossing. [LB536]

PRESIDENT SHEEHY: You have all heard the motion. All those in favor say aye. Opposed, nay. LB536 advances. Speaker Flood, you're recognized for an announcement. [LB536]

SPEAKER FLOOD: Thank you, Mr. President and good morning, members. The plan today is to adjourn at noon. We've made good progress this week. We considered a number of senator and committee priority bills. We do have some Select File, it would be nice to get through much of that today, but I do anticipate a 12:00 noon adjournment and we'll be back at work, obviously, Tuesday morning at 10:00. Reminder that we're going to place the budget on General File followed by the claims bills at 1:30 on Tuesday, that's when that will start. Thank you very much, Mr. President.

PRESIDENT SHEEHY: Thank you, Speaker Flood. Mr. Clerk, we will now proceed to items under Select File, LB861. [LB861]

CLERK: LB861, Mr. President, I have no amendments to the bill. [LB861]

PRESIDENT SHEEHY: Senator Coash. [LB861]

SENATOR COASH: Mr. President, I move the E&R amendments (sic) to LB861. [LB861]

PRESIDENT SHEEHY: You have all heard the motion. All those in favor say aye. Opposed, nay. LB861 advances. We will now proceed to LB735. [LB861 LB735]

CLERK: LB735 has E&R amendments, Mr. President. (ER188, Legislative Journal page 613.) [LB735]

PRESIDENT SHEEHY: Senator Coash. [LB735]

SENATOR COASH: Mr. President, I move the E&R amendments to LB735. [LB735]

PRESIDENT SHEEHY: You have heard the motion on the adoption of the amendments. All those in favor say aye. Opposed, nay. They are adopted. [LB735]

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CLERK: I have nothing further, Mr. President. [LB735]

PRESIDENT SHEEHY: Senator Larson. [LB735]

SENATOR LARSON: Mr. President, I move that LB735 be advanced to E&R for engrossing. [LB735]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB735 advances. We'll now proceed to LB209. [LB735 LB209]

CLERK: LB209, Mr. President, no E&R; I do have other amendments. The first, Senator Cornett, AM2193. (Legislative Journal page 662.) [LB209]

PRESIDENT SHEEHY: Senator Cornett, you're recognized to open on AM2193. [LB209]

SENATOR CORNETT: Thank you, Lieutenant Governor and members of the body. AM2193 embodies the provisions contained in LB489 as amended by the Revenue Committee. The bill, and now this amendment to LB209, would provide a mechanism for municipalities across the state which have a local option sales tax in place to obtain information from the Department of Revenue regarding the amount remitted by holders of state tax permits from within the bounds of their individual municipalities. During the interim I conducted numerous meetings between interested cities and Commissioner Ewald to discuss possible amendments to this bill to make it easier for the department to implement. In response, we developed the amendment before you now. It would require the records of payments by a sales tax permitholder must be viewed on the premises of the Department of Revenue. In addition, municipalities that want to review these must certify one individual to the department who can review these documents. The individual so certified is held to the same standards as an employee of the Department of Revenue when it comes to disclosure of any information obtained through this process. A violation of this would be a Class I misdemeanor. This legislation would make planning by municipalities easier throughout the state in two ways: first, by knowing which businesses in the municipalities are compliant with Nebraska sales tax laws and remitting correctly; and secondly, to provide cities with what the potential impact to cities would be for the departure of a larger remitter of sales tax. I would ask for your support of AM2193 to LB209 and urge the body to support the amendment. Thank you. [LB209 LB489]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You've heard the opening of AM2193 to LB209. Seeing no request to speak, Senator Cornett, you're recognized to close. [LB209]

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SENATOR CORNETT: Thank you, Lieutenant Governor and members of the body. I, again, urge the body to support this amendment. It will give our municipalities freer access to information that they need for budgeting process. Thank you. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You've heard the closing. The question before the body is on the adoption of AM2193 to LB209. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB209]

CLERK: 28 ayes, 0 nays, Mr. President, on adoption of Senator Cornett's amendment. [LB209]

PRESIDENT SHEEHY: AM2193 is adopted. [LB209]

CLERK: Mr. President, Senator Krist, AM2235, I have a note, Senator, you wish to withdraw AM2235. [LB209]

SENATOR KRIST: That is correct. I have another amendment coming up that will replace it. [LB209]

PRESIDENT SHEEHY: AM2235 is withdrawn. [LB209]

CLERK: Senator Cornett would move to amend, AM2277. (Legislative Journal page 875.) [LB209]

PRESIDENT SHEEHY: Senator Cornett, you're recognized to open on AM2277 to LB209. [LB209]

SENATOR CORNETT: This is an amendment brought to us by the Department of Revenue. The bill has been a result of working very hard with the small cities that have been hit hard by our refunds under the tax incentive laws. Under Nebraska's original LB775 and subsequent modifications of the Nebraska Advantage Act, companies can earn tax credits and sales refunds by creating jobs and making investments. This has been the case since 1987. Cities using the local option sales tax must also refund their share of sales tax to these companies. Some small cities were subject to withholding of their sales tax remitted in amounts which equaled several months of sales tax receipts and in some cases cities would be paying...cities paying these sales tax would receive no money from their sales tax for over a year. Cities complained about the fiscal impact of these sales tax refunds on their budget, planning, and cash flow over a year. We devised a solution which mitigates, but does not eliminate, the problem. Our approach, as found in LB209, involves advance notice of the refund and in extreme cases allowing the city to have refunds withheld over the course of a year by using installment payments. The payment will be withheld by the Department of Revenue from the monthly sales tax remitted to cities using local option sales tax. The language of the

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committee amendment allows use only of this delayed payment and installment payment option for the smaller cities and limits use of the installment payment option to the extreme situations defined as a single refund claim which exceeds 25 percent of the city's prior fiscal year sales receipts. The amendment that we have makes this definition of 25 percent threshold more precise, as requested by the Department of Revenue. This was developed after further discussion with cities advocating for the bill and the Department of Revenue. This will make the bill more workable for the department and for the cities. I would urge the body's support of the amendment and the underlying bill. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You've heard the opening of AM2277 to LB209. Senator Cornett, you were next in the queue. Seeing no additional requests to speak, Senator Cornett, you're recognized to close. [LB209]

SENATOR CORNETT: I'm sorry, I thought Senator Krist was filing another amendment. [LB209]

PRESIDENT SHEEHY: Mr. Clerk, you have an amendment to AM2277. [LB209]

CLERK: I do, Mr. President, I apologize to the body. Senator Krist would move to amend Senator Cornett's amendment, AM2370. (Legislative Journal page 875.) [LB209]

PRESIDENT SHEEHY: Senator Krist, you're recognized to open on AM2370 to AM2277. [LB209]

SENATOR KRIST: Thank you, Mr. President. Good morning, Nebraska and colleagues. I understand what Senator Schilz is trying to do in terms of deferred payments because it is a strain on the small cities and I also understand what the Revenue Committee has tried to do. But I think it is unfortunate that we choose again to exclude the cities of the metropolitan class and the cities of the primary class from this legislation. The problem is no smaller in Lincoln or Omaha than it is in any small city, township across this great state. In fact, in the city of Omaha to combat this issue they actually put aside between \$8 million and \$12 million a year in their budget not knowing what the consequence of that tax deferment might be. I think that if you are representing the city of Lincoln, you need to listen; if you're representing the city of Omaha, you need to listen. If we include the city of the metropolitan class and the city of the primary class, we will include all cities across Nebraska and make this fair for all the citizens in this great state. I'm interested in some discussion on the issue. I think it's the fairer thing to do. Thank you, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Krist. You've heard the opening of AM2370 to AM2277. Members requesting to speak, Senator Cornett and Senator Schilz. Senator Cornett. [LB209]

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SENATOR CORNETT: Thank you, Lieutenant Governor and members of the body. I rise in strong, strong opposition to this amendment. This bill was crafted to help the small municipalities throughout the state who these refunds can mean they have no sales tax coming back. As Senator Krist said, the larger cities, the city of Omaha sets money aside because they are able to cash flow. They have a much larger amount of sales tax coming in and can budget for these refunds. These refunds for the small municipalities can mean the difference between no money coming in and having the ability to budget. This amendment would make the fiscal note unworkable for the bill and will take this opportunity away from our small cities. With that I urge the body to vote against this amendment and to protect our smaller cities on this issue. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Cornett. Senator Schilz. [LB209]

SENATOR SCHILZ: Thank you, Mr. President. Good morning, members of the body. I, too, stand in opposition to this amendment. As Senator Cornett said, this has been a work in progress for every year since I've been in the Legislature. This has been one of those bills that has taken this long to get the kind of support that we have. And I want to make sure that people understand that it really is a bill that is out there that is going to give these smaller communities that are having these huge hits a chance to take a breath. It won't necessarily fix the problem entirely, but it will give them a chance to understand and to plan for future budgeting. And that's extremely important for some of these smaller communities. We were...surprisingly funny that we find ourselves in the same position today as we did last year about this same time when we were talking about this bill and doing some things and in the last minute people want to come aboard, want to take advantage of the work that has been done, but I think that the responsible thing to do, the right thing to do, move this bill without this amendment, wait till next year, have the discussions on how and if those larger cities should be included in some sort of bill like this, but now is not the time and this is not the place to put this amendment and attach it to the bill. Thank you very much, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Schilz. Additional members requesting to speak on AM2370, we have Senator Krist, followed by Senator Burke Harr, Senator Lathrop. Senator Krist. [LB209]

SENATOR KRIST: I'd like to address a question to anyone who wants to answer it on the fiscal note side. I would assume that that would be Senator Cornett. While she is working her way back over to her mike, I'd just like to go on the record as saying I don't disagree with Senator Schilz at all; in fact, I support his effort. His small towns, cities in his district need that kind of help, as do all citizens in Nebraska, and I thank him for bringing it forward for discussion. And I fully support it. I wouldn't have attached the amendment if I did not. I thank Senator Janssen for prioritizing the bill. I think it was a good thing to do. But if Senator Cornett would yield to a few questions. [LB209]

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PRESIDENT SHEEHY: Senator Cornett, would you yield to Senator Krist? [LB209]

SENATOR CORNETT: Yes. [LB209]

SENATOR KRIST: Thank you, Senator. As I understand the intent of this bill to enable those cities to buffer the demand that's put upon them, we are going to defer these payments down the road. Is that correct? [LB209]

SENATOR CORNETT: One year, yes. [LB209]

SENATOR KRIST: Okay. [LB209]

SENATOR CORNETT: They will get a one-year notification of their sales tax liability. [LB209]

SENATOR KRIST: So they're still going to pay the state; it's just a one-year deferment, up to a one-year deferment. Is that correct? [LB209]

SENATOR CORNETT: It can be longer. If one refund is more than 25 percent of their budget, then they can have a time period to pay it back. [LB209]

SENATOR KRIST: So your main argument here is that it would affect the fiscal note. Is that correct? [LB209]

SENATOR CORNETT: The fiscal note issue is a concern. My main argument here is the larger municipalities have a much larger amount of sales tax coming in. For the smaller cities, which this was crafted for, one of these refunds can mean they receive no sales tax. That will not happen with a larger municipality. They will have a refund, but they will still have sales tax coming in. [LB209]

SENATOR KRIST: Thank you, Senator, I appreciate that. I don't agree, but I do appreciate your concerns and your statement. I think that if it's good for the small cities, it's also good for the large cities where the bank roll or the cash flow, as you suggest, is just as difficult. It's just much more enlightening, exhausting, I guess, when you look at the large amount of money that comes into the larger cities. I'd like to have a discussion on this issue and if nothing else put on the record that I think, once again, we're crafting one piece of legislation at a time and changing tax code that needs to be looked at very carefully. Thank you, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Krist. Senator Harr. [LB209]

SENATOR HARR: Thank you, Mr. Lieutenant Governor. I'm a little confused here.

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Would Senator Schilz be willing to answer some questions for me? [LB209]

PRESIDENT SHEEHY: Senator Schilz, would you yield to Senator Harr? [LB209]

SENATOR SCHILZ: Yes. [LB209]

SENATOR HARR: And I apologize, I didn't get a chance to...I'm kind of ambushing you, I didn't get a chance to talk to you beforehand. But I think these are fairly simple questions and it is more to develop a record. This really came to light because of some small towns, I think Sidney was one of these small towns. Is that correct? [LB209]

SENATOR SCHILZ: That was a...that was the community in my district that was having issues with this, yes. [LB209]

SENATOR HARR: So yes, okay. And this is, at its core, goes back to LB775 and Nebraska Advantage Acts. Is that correct? [LB209]

SENATOR SCHILZ: Yeah, the incentive programs, whether it's LB775, the Nebraska Advantage or Super Advantage, yes. [LB209]

SENATOR HARR: Okay. And I guess my question is, what happened in Sidney? [LB209]

SENATOR SCHILZ: Well, quite honestly what happened in Sidney is they had a local option sales tax that their citizens had voted for on the books and then they also had qualifying businesses under LB775, Advantage and Super Advantage that had asked for refunds and there is no way to discriminate which sales tax goes back. And so it all goes back to be distributed out to these folks and some of the things that these local option sales tax that were put into place for, the monies then weren't there to get those done. That was the impetus of how we got started. [LB209]

SENATOR HARR: Okay. Was Sidney aware that they were going to owe this money? [LB209]

SENATOR SCHILZ: The thing is, before this bill comes into place, there wasn't any mechanism to tell them when that money was going to come out and how much there was. We've worked on that over the past few years to find out and now we have that in place so that we can find out. But when we started, no, they had no...they had no way of knowing because, quite honestly, I don't want to take too much of your time, but these companies have up to, in some cases, 22 years to apply for this and get this money back. [LB209]

SENATOR HARR: To look back, is that? [LB209]

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SENATOR SCHILZ: Right. [LB209]

SENATOR HARR: Okay. So they had up to 22 years to look back. So that means that company had been there for 22 years, I assume. [LB209]

SENATOR SCHILZ: Not necessarily. That's the window that they have. [LB209]

SENATOR HARR: Okay. [LB209]

SENATOR SCHILZ: These companies could have been there for any amount of time and they just decided at that point, because they had some tax credits sitting there, that they would go ahead and take them at that time. And I think that has something to do with the economy. [LB209]

SENATOR HARR: Okay. Thank you, Senator Schilz. I guess I'm a little undecided on this issue. I see both sides very clearly. I'm tired though of hearing people talk about Omaha doesn't plan, Omaha doesn't do this, Omaha needs to do a better job of budgeting. And that doesn't necessarily always come from this body, to be specific, matter of fact, most of the time it isn't, that harping isn't coming from this body. But we have conflicting policy here. Number one is we have the Nebraska Advantage Act which we really love. We think it's a good...it's done great things for Nebraska. We've been able to avoid a lot of problems that other states have, largely due to LB775 and the Nebraska Advantage Acts. There is no doubt about that. But we also have when you owe money, you owe money. And it's not as if this was a hidden bill. This isn't due, mind you, to a change in a regulatory...or a ruling by the Department of Revenue. This is a law that has been out there and we've known about it the whole time and now we're going back and we're changing and we're saying, well, maybe you don't have to pay taxes as was always on the book. That's important, ladies and gentlemen. We're going to have a conversation about that pretty soon with LB902 about when and where you owe taxes. And here the cities or, excuse me, the smaller towns and cities knew the money was coming,... [LB209 LB902]

PRESIDENT SHEEHY: One minute. [LB209]

SENATOR HARR: ...knew a tax bill...they knew that a business was there and there was a possibility. Other towns have set money aside. It was law, not a change in a rule by the Department of Revenue. And yet here we are saying, well, you can pay it off over a longer period of time and we're changing our tax policy. So, just remember that as we go forward. Thank you very much. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Harr. Senator Lathrop. [LB209]

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SENATOR LATHROP: Good morning, colleagues; thank you, Mr. President. I stand in support of the amendment and my thought on this subject is the level of cooperation between state government and city government. We recognize the importance of that cooperation in the bill and the question is whether or not we recognize the importance of that with our larger cities. We do stuff here, I think as long as I've been here we've passed a business tax incentive or done something to the tax incentive process to accommodate new businesses coming into this state and we have put ourselves in a position to be very competitive in what we offer those who are looking for a place to relocate. That's good. And I think I've supported every single one of them. I certainly appreciate the importance of those incentives that are now part of the process of attracting business to the state of Nebraska. But they come, as this bill would suggest, at a cost to the municipalities. And what we do in LB209 is make an accommodation and not change the burden on the cities but change the cash flow. And that principle is equally applicable to our bigger cities, and Senator Krist's amendment recognizes that. I think it's important. And I look back on the last couple of years what this Legislature has done to cities, big cities, in this state, cities but big cities in particular. And they are struggling right now because they have a limited ability to raise revenues. And so once you have limited their ability to raise revenue or the revenue that is available to them then we get into a position, cities do, where they need help with the cash flow part of this. And I appreciate what we're doing in LB209. I support what we're doing in LB209, but the very rationale that makes LB209 a good idea for a city of the first class makes it a good idea for the city of Omaha or Lincoln, for that matter, and Senator Krist's amendment, I think, is a thoughtful approach to that and understand that most the time the city, as far as I know, supports these business tax incentives. I've never seen them down here to say don't give them one, we don't want that business in our town. But understand, these are things that we do at the state level that impact the revenue stream for Omaha, for example. And I believe it's important that we work in cooperation with the cities and not simply mandate to them how they're going to deal with policy that we make here on the business tax incentives. In the end, in the end, colleagues, this is about cash flow, not about forgiving obligations of the cities. It is allowing them to manage their cities better to have a steady stream of income coming in, and to know what they're going to have available to them for resources to run the cities. I would encourage your support of AM2370. Thank you. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Members requesting to speak on AM2370 to AM2277: Senator Schilz, Senator Heidemann, and Senator Conrad. Senator Schilz. [LB209]

SENATOR SCHILZ: Thank you, Mr. President, members of the body. I think...I just want to...I just want to touch on this one time and then I'll be done speaking. As you look at LB209, there are aspects of LB209 that help all of Nebraska and that's year's advance notice. That's there; everybody gets that. The other amendment that we just put in would be...someone from a city of any class would be able to designate a person that

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then would be able to go in and work with the Department of Revenue to find this. So those things are there for all cities. We need to remember that. As we look at this and we talk about the fiscal note, and this is the hugely important thing, is that it does and could cause a problem if we do open that up. We need to be very careful of that. We need this mechanism in place. And I'm not saying that, necessarily, primary or metropolitan city shouldn't have some sort of vehicle as well, but we need to look and see. And quite honestly, if a community such as Omaha or Lincoln would have the same amount of their sales tax taken away because of tax credits, they would too qualify for this program. The problem is, is that their city sales tax is so great and so much more than what they're giving back that they don't qualify for those percentages. We're talking about communities out there, we're talking about communities out there that have lost 30, 40, 50, up to 60 percent of their sales tax in one year. If we don't provide these people help, and I can tell you, if this amendment goes through, those people won't get help because this bill will probably die. So it is extremely important that we do not let this move forward. I'm willing to go out and work for those communities that want to try to find something to put in place to help those larger communities if this isn't what it is, but I think after my four years of working on this, after the Revenue Committee's four years of trying to figure out some way to help these smaller communities or any community that would have over 25 percent of their sales tax taken in a transaction, that's there so we don't have to worry about that. So what I say once again is, please, do not support this amendment. It is extremely crucial that this bill gets through for cities in my districts and other smaller communities that they're having large sums of their sales tax taken away. Thank you very much. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Schilz. Senator Heidemann. [LB209]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. We have worked on this issue for, as Senator Schilz, for four years and we could never come up with a solution and we finally found something that we thought was workable in LB209. There are certain cities across the state of Nebraska that because of provisions in LB775 when they get hit, it just creates a terrible cash flow problem for them. And I can name Sidney, I can actually...I have one in my district which is Tecumseh. I can name another one, I think it's Ravenna which put an ethanol plant in which...what it will do to Ravenna just will shake your head. I think it is very important that we move LB209 on. But unfortunately when you add AM2370 to it, it will kill the bill. This is...it is a cash flow problem that we're dealing with, with these cities. We have found a way to do that by actually paying for it but then doing it long term, but when you add in AM2370, the fiscal note will go up such dramatical portions that we won't be able to afford this. It is true that long term there is no General Fund impact, but in this biennial budget there is such an impact that it would probably take it, I think, from...I'm doing this from memory, from \$1.6 million, it would add another \$7 million to it taking it to \$8.6 million and we just...we cannot afford that at the present time. I think that LB209 is very important when you look at about who it is going to affect and how it's going to affect them. And I

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understand the argument for the city of Omaha, but when you look at the size of their budget and proportional-wise what it does to them when they get this in, it doesn't hurt them as much as a smaller town that has a smaller budget, and when it comes in to them it can take half of it away. And they just can't handle that. And that's what LB209 would address. So, I support LB209. It's very important. It's workable within the budget. When you add AM2370 to it, it makes it not workable. It will sink the bill. And I would urge you to vote against AM2370 but for LB209. Thank you. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Heidemann. (Visitors introduced.) Mr. Clerk, do you have items for the record? [LB209]

CLERK: I do, Mr. President, thank you. Bills read on Final Reading this morning were presented to the Governor at 10:36 a.m. (Re LB473, LB446, LB526, LB733, LB739, LB759, LB760, LB780, LB786, LB790, LB801, LB811, LB841, LB860, LB878, LB1031, LB686, LB723, LB773, LB794, LB831, LB849, LB871, LB904, LB943, and LB1064.) I have an explanation of vote from Senator Conrad (re LB473). Notice of hearing from Health and Human Services, that's signed by Senator Campbell, as Chair of the committee. Committee reports: Your Committee on Natural Resources, chaired by Senator Langemeier, reports LB1087 to General File with amendments; Urban Affairs reports LB1137 to General File with amendments, those signed by their respective Chairs. Amendments to be printed: Senator Cornett to LB131, to LB968; Senator McGill to LB310; and Senator Council to LR40CA. That's all that I have, Mr. President, thank you. (Legislative Journal pages 875-885.) [LB473 LB446 LB526 LB733 LB739 LB759 LB760 LB780 LB786 LB790 LB801 LB811 LB841 LB860 LB878 LB1031 LB686 LB723 LB773 LB794 LB831 LB849 LB871 LB904 LB943 LB1064 LB1087 LB1137 LB131 LB968 LB310 LR40CA]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Returning to floor discussion on AM2370 to AM2277, members requesting to speak, Senator Conrad, followed by Senator Hadley. Senator Conrad. [LB209]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in support of my good friend Senator Krist's efforts in regards to this amendment on LB209. I think Senator Lathrop did a great job in laying out this issue in terms of general principle. And at its very essence, it's an equity issue. If this is a sound policy to pursue for some communities in Nebraska, it should be a sound policy to pursue for all communities in Nebraska, particularly with the consideration that some of the communities that may be left out, most notably Lincoln and Omaha from understanding, are, in fact, the economic drivers in this state in a great many instances and want to be good partners with our fellow citizens and fellow communities across the state. I've said many times and I firmly believe that when rural Nebraska is hurting, that hurts Lincoln and Omaha; and when Lincoln and Omaha hurt, that hurts rural Nebraska. We have an intertwined economy and we need to be thoughtful as state senators about how our

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actions impact the state as a whole. [LB209]

PRESIDENT SHEEHY: (Gavel) [LB209]

SENATOR CONRAD: In relation to some of the fiscal issues that have been addressed and I'm hoping Senator Heidemann might yield to a question as Chairman of the Appropriations Committee, he started to lay out some of his concerns with what this amendment might do from a fiscal perspective, but I'm hoping just to get some clarity on those issues if he is available, Mr. President, thank you. If Senator Heidemann would please yield to a question. [LB209]

PRESIDENT SHEEHY: Senator Heidemann, would you yield to Senator Conrad? [LB209]

SENATOR HEIDEMANN: Yes. [LB209]

SENATOR CONRAD: Senator Heidemann, it's fair to say that this current budget cycle we're looking at a small surplus and in future years we're looking at a fairly dramatic shortfall. Is that a fair overview of where we are today and where we are in the next cycle from a fiscal perspective? [LB209]

SENATOR HEIDEMANN: According to the status as we know it now. That could change next October when the October Forecasting Board will tell us how the next biennial budget needs to be crafted. [LB209]

SENATOR CONRAD: Sure, but just looking at the green sheet today we're showing, with the preliminary decisions by the Appropriations Committee, that we've got about \$17 million and change in surplus and in the estimates for the following biennium we're looking at about a \$460 million shortfall. Is that accurate? [LB209]

SENATOR HEIDEMANN: The way I see it, yes. [LB209]

SENATOR CONRAD: Okay. So my point would be if this is, indeed, sound policy to pursue for some communities, I believe it should be sound policy to pursue for all communities. Wouldn't it be a good idea to address this and take care of the issue now, when we have a small surplus, rather than when we're looking at a \$460 million deficit in the future, the very near future? [LB209]

SENATOR HEIDEMANN: I'd have to go back and look at the bill, but this doesn't actually exclude any communities, it is the proportion that it affects their budget. So if Lincoln or Omaha or anybody else, if it affects their budget by a certain percentage apportionment, they would qualify too. [LB209]

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SENATOR CONRAD: But I... [LB209]

SENATOR HEIDEMANN: Omaha can qualify for this, the way I understand it. [LB209]

SENATOR CONRAD: I understand that, Senator Heidemann, but if I was listening carefully to your earlier comments, you said that you were against the amendment because we can't afford it today. Is that right? [LB209]

SENATOR HEIDEMANN: Looking at the \$17 million, and you're fully well aware of this, there are other interests for A bills out there. If you take \$8.6 million off the table, there's not a lot left for everybody else. Now if this is a priority, once again, that's what this body does, they look for priorities, then so be it, and I'm okay with that, but I will tell you that this is going to take approximately \$8.5 million, \$9 million off the table and that leaves less for other priorities. [LB209]

SENATOR CONRAD: Thank you, Senator Heidemann. I couldn't have made the point better myself and that's an excellent refresher course on exactly how our budgetary process works. When we're looking at what this surplus may or may not be used for, those are policy decisions for this body to make. [LB209]

PRESIDENT SHEEHY: One minute. [LB209]

SENATOR CONRAD: And if, this is indeed...thank you, Mr. President...a priority that does come with a fiscal impact to assist all communities in Nebraska in dealing with this important issue then that's a dialogue and a discussion that we should have and it should start from that posture. It shouldn't start from the posture that we can't afford this, because the green sheet indicates otherwise. Until we take actions on other issues or the budget as a whole, we can, and it is open for debate. And if the thought is that, well, we'll have to take care of this down the road, it's going to be a lot more difficult to take care of down the road when we're staring at a \$460 million deficit than when today we're looking at almost a \$20 million surplus. So for that reason, if we're going to make the hard decisions, let's make them today while we have the resources available and let's have a debate that is thoughtful in terms of how our budgetary process actually works. Thank you, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Conrad. (Visitors introduced.) Continuing floor discussion on AM2370 to AM2277. Member requesting to speak, Senator Hadley. [LB209]

SENATOR HADLEY: Mr. President, members of the body, I wish you a good weekend coming up. This was heard before the Revenue Committee and it's not a new bill. I think some form of this bill has been before the Revenue Committee all four years I've been on the Revenue Committee. I wanted to read you the proponents to this bill: the

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introducer, Abbie Cornett; the city of Sidney; Tecumseh Economic Development; city of South Sioux City; city of Ravenna; Ravenna Economic Development; city of Bridgeport; city of Wakeland (sic); city of Omaha; city of Lincoln; League of Municipalities; opponents, none; neutral, Omaha Chamber of Commerce. I specifically asked the Omaha representative, how do you handle this kind of problem in Omaha? The answer was, we basically budget for it; we set aside a part of our sales tax every year to handle these types of refunds, so basically it's not a concern to us. So something has happened from the hearing to now, because these are the proponents, the very people...the cities we're talking about now were the ones that came in and said they were in favor of the bill. So it...if somebody can help me, tell me what has changed from the time we had the hearing to now I would be happy to listen to that. But as my western friend said, I thought we walked the traps in trying to figure out how this would impact cities when we put the bill out. So if...I would be happy to listen to somebody as to what the change in circumstances that the larger cities, the city of Omaha and the city of Lincoln, now change from a proponent to being, basically, opponents to the bill if they're not involved in it. Thank you, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Hadley. Senator Pahls. [LB209]

SENATOR PAHLS: Thank you, Mr. President. You know, I'm in a good mood and, Senator Cornett, I hope this will make you also in a good mood. I'm just reading this from the State Chamber, something that was sent out to us this morning, and it shows you good things are happening here in the state of Nebraska. I'm pretty optimistic. And this, just let me read a couple lines: Nebraska is the sixth best among the 50 states in the Beacon Hill Institute's latest state competitiveness report, an annual comparison of each state's readiness for prosperity. This institute looks at 44 economic indicators in eight categories: and this is the part I really like, government and fiscal policy, the rating is extremely high in that; security; infrastructure; human resources; technology; business incubation; openness; environmental policy. So I know it is getting towards the end of this morning. I just want to say, you know, I feel good because, you know, Nebraska, especially when I look up at the young faces up there, our future, I want them to know they need to be proud of this state and a lot of good things are happening. And if you do have a chance to read the State Chamber's news update because this happens a lot and we always seem to be looking at the down side of life. So I'm just saying, hey, this is a good day and, Senator Cornett, I wish the best for you on this bill. Thank you. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Pahls. Seeing no additional requests to speak, Senator Krist, you're recognized to close on AM2370 to AM2277. [LB209]

SENATOR KRIST: Thank you, Mr. President. I certainly do not want to affect LB209 and the success that Senator Schilz and the priority, obviously, that Senator Janssen puts upon helping our smaller cities around the state. But I feel compelled, because I

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represent the city of Omaha, to stand up and tell you that in between the time that it came out of the committee and it was on General there were some concerns and there is an element of what's good for the citizens across the state, if it's good for the smaller cities, it is also a benefit for the larger. I will tell you, and I've told people in the Urban Affairs Committee on which I sit, TIFing is not the panacea that you think it is. Be careful on the TIF; be careful on the tax base; be careful on the taxable income; be careful of setting your city up not to have a taxable base that will support it. I've also said many times on the mike since I've been here, we can't change tax and revenue policy one bill at a time and expect not to have fallout. Do I want AM2370 to succeed? You know what, it's not on my priority list. But taking a vote and making sure that it's a matter of record that we are excluding the city of the metropolitan class and we are excluding the city of the primary class in the state to facilitate and help those that do not reside in those two regions is a strong statement. Goodness gracious, I may even vote against it myself. But it has to be a point on the record to say, what is good for the citizens of this state across the state is good for all. Now there is an argument to be made... [LB209]

PRESIDENT SHEEHY: (Gavel) [LB209]

SENATOR KRIST: Thank you, Mr. President...there is an argument to be made on both sides that Omaha can shoulder, can buffer this. You know how they do that? They take my tax dollars and put \$8 million to \$12 million aside every year to make sure that they can buffer this. Can your small cities and towns do that? Absolutely not, that's the benefit of LB209. So I support LB209. I support the committee amendment. And I just ask you to vote one way or another on AM2370 because I do not want to pull it. I want it to be a matter of record that we are indeed helping out the small cities and towns in this state and at this point in time we find it unreasonable or unacceptable or financially not possible to support the city of the metropolitan and primary class. Thank you, Mr. President. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Krist. You have heard the closing. The question before the body is on the adoption of AM2370 to AM2277. All those in favor vote yea; opposed, nay. Record, Mr. Clerk. [LB209]

CLERK: 10 ayes, 22 nays, Mr. President, on the amendment to the Cornett amendment. [LB209]

PRESIDENT SHEEHY: AM2370 is not adopted. We will now return back to floor discussion on AM2277. Seeing no requests to speak, Senator Cornett, you're recognized to close. [LB209]

SENATOR CORNETT: Thank you, Lieutenant Governor and members of the body. AM2277 provides clarification in regards to the 25 percent withholding. I would appreciate the body's support on this amendment and thank the body for their support

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on the underlying bill. [LB209]

PRESIDENT SHEEHY: Thank you, Senator Cornett. You have heard the closing. The question before the body is on the adoption of AM2277 to LB209. All those in favor vote yea. Opposed, nay. Record, Mr. Clerk. [LB209]

CLERK: 39 ayes, 1 nay, Mr. President, on the adoption of Senator Cornett's amendment. [LB209]

PRESIDENT SHEEHY: AM2277 is adopted. [LB209]

CLERK: I have nothing further on the bill, Mr. President. [LB209]

PRESIDENT SHEEHY: Senator Larson. [LB209]

SENATOR LARSON: Mr. President, I move that LB209 be advanced to E&R for engrossing. [LB209]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye; opposed nay. LB209 advances. We will now proceed to LB996. [LB209 LB996]

CLERK: LB996, no E&R. Senator Wightman would move to amend with AM2333. (Legislative Journal page 830.) [LB996]

PRESIDENT SHEEHY: Senator Wightman, you're recognized to open on AM2333 to LB996. [LB996]

SENATOR WIGHTMAN: Thank you, Mr. President. Members of the body, as advanced from the Education Committee, LB996 repealed an exception that allowed children who have reached the age 16 to drop out of school if the child has a written consent of their guardian or parent. After debating the issues for some time, Senator Council advanced the concept that additional teeth should be added to the Nebraska law that allows a 16-year-old to drop out of school with their parent's consent. Senator Council provided to Senator Seiler and myself a copy of the current law in the state of Indiana. At this time Senator Seiler, who has made LB996 his priority bill, and I offer for your consideration and adoption AM2333, which is modeled on the law of the state of Indiana. AM2333 amends LB996 into Nebraska's law that allows a 16-year-old to drop out of school. In summary, AM2333 would do the following. Each public school district would be required to designate a person to conduct an exit interview for a child who is at least 16 but less than 18 years of age and enrolled in a school operated by the district and for children that are not exempt from the compulsory education requirement. The exit interview shall be personally attended by the child's parent or legal guardian, the child, the person designated by the school district to do the exit interviews. And I might

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add that we originally had principal in there, but many of the schools let the principal designate a particular person to handle these kinds of matters, so the school principal or her designee if the child attends public schools. The withdrawal shall be granted only if it is due to financial hardship, and the child must be employed to support his or her family or a dependent, or for illness or an order of the court. The withdrawal shall not be effective upon the agreement...only be effective, excuse me, on the agreement of, one, the child's parent or legal guardian, the child, and the principal, or the principal's designee if the child attends public school. The child shall indicate the agreement to the withdrawal by providing written acknowledgement of the withdrawal which shall include a statement that withdrawing from school is likely to reduce the child's future earnings and increase the child's likelihood of being unemployed in the future and the alternative education opportunities including vocational courses of study which have been offered to the child by the school district. By the adoption of AM2333 you will strengthen the Nebraska law that allows a 16-year-old to drop out of school but limits the circumstances. The parent and the child will have full knowledge and disclosure that dropouts significantly diminish their chances to secure a good job and a promising future. I would urge your adoption of AM2333 and the advancement of LB996. Thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Wightman. You've heard the opening of AM2333 to LB996. Mr. Clerk, you have an amendment to AM2333. [LB996]

CLERK: Senator Adams would move to amend Senator Wightman's amendment with AM2374. (Legislative Journal page 885.) [LB996]

PRESIDENT SHEEHY: Senator Adams, you're recognized to open on AM2374. [LB996]

SENATOR ADAMS: Thank you, Mr. President. Members of the body, since the...Senator Wightman filed his amendment to this bill, I have been contacted by school officials and they were concerned about one portion of the amendment and how it might be interpreted and that is the portion on, during the exit interview, the school district will notify the child and the parent about vocational education opportunities and alternative programs at the school. The way it is being interpreted by some school officials--and I understand that, having read it several more times myself, I can see that--they were concerned that it was requiring them to provide certain kinds of educational vocational opportunities. And what this language would do is simply say that the school district at the point of the exit interview needs to make the child, parent and/or guardian aware of what curriculum alternatives are available within that school district. So we clarify that the school doesn't need to go out and create an alternative school if they don't have one. They don't need to go out and create vocational programs that they don't now have because of this, merely make the child aware of what they have. Thank you, Mr. President. [LB996]

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PRESIDENT SHEEHY: Thank you, Senator Adams. Members requesting to speak on AM2374 to AM2333, we have Senator Coash, followed by Senator Dubas, Senator Seiler, Senator Price, Senator Karpisek, and others. Senator Coash. [LB996]

SENATOR COASH: Thank you, Mr. President. Would Senator Adams yield to a question? [LB996]

PRESIDENT SHEEHY: Senator Adams, would you yield to Senator Coash? [LB996]

SENATOR ADAMS: Yes, I will. [LB996]

SENATOR COASH: Thank you, Senator Adams. And my question is not about your amendment to Senator Wightman's amendment. I want to ask you, you are our educator in the body, and I want to ask you about the provision that says that with the principal along with the parent and the student, they're allowed to drop out after 16. And I want to ask you about the principal's role in this part where the...as I look through this, and I'm not an educator, but if I sit...if I try to put myself in the principal's shoes and I have a student and a parent who come to me with whatever reason there might be to say, you know what, school is not working for me or my son or daughter and I would like to drop...allow my son or daughter to drop out, ethically speaking, I can't find a way a principal could ever say, you know, that's okay. I just don't see a principal who is about education for kids could say, you know what, I'm okay with that student dropping out. Playing out I don't see that any kid will ever take advantage of this because I don't think any principal is going to be able to say, that's okay. And I would ask you to respond to that. [LB996]

SENATOR ADAMS: Well, I'm going to respond to it a couple of different ways. First of all, I'm going to look very literally at the amendment and if you'll notice there are three criterion, one being the child demonstrates...child or parent demonstrates a financial need for their dropping out, another being a medical need to drop out, and another being a court-ordered need to drop out. And that removes that principal a bit from making purely subjective decision, right? There are those three criterion right there. And you know, and I think maybe Senator Council, I don't mean to put her on the spot, but she talked about this, I believe, in Exec Session in committee and I think she may have a point there. We don't have data as to how many kids are dropping out at age 16. And I don't mean to point the finger at any school because I don't know of one that just let's them walk out the door. But it could be happening. It could be happening that literally they're coming in and saying, here's my textbooks and I'm out of here, see ya, good-bye. This slows that process down if there are places where that's happening. I don't know that I've answered your question very specifically. [LB996]

SENATOR COASH: Thank you, Senator Adams. There is an element in this, in Senator Wightman's amendment, that I still struggle with and that is in one of the reasons that a

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child could drop out. For some kids school is just not working and they need to take some time and they need to figure out an alternative way to get their graduation done. And I'm worried that we may be limiting those options. Senator Adams, you also mentioned data, and I would like to ask you a question about that because I don't see anywhere in your amendment or Senator Wightman's amendment that says that we're going to do anything with the information that we're getting. Are we going to send the dropout reasons to the Department of Education so that we can glean some information about the reasons kids are dropping out and the reasons that principals are giving to allow that, numbers per school district of requests? It seems to me that if we're going to go to the trouble of having these meetings, that we ought to take some time to collect the data as to why these meetings are occurring and the outcomes of them. And I'd ask you to respond to that as well. [LB996]

SENATOR ADAMS: Well, you're right, there's nothing in the bill,... [LB996]

PRESIDENT SHEEHY: One minute. [LB996]

SENATOR ADAMS: ...in either of these amendments that mandates that the department keep that data. I think it would be valuable data to have, probably, otherwise I wouldn't have to stand here and say anecdotally is all I could tell you about how many kids drop out for these reasons. [LB996]

SENATOR COASH: Thank you Senator Adams. Thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Coash. Senator Dubas. [LB996]

SENATOR DUBAS: Thank you very much, Mr. Lieutenant Governor. Good morning, colleagues. I appreciate Senator Wightman's willingness to work on this. I think every one of us agree in here that kids need to be in school and they need to be in school as long as possible so that they are well prepared when they leave to go out and be contributing members of our society. But we also recognize that there are kids who, for whatever reasons, are struggling to stay there. And I know there are some great alternative school options in our state. I know Grand Island has some. I know some of the our bigger cities do, but our smaller communities don't always have that option. I think there are other things available that can be provided for the kids, but not right in that community. So I think we still have a ways to go to meet the needs of those children who are finding it difficult to remain in school. And so...and I also think, I know I, for one, before this bill came forward, I thought the compulsory age was 16. I thought once you reached 16 you had that ability to drop out should you wish. I wasn't aware that really the age is 18, but that you can drop out with parental permission. And I think that was the part of the statute that we were...that I was finding wasn't really being enforced to the degree it probably needs to be in our schools. And so I think through the amendment that has been worked out, I think we're taking a step in that direction. The

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parent needs to be the one who is making this decision and needs to be involved in that decision. And as with any decision we're making in our life, we need to have as much information in front of us so that we are making what we hope is an informed and a correct decision. And perhaps some of these parents are just at the end of their rope, but they don't really know what is available. I think by requiring this dialogue to be exchanged between the parents, the students, and the school, hopefully it will help. I think as Senator Coash has pointed out, we need to understand why these kids are wanting to leave school. What is going on? Are there things that need to be done to help these kids decide to stay in school? So I think by having this very formal interview process where schools are able to point out other options that are available, parents are able to point out this is why my child is struggling and wants out and I'm ready to give them that permission. So I think just requiring this sit-down, face-to-face type of dialogue can go a long way for both the parent, the child, and the school. And so I do rise in support of the amendment and I think it is a step in the right direction as we move to find ways to make sure that our children are leaving school prepared and ready to go on to the, hopefully, their next level of education and find exciting jobs that they have a passion for and whether it's through a four-year degree or a two-year degree or whatever other option is out there for them. I think there are a lot of opportunities for kids and we want to make sure that they are aware of all their options and willing to take advantage of them. Thank you. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Dubas. Senator Seiler. [LB996]

SENATOR SEILER: Mr. President, members of the Unicameral, I prioritized this bill and after the hearing, which there was very little evidence of statistics, I went and talked to the Office of Probation Administration. They gave me the statistics. As of, active, February 24, 2012, they had 2,641 children in their system; 494 have 9th grade educations, 595 have 10th grade educations, 594 have 11th grade educations, and 12th graders, 386. The level there is just considerable. The dropoff...and I'm not sure if it's the driver's license or if it's just getting into trouble, but when...my experience in the practice of law, and from 1970 to 1976 I did mostly criminal law, these parents when they hit the juvenile probation area are more than happy to sign them off and let them be part of the state's problem and not their problem. And I think the next set of statistics, which I found in the Alliance for Excellent Education, there's a well-documented earnings gap between high school graduates and dropouts, an annual difference of \$10,000 a year. There's also a growing challenge for individuals with only a high school diploma to find stable, well-paying jobs. Where are they going to go to work at age 18 before they can drive heavy equipment or work on construction? From 16 to 18 what are they going to do? I think I've related to you the incident where OSHA ticketed one of my clients for a 15-, 16-year-old stepping just one foot inside the back room where the cooking and the meat grinder was going and cost the client \$800 in fines from OSHA just for that. So they can't even work and flip hamburgers anymore. The GED program, the Army will only take a very low percentage of those, like 2 percent. They have to

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have high school educations. It used to be, when I was a young person, that if you got in trouble you got shipped off to the Army. They straightened you out. We're not doing that anymore. The Army, and the Air Force, Navy, Coast Guard, they're not alternative educations anymore like they used to be. So I have real serious questions where we're going to end up with these children if their parents sign them out. They're just going to be on the street. And from what we've been talking about for money spent on children all this time, I think we could probably send them all to Harvard for the price that I see coming through in the cost of supporting this. And this is just another program. I believe there is a three-legged stool to this program: one, the truancy program; two, compulsory education; and three, the career path bill that will be coming up soon. I believe that's...when you put them together and the amendment now merges those criteria and development together. So I think we're going down the right path to get our foot in the door to settle...or to solve some of these problems. And, by the way, I have no objection to the amendment of Senator Adams'. I would support that amendment. Thank you. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Seiler. (Visitors introduced.) Continuing with floor discussion on AM2374 to AM2333, we have Senator Price, followed by Senator Karpisek, Senator Sullivan, Senator Wightman, and others. Senator Price. [LB996]

SENATOR PRICE: Thank you, Mr. President. Members, I rise in support of what we're trying to do. I do understand that this is an iterative process and we're working but I was wondering would Senator Wightman yield to questions. [LB996]

PRESIDENT SHEEHY: Senator Wightman, would you yield to Senator Price? [LB996]

SENATOR WIGHTMAN: Yes, I will. [LB996]

SENATOR PRICE: Thank you, Senator Wightman. I'm going to talk a little bit about the amendments and since it's your primary bill I was hoping you can address it. In paragraph (3) we see a stipulation that a "parent" or "guardian," and it isn't in the plural. So what happens in the situation when you have two parents, whether due to divorce or otherwise, and I think in a divorce decree oftentimes a parent is given legal authority to be involved in the education choices of a child, are we...or even if it isn't in a divorce, it only takes one parent to authorize this? [LB996]

SENATOR WIGHTMAN: I guess maybe it's not entirely clear, but my thought is that if one parent has custody, that would probably be sufficient if we're talking about two parents that are different as a result of divorce if they had full custody. [LB996]

SENATOR PRICE: Right, and... [LB996]

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SENATOR WIGHTMAN: If it's split custody, I would think it might require both parents. [LB996]

SENATOR PRICE: All right, great. And thank you, Senator Wightman. Because that's pretty concerning, ladies and gentlemen. Parents are very involved in their children's lives, or they should be. And even if there has been a separation or divorce, they're still very involved. And now we see here we have a lack of clarity, and I'm sure it's not a purposeful thing. Would Senator Council yield to a question? [LB996]

PRESIDENT SHEEHY: Senator Council, would you yield to Senator Price? [LB996]

SENATOR COUNCIL: Yes. [LB996]

SENATOR PRICE: Thank you very much, Senator Council. And I hope you were able to hear what I asked before about how the language seems to call "a" parent and could you walk me through how that resolves if it is a two-parent thing or if there is joint custody...not joint custody, but you know how if there's been a divorce you have a primary custodial parent and the other parent that is still involved in these decisions. How do we address that with the language we have today? [LB996]

SENATOR COUNCIL: Well, the...at least in my practices, as I understand it, what is required is for the custodial parent to consult with the noncustodial parent and the divorce decree would determine the extent to which that noncustodial parent would have the right to exercise the authorization here. And, you know, generally the custodial parent has the right to exercise the authority provided under the statute. Certainly, clarification can be provided in that instance, and, quite frankly, the bill...the language of the bill when drafted was clearly designed to deal with a custodial parent or a legal guardian. [LB996]

SENATOR PRICE: Okay, thank you very much, Senator Council. Ladies and gentlemen, I have a family member who is living in Indiana right now, who is divorced, has children and they don't...the idea, and, of course, I'm not an attorney, I've never played one either, is that there isn't a case of a custodial parent. There is a parent with a primary...the primary provider for where the child lives on a day-to-day basis, and then once a week and every other weekend they have a template that's worked out. If it's not contested, both parents have the say if there hasn't been a designation or a termination of the parental rights. [LB996]

PRESIDENT SHEEHY: One minute. [LB996]

SENATOR PRICE: Thank you, Mr. President. So, in this situation with this family member, they're both granted and both involved in the education thing, and that's their standard unless something been done, like they've terminated and they've given

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primary or total custody to one parent. And again, I can see that and I know where we're trying to go. I don't want to be a fly in the ointment, so to speak here. But what I want to be very careful of, is we've gone another step further to dividing families in a way here when we say "a parent" and not "parents." And I don't know the answer...if that's all the answer either, but we definitely need to look at this, examine it some more and see if we have to do something between...do something right now, we're on Select. Otherwise, I'm going to have a hard time supporting it because of the singular nature. Thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Price. Mr. Clerk, you're recognized for an announcement. [LB996]

CLERK: Mr. President, Senator Pahls would like to have an Exec Session of the Banking Committee underneath the south balcony; Banking Committee, south balcony. Thank you. [LB996]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Continuing with floor discussion on AM2374 to AM2333, Senator Karpisek, followed by Senator Sullivan, Senator Wightman, and others. Senator Karpisek. [LB996]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I'd like to ask Senator Wightman a question, please. [LB996]

PRESIDENT SHEEHY: Senator Wightman, would you yield? [LB996]

SENATOR WIGHTMAN: Yes, I will. [LB996]

SENATOR KARPISEK: Thank you, Senator Wightman. Just reading through your amendment, and I do agree that I like this better than the green copy, but I have a question on page 1 of the amendment, line 12, "children who reside in the school district, are not enrolled in a school operated by a school district in Nebraska, and are not otherwise exempt from the requirements of section 79-201. Each school board and board of education shall also assure," dah, dah, dah. What does that mean, Senator Wightman, or on page 2 even, line 7, "if the child at the time of the exit interview is not enrolled in a school operated by the school district"? [LB996]

SENATOR WIGHTMAN: Well, there are two exceptions that could be covered. One would be a parochial or private school, and we're not attempting to cover them, or homeschooling would also be an exception. On the homeschooling there are some provisions that they have to meet under Board of Education...or State Education Commissioner rules, and they would have to satisfy them. But we aren't attempting to cover homeschools, we're not attempting to cover parochial or private schools. [LB996]

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SENATOR KARPISEK: So parochial, private or homeschoolers wouldn't be affected by LB996 at all? Or would the public school have to do the interviews for the private school or the homeschooler? [LB996]

SENATOR WIGHTMAN: What I see as happening is that if they were going to allow the homeschool or private school to drop out of school, then before they could actually, they still would have to comply and probably be back at the home school in which they would be enrolled if they were not in a private school. [LB996]

SENATOR KARPISEK: Okay, I'm sorry, I'm not quite following. So, let's just say a parochial school kid is 16 and he wants to drop out. What would happen? [LB996]

SENATOR WIGHTMAN: I think a parochial school, if he wants to drop out, would have to go back to...if he were dismissed from the private school, he still has a home school within his district and I believe...they have to go back to be approved at the public school in order to withdraw from school. [LB996]

SENATOR KARPISEK: So they would have to go to the public school to be...would the private school have to allow them to leave their school? [LB996]

SENATOR WIGHTMAN: I don't think the private school, probably, has any choice in that regard. [LB996]

SENATOR KARPISEK: They just don't... [LB996]

SENATOR WIGHTMAN: They have to be withdrawn...they can withdraw. [LB996]

SENATOR KARPISEK: They just don't go there anymore since it is a voluntary... [LB996]

SENATOR WIGHTMAN: Right. [LB996]

SENATOR KARPISEK: Okay. Thank you, Senator Wightman, that clears that up and that's kind of what I thought we were talking about. And once again I've stood before and talked about private schools being treated differently than public schools. I don't like that part of this bill. I'm not in favor of the bill in its entirety anyway, so this doesn't help...it does help me to get a little bit closer, but I don't like pushing things off onto the public school. Thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: One...thank you, Senator Karpisek. Senator Sullivan. [LB996]

SENATOR SULLIVAN: Thank you very much, Mr. President. Call me stubborn or what, because I'm still struggling with this legislation. And, you know, there's a part of me that

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says, well, if I keep talking about this, it makes it sound like I'm diminishing the importance of our public school education. And I hope you will know by my statements today and also what I've said previously on the floor that nothing could be farther from the truth. I value education. I want every single child in this state to succeed. And I know that education is the key to that success. And our public schools, our great public schools here in Nebraska are a great pathway for achieving that. Now, will the amendment improve this legislation? To a point, because it sets up the potential for dialogue and communication among the educator and the child and their parents. And that, truly, is a good thing. I have some problems, as did Senator Coash, with this written agreement because, certainly, it is a bit of a stretch to think that an educator from a professional standpoint would actually buy into this written agreement that says it is okay for this child to leave school. I have some questions, too, about the designated person. Certainly, I would think that his or her teacher would be involved. Well, which teacher would that be? Maybe a guidance counselor can be pivotal in the discussion. I don't know. But the larger part is those parameters that are in this amendment, financial hardship, illness, or order of the court. Those parameters virtually eliminate any other individual circumstances or choices that might enter into the situation on the part of the parent and the child, and that's where I have a problem. You know, there is a difference between a requirement that says to a child, stay in school, like it or not, stay in school; or a requirement that empowers, inspires, engages a young person in the value of learning and wanting to stay in the public school environment to learn and to succeed. And I have to tell you, LB996 does nothing to promote the latter. And that's my problem with it. You know, we've indicated that we lack the evidence as to how many students drop out and what is happening to them. I looked through my file and one of the testifiers in committee gave us the figure of 1,968 children dropped out of school in the 2009-10 school year. If that is correct, and I don't know if it is, we have less evidence as to why those children dropped out and what is happening to them. So I ask the question, will LB996 lead to more children staying in school? Perhaps. I will also say right along with that that there is the potential that it will lead even more of those children into the juvenile court system and I don't think that's a good thing. Would passage of LB996 make us all feel better about doing our part to furthering education of our young people? Maybe. But I will also ask you, what does it do to help our children on the path to educational success and I would venture to guess, specifically with LB996, it does not do that. And, therefore, at this point I cannot support it. Thank you. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Sullivan. Senator Wightman. [LB996]

SENATOR WIGHTMAN: Thank you, Mr. President. I appreciate the good, spirited debate. I do want to stand in support of Senator Adams' amendment, AM2374. I think that strengthens it. We did not ever intend that a school have to implement a vocational course of study. And to the extent that may be unclear in the bill, I think that helps the bill. So I strongly urge your support to AM2374. I also want to thank Senator Council for

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bringing to us the amendment from the Indiana law that they, just as we have worked with this amendment, had to amend theirs at some later date to limit it to public schools. So we have done likewise, learning from the mistake they may have made in passage of the bill the first time. As to whether more kids stay in school and more stay out of trouble, we could easily take the somewhat negative position that all of these kids are going to be against going to school and are going to rebel, but I don't think that's the case. I think that frequently with this exit interview, we are going to encourage some kids to stay in school and maybe see a new path in their education that they haven't seen before. Now I certainly agree with Senator Seiler that probably this is a typical three-legged stool and that we do need to do a lot to build our vocational education opportunities that may be available to these children. However, that's not the purpose of this bill. I hope that it leads to that, however. And we will be discussing that later in this session, and I'm sure in subsequent sessions of this Legislature to give these students an additional track that may encourage their...and whet their appetite for education or at least the skills that could be learned. So with that, thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Wightman. Senator Wallman. [LB996]

SENATOR WALLMAN: Thank you, Mr. President. Would Senator Adams yield to a question? [LB996]

PRESIDENT SHEEHY: Senator Adams, would you yield to Senator Wallman? [LB996]

SENATOR ADAMS: Yes. [LB996]

SENATOR WALLMAN: Thank you, Senator Adams. Senator, somebody gave some figures on school numbers. How much does this affect state aid to local schools, do you know? [LB996]

SENATOR ADAMS: No. I mean it...virtually inconsequential. And then we could even get more detailed into TEEOSA, if you want to, about above 900, below 900, GFOEs. Yeah, I can see eyes glaring over already. (Laugh) [LB996]

SENATOR WALLMAN: It's a bunch of money. And, you know, I promised Senator Wightman I would support this thing but with tremendous reservation. When we have forced kids to go to school, maybe we ought to look at our curriculum; maybe we ought to look at our administrators, our principals, and maybe we ought to have some more input from the educators themselves, you know, that ground floor, teachers. And they see these kids day by day and what's happening. And I'd like to ask Senator Adams another question if he would yield. [LB996]

PRESIDENT SHEEHY: Senator Adams. [LB996]

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SENATOR ADAMS: I'll yield. [LB996]

SENATOR WALLMAN: Does this law coincide with states surrounding us, do you know? [LB996]

SENATOR ADAMS: You know, I don't have that at hand. I'm sorry, Senator Wallman. [LB996]

SENATOR WALLMAN: I'm sorry to ask these questions. I should look it up myself, but otherwise I used to be on the school board and kids dropped out and they went across to a different state. And we followed one of them up and he went to Iowa and it turned out to be homeschooled, pipeline workers. So was the kid smart? You betcha. Is he going to do okay? I hope so. But forcing kids to go to school, we better look at the reasons why they drop out. Is it our society? Is it our school system? Is it our curriculum? We could go on and on here. But interview the children in middle school. My wife says you can tell in 4th or 5th grade if that kid is going to finish high school. And part of it is parent, part of it is guardian, part of it is family, part of it is our mobile society. If you have a lot of immigrants in your school district, how are you going to keep track? It's tough. So that's all I got, Mr. President. Thank you. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Wallman. Senator Louden. [LB996]

SENATOR LOUDEN: Yeah, thank you, Mr. President, members of the body. I have some concerns about this bill because it talks about what would their likelihood of unemployment in the future and also their earning power and that sort of thing. You want to remember, you can't legislate ambition and that has a lot to do with someone's earning power. Would Senator Adams yield for questions? [LB996]

PRESIDENT SHEEHY: Senator Adams, would you yield to Senator Louden? [LB996]

SENATOR ADAMS: Yes, I will. [LB996]

SENATOR LOUDEN: Senator Adams, as I looked this amendment over here, and there talks about what the exit interview and who will be there and some of the reasons for it, "Financial hardship and the child must be employed to support his or her family or a dependent." And in here I'm wondering, should there be something in the bill that if someone is married at the age of 17? Are they still going to have to go to school or do they...and where does that fit in? And if they are going to have to go to school, are these schools then going to have to set up some kind of a system for childcare in these schools? [LB996]

SENATOR ADAMS: You know, Senator, if...I can tell you right now, I can't tell you the number, but we have kids right now that are probably married and attending school.

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[LB996]

SENATOR LOUDEN: I know, but they don't have to be. They don't have to go to school.  
[LB996]

SENATOR ADAMS: And under this, I suspect you could broadly interpret it. You could say, well, for financial reasons, because I am one of the breadwinners, I'm leaving. And under this amendment they would be allowed then to leave at age 16 or 17 if that were the case. [LB996]

SENATOR LOUDEN: And if they decided not to, and they were married, then they could still continue to go to school. And then what about child support then or childcare in the school system? [LB996]

SENATOR ADAMS: I don't think that that affects day care one bit as far as the schools are concerned. [LB996]

SENATOR LOUDEN: You don't think this bill would ever set something up that that school would have to start furnishing day care because the people were required to go to school until they were 18? [LB996]

SENATOR ADAMS: No, I don't think it would be any different than the way things are right now, Senator. [LB996]

SENATOR LOUDEN: Well, yeah, way right now, they don't have to. You're putting statutes that they got to stay in school until they're 18. That's the difference. [LB996]

SENATOR ADAMS: But we're also making an assumption or you're making the assumption that now, because they're married, there's going to be a bunch of them leaving school. [LB996]

SENATOR LOUDEN: No, I'm making an assumption if some of them get married they're going to have to stay in school. [LB996]

SENATOR ADAMS: And I would think that is a good thing. [LB996]

SENATOR LOUDEN: Okay. Thank you. [LB996]

SENATOR ADAMS: But I don't think we'll be caring for their children in the school while they're there. [LB996]

SENATOR LOUDEN: Okay. Thank you, Senator Adams. But as I look at this now is when we start this legislation, we're actually now talking about legislation to cause

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something that adults, and these people are literally adults by the time they're 17 years old or so, could be considered adults and go out on their own, make livings or do their work or enter into business or whatever, but I would question if this is something that we really want to do. What we put in place before hasn't been in statute that long and I would think that we would probably, perhaps, give it a chance to see whether or not it works. Thank you, Mr. President. [LB996]

PRESIDENT SHEEHY: Thank you, Senator Louden. Mr. Clerk, you have items for the record? [LB996]

CLERK: I do, Mr. President. An amendment, Senator Harms, to LB985A to be printed; Senator Langemeier, a motion to LB806; Senator Schilz, an amendment to LB882. (Legislative Journal pages 885-886.) [LB985A LB806 LB882]

And I do have a priority motion, Mr. President. Senator Wallman would move to adjourn the body until Tuesday, March 13, at 10:00 a.m.

PRESIDENT SHEEHY: You have heard the motion to adjourn until Tuesday, March 13, at 10:00 a.m. All those in favor say aye. Opposed, nay. We are adjourned.