

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

Floor Debate  
March 11, 2014

---

[LB17 LB96 LB130 LB308 LB560 LB572 LB666 LB681 LB689 LB692 LB725 LB738  
LB744 LB744A LB764 LB768 LB797 LB827 LB836 LB851 LB854 LB863 LB867 LB873  
LB888 LB889 LB891 LB899 LB905 LB906 LB914 LB936 LB941 LB941A LB944 LB949  
LB967 LB974A LB974 LB984 LB987 LB999 LB1001 LB1012 LB1033 LB1046 LB1052  
LB1060 LB1067 LB1074 LB1076 LB1091 LB1094 LB1103 LR481]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the forty-first day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Vicar Glenda Ferguson of the Grace Lutheran Church in Wahoo, Nebraska, Senator Johnson's district. Please rise.

PASTOR FERGUSON: (Prayer offered.)

SENATOR GLOOR: Thank you, Vicar Ferguson. I call to order the forty-first day of the One Hundred Third Legislature, Second Session. Senators, please record your presence. Roll call. Please record, Mr. Clerk.

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

SENATOR GLOOR: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

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

CLERK: The Education Committee, chaired by Senator Sullivan, reports LB967 to General File with amendments. That's all that I have, Mr. President. (Legislative Journal page 847.) [LB967]

SENATOR GLOOR: Thank you. We'll now proceed to the first item on the agenda, Mr. Clerk.

CLERK: LB905, a bill introduced by the Speaker at the request of the Governor. (Read title.) Senator Mello, as Chair of Appropriations, presented the committee amendments yesterday, Mr. President. Those amendments are pending, as is an amendment that was offered by Senator Bloomfield, specifically AM2308. (Legislative Journal page 844; AM2019, Legislative Journal page 791.) [LB905]

SENATOR GLOOR: Senator Mello, would you give us a brief overview of the committee amendments. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM2019 is the Appropriations Committee amendment which becomes the mainline budget bill as we discussed yesterday at length going over the critical components of the budget that were incorporated into this year's deficit appropriations, which focused primarily on water policy, property tax relief to the property tax credit program, Game and Parks Commission, Job Training Cash Fund, the pre-K grant program in the Department of Education, and the developmental disabilities waiting list, being the main priorities that were incorporated in this mid-biennial budget adjustment in AM2019. The underlying amendment I can speak a little bit to that as well, but I'll let...I'll yield my time back to the Chair and let Senator Bloomfield do that. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Mello. As Senator Mello pointed out, Senator Bloomfield, would you give the body a brief overview of your amendment to the committee amendment. [LB905]

SENATOR BLOOMFIELD: Thank you, Mr. President, and good morning, colleagues. My amendment was inclined to...was raised to create a little conversation--we had some of that yesterday. I think we're going to have a little more today--on the Interstate Rail Compact. I said, yesterday, when I introduced the amendment, that I would pull it. I still intend to do so. So we can jump and scream about paying for it out of our own pocket if we want to, and if we choose to do that I'll get the washtub for you; but I think we need to talk about this a little bit. I believe it's a compact we don't need to be in any longer. And if Senator Kintner doesn't introduce the bill to get us out of it next year, I will. But I do think we should talk about it so we know where we're spending the \$60,000 anyway. Granted, it's not going to break the state to pay that \$60,000, but we should know where and why we're spending money. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Bloomfield. Members, you've heard an update on the committee amendment to LB905 and the amendment to the committee amendment. We now return to debate. Senator Hadley, you're recognized. [LB905]

SENATOR HADLEY: Mr. President and members of the body, I was going to introduce myself as the champion of lost causes, but actually, I believe it was either three or four years ago, I brought a bill to get us out of the compact. The bill was heard in Transportation, it did not get out of Transportation, and it generated a lot of discussion. We had a lot of pro railroad people come in and felt that it would be inappropriate for Nebraska to get out of the compact. So I just wanted you to know it's not that we haven't tried as a body to have a bill to get it out, but it did not get out of the Transportation Committee. With that, I always felt, since we made a conscious decision not to get out of the compact, that we should be paying the dues, because we could have gotten out three or four years ago and not had the dues piling up. So from a personal standpoint I think we made a decision, or at least a committee made a decision, to keep us in the

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

Floor Debate  
March 11, 2014

---

compact. And so I would go on record as saying we should pay the bills, and if we want to get out let's bring a bill next year. I will again work hard, if I'm lucky enough to be put back on Transportation, whoever brings the bill I would support it to get out; but, right now, we made a decision to stay in. With that, I would yield any of my additional time to Senator Bloomfield if he would like it. [LB905]

SENATOR GLOOR: Senator Bloomfield, 3 minutes 12 seconds. [LB905]

SENATOR BLOOMFIELD: Thank you, Mr. President. Thank you, Senator Hadley. And would Senator Hadley yield for a question? [LB905]

SENATOR GLOOR: Senator Hadley, would you yield? [LB905]

SENATOR HADLEY: Yes. [LB905]

SENATOR BLOOMFIELD: Thank you, Senator Hadley. And thank you for taking a position on this. Do we gain any benefits from being in this compact, to your way of thinking? [LB905]

SENATOR HADLEY: I really don't believe so, Senator Bloomfield. The rail line, as I remember it, is a high speed rail line that they're working on to go from Chicago basically to Omaha is what this compact is looking at. And I don't see a great deal of benefit. I suppose you could argue that it helps bring Omaha...people from Chicago to Omaha. But again, that's debatable. But I think, Senator Bloomfield, I don't mean to take all your time, but I think it's a question of whether \$15,000 is a lot of money to show faith that we would, you know, in the idea of the high speed railway. [LB905]

SENATOR BLOOMFIELD: Okay. Thank you, Senator Hadley. And we discussed this two or three years ago briefly, too, and maybe it was last year. I share some of Senator Chambers' Teflon brain cells; they kind of slide away every once in a while. But there was some talk about doing something between Lincoln and Omaha with the rail. Are you familiar with any of that, and is there any chance of that, that you see in the future? [LB905]

SENATOR HADLEY: I really don't, Senator Bloomfield. I think that would be something everybody would like, but is that in the foreseeable future? My best opinion is no. [LB905]

SENATOR BLOOMFIELD: Okay, thank you again, Senator Hadley. Colleagues, whether we choose to pay this or not, whether we are obligated to pay it or not, I don't believe the compact serves us well,... [LB905]

SENATOR GLOOR: One minute. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR BLOOMFIELD: ...and I think certainly next year we ought to stop this dripping of blood. It's not an artery that's been cut but it is taxpayers' money we're spending. Let's not just continue to throw it away. Thank you. [LB905]

SENATOR GLOOR: Thank you, Senator Bloomfield and Senator Hadley. (Doctor of the day introduced.) Senators wishing to speak: Smith, Dubas, Schumacher, Krist, and Christensen. Senator Smith, you're recognized. [LB905]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I had my light on when we ended yesterday, and we had heard Senator Chambers rail on conservatives. And Senator Chambers, I'm going to...any remaining time I'm going to give to you in just a moment. But pardon the pun: railing on conservatives for not fulfilling their obligations. And I'm a conservative and I am in opposition to AM2308 because I do believe it's a contractual obligation that we have since 2010, back payments, dues that have not been paid for this compact. Regardless of whether you believe we should be in this compact or not, it's an obligation we have and we need to fulfill it. And I stand in opposition to AM2308. I think, as Senator Hadley mentioned, we could have a conversation next year as to whether we remain in the compact. Personally, I think that there's some benefits to being at the table for this nominal amount of cost and dues. But regardless, we need to pay what we owe. It sets a terrible precedent not to do so. So with that, Senator Chambers, would you like my remaining time? [LB905]

SENATOR GLOOR: Three minutes 35 seconds, Senator Chambers. [LB905]

SENATOR CHAMBERS: Thank you, Mr. President. And thank you, Senator, parenthesis, Conservative, closed parenthesis, Smith. Members, of the Legislature, I was very, very upset yesterday, and I hope it came through. But since Senator Bloomfield said he's going to pull his amendment, his offer, then there's not a lot for me to say. But I went after conservatives because those were the ones pushing this, and they're the ones I always hear talking about assuming your responsibilities and the kind of things they usually say. But I do not detect compassion, I do not detect understanding, I do not detect concern for those whom government should take an interest in helping, and that's why I just had to say what I did. I know that not every conservative is as foolish as what this amendment would suggest. But on a matter like this when it comes before the Legislature, I cannot take the time to parse the body in the way I would parse words and say so-and-so may be for this, so-and-so may not be. It's up to them to separate themselves from something which is going forth which is reprehensible. If I had known at the outstart that all Senator Bloomfield intended to do was make a point and pull it, that was one thing. But when Senator Kintner got on his hobby horse, I'm reaching the point where there are things he will say that I will not take issue with, but yesterday was the last straw for me. He jumps up here and he quotes

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

Floor Debate  
March 11, 2014

---

things that he's heard on talk radio or someplace, and to allow those things to stand unchallenged would suggest that I, speaking only for myself, find no fault with it and agree with it. But when I see something like yesterday, I will speak and I will make it very clear what my point of view is. And I think now I will turn on my light one more time, or one time, because I couldn't get quite all of it said. But I do appreciate Senator Smith inviting me into the discussion. Thank you. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers and Senator Smith. Senator Dubas, you're recognized. [LB905]

SENATOR DUBAS: Thank you very much, Mr. President, and good morning, colleagues. As I said yesterday, we have two issues before us. One can't be decided this year. It will have to come back next year in the form of a bill to officially withdraw from the compact. What we are deciding today is, do we pay our bills? Do we as the state of Nebraska get to pick and choose the bills we pay? This is \$60,000 to pay back dues--something that we owe, something that the statutes say we owe. That's what's up for discussion today. I can provide you all kinds of information about the compact and what it does and doesn't do. That's for another debate, another year, for the next Legislature to decide. The statute says, "Statute Section 74-1601, Article IX: Withdrawal, Default, and Termination. Withdrawal from this compact shall be enacted by a statute repealing the same and shall take effect one year after the effective date of such statute. A withdrawing state shall--"shall"--be liable for any obligations which it may have incurred prior to the effective date of the withdrawal." We have a bill, we have an obligation. We take an oath to uphold the constitution and the laws of this state. If we don't like them, we have plenty of opportunity to come back and make changes accordingly. But until those changes are made, we do not get to pick and choose. The Governor vetoed this out of the budget last session. I'm sorry that that happened. Unfortunately, we couldn't override the veto. The administration apparently thinks that we get to pick and choose the bills that we pay. I strongly disagree with that. I think any one of us could go through all of the bills that come before the Legislature and say, well, I don't like that particular program; I don't think we should provide the money to support that particular program; or I don't think we should pay that bill. The question was raised yesterday, what can they do to us? Well, they can come back with an unclaimed...a claim against the state. One way or another, we'll pay this bill. But I think this puts the Legislature and the actions that we take in the Legislature in very poor light. And so I hope...I am hoping that Senator Bloomfield follows through and withdraws his amendment. Should he not, I hope this amendment is defeated. If this is vetoed, I hope the Legislature will stand and override that veto, because we need to pay our bills. I will remain...yield the remaining of my time to Senator Chambers should he choose to take it. [LB905]

SENATOR GLOOR: Thank you, Senator Dubas. Senator Chambers, 2 minutes 20 seconds. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Dubas. Members of the Legislature, maybe if I do some things by quotation I can keep my cool. There was a fellow named William Shakespeare, and he wrote many, many things. In fact, he should have had an editor, except that maybe he was paid by the word; and some people say that Shakespeare is not the one who wrote all of the things attributed to him. But nevertheless, assume that all of the things attributed to him he actually wrote. He said, or is alleged to have written: Who steals my purse steals trash. Who steals my purse steals trash; who steals my good name makes me poor indeed. So Senator Kintner and his ilk would sacrifice our good name as a Legislature and a state for a piddling amount of money, which is indeed and in fact and in law owed. Why pick something like this to establish his conservative credentials? I don't know. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: I could do a better job of going to somebody's house where they have little goldfish swimming in a bowl and I could read their minds, the minds of these goldfish, better than I can divine what's going on in Senator Kintner's mind, if anything. And you know why I'm being so hard this morning? Because what he did is a reflection on this body and it cannot be allowed as the expression of the attitude of the Legislature, the types of things he said. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers and Senator Dubas. Senator Schumacher, you're recognized. [LB905]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. We have two different principles operating here. The first is the principle of comity. Comity. Not comedy, even though we're capable of that here, but comity. Relationships between sovereigns. And under the rules of comity, you try to get along, you try to be polite, you try to do what is kind of expected of friends. Under the rules of comity, I think we probably should pay this bill. But then we also have the rules of legal obligation. Much less clear there. These are the provisions of a compact that I think are relevant: "the monies necessary to finance the general operations of the commission and carrying forth its duties, responsibilities, and powers as stated herein shall be apportioned to the commission by the compacting states when authorized by the respective legislatures." No legislature would be fool enough to hand over a blank check to a commission of other...composed of folks elected from other legislatures. They didn't specify limits, but they said that if the legislature, it's subject to approval by the Legislature. Otherwise, we could get a bill for a million dollars next year. Nothing is stopping it. What's stopping it is that the authors of this put the hedge language in, the safety valve language. Probably not worth pulling the safety valve lever on this kind of a bill, but nevertheless, that's what's there. Furthermore, what happens if you don't pay? Not much. The compact states, "If any compacting state shall at any time in the performance of any of its

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

Floor Debate  
March 11, 2014

---

obligations, assumed or imposed, in accordance with the provisions of this compact, all rights, privileges, and benefits conferred by this compact or agreements hereunder shall be suspended from the effective date of such default as fixed by the commission, and the commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless such default is remedied under the stipulations and within the time set forth, this compact may be terminated with respect to the defaulting state by affirmative vote of a majority of the commission members." They can kick us out. "Any such defaulting state may be reinstated, upon a vote of the commission, by performing all acts and obligations stipulated by the commission." So the idea that this is a stiff, absolute, legal obligation is not accurate, and that's probably why the Governor vetoed it. It's not a legal obligation even though it may be an obligation of comity. Having said that, what are we doing staying in this thing if there's no apparent benefit to it? If we wait until next year, subject ourselves to a \$15,000 or maybe \$15 million bill, and then we have to wait a year after that. I seem to think that somewhere buried in those rules is an option for us simply to suspend the rules, introduce a bill, and withdraw, if that's the will of the body. It makes no sense to linger on in this thing and keep this festering sore going. I would suggest in the bottom line we end up paying the bill on principles of comity, but we do what we can to get out and get out now. Thank you. [LB905]

SENATOR GLOOR: Thank you, Senator Schumacher. The Chair recognizes Senator Krist. [LB905]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues, and good morning, Nebraska. I appreciate Senator Schumacher's delivery and his point is well taken. We do have two different issues at hand right now. One is, do we pay our bills; and the other one is, do we need to belong to the compact? Senator Bloomfield, would you yield to a question? [LB905]

SENATOR GLOOR: Senator Bloomfield, would you yield? [LB905]

SENATOR BLOOMFIELD: Yes, I would. [LB905]

SENATOR KRIST: Senator, if your point is that we should not belong to the compact, do you believe we should be paying our bills if we have obligated ourself to being a part of the compact? [LB905]

SENATOR BLOOMFIELD: I am somewhat inclined to go ahead and pay this. I don't necessarily buy the theory that we are locked in by contract on it from what Senator Schumacher just said. There is no firm law that says we have to pay this. I do wonder, looking back and attempting to look forward, how Nebraska enters into these compacts. I haven't seen any of them that have come out real well for Nebraska. But I said I intend to pull this amendment. I don't intend to take it to a vote but I did want the conversation

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

Floor Debate  
March 11, 2014

---

to be had and I'm pretty confident that the body is going to go ahead and pay this; so I don't know that it's absolutely necessary. [LB905]

SENATOR KRIST: Okay. Well, for the record then, I'd like to just say, we're going to be...when we get past the bill at some point in the next few days we are going to be discussing LB949 out of the Business and Labor Committee, and this is the approval of claims against the state. The comments that were made by Senator Kintner yesterday were completely out of line and showed a total disrespect for the system. We would not employ a guy named Guido, or they wouldn't, to collect their claims. They would submit a claim to the state saying that they had a legal course of action, and that claim would then be either accepted or rejected. And if it was rejected and they still wanted to appeal, it would go to Senator Lathrop's committee and he then would bring us, from Business and Labor, a submission of the claim, and then we would be forced or not forced to pay it. But in my estimation, I've always tried to pay my bills, and I think no matter how we arrived in the compact, we are now a part of it; we are still a part of it. Senator Hadley tried to get us out of it. Did not come out of Transportation a few years ago. I remember that discussion. We tried to pay it and it was vetoed in a line item by the Governor, and we elected not to override. This is one of those things that we're just going to have to pay our legal debt, in my estimation, and move forward. And certainly, your comment about bringing a bill forward next year, Senator Bloomfield, would be very appropriate, because now the body should really act on eliminating the requirement for us to have an outstanding debt. With that, I would yield the rest of my time to Senator Chambers if he would wish it. [LB905 LB949]

SENATOR GLOOR: One minute 10 seconds, Senator Chambers. [LB905]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Krist. Members of the Legislature, I mean it when I attach the label "Professor" to Senator...I call him Professor so much, it's hard for me to remember that his name is Schumacher. But at any rate, I am going to take issue with his analysis when I'm recognized on my own time, because it will take a little longer than the few seconds I have remaining of Senator Krist's time. Thank you. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers and Senator Krist. The Chair recognizes Senator Christensen. [LB905]

SENATOR CHRISTENSEN: Thank you, Mr. President. Would Senator Dubas yield to a question? [LB905]

SENATOR GLOOR: Senator Dubas, would you yield? [LB905]

SENATOR DUBAS: Yes, I will. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CHRISTENSEN: Maybe you went through this already, I don't know. I asked you yesterday about why we're in this compact and whether you believe we should stay, and I'd just like to get that on the record, if you would please. [LB905]

SENATOR DUBAS: Sure. My personal belief is, yes, we should stay, because while there might not be tangible apparent benefits to it, I believe, as discussions continued to unfold about the development of passenger rail, Nebraska should be at the table. I can just give you a little bit of a history about when this rail compact was formed. It came about through the Council of State Governments' Midwest Legislative Conference in the late 1990s. It was a bipartisan group of Midwestern state legislators who saw the potential economic, energy, and infrastructure benefits of developing passenger rail. And they understood that the intercity passenger rail development is largely an interstate endeavor, and they looked for ways for states to come together and work. Nebraska was one of the first states to join that compact in 2001. Nebraska Governor Mike Johanns signed the compact's enabling legislation, and former State Senator DiAnna Schimek was one of the first officers of that compact. And their first meeting was held at the annual meeting that was held in Lincoln in August 2001. And since 2001, it's just been a makeup of bipartisan elected state officials to work on looking at the development of a Midwest rail passenger train. I have a lot of other information. I've got some folders that can kind of show some of the routes, the things that they've looked at. But the commission was successful in having the first major passenger rail program signed into law by President Bush in 2008, and has since helped Midwestern states to secure \$2.6 billion to begin improvements on four key corridors, and they're looking at Chicago/St. Louis/Kansas City; Minneapolis/St. Paul/Chicago; Detroit/Pontiac/Chicago; and Omaha/Chicago via Des Moines and the Quad Cities. So Nebraska is in the mix as far as looking at developing this regional transportation. And if we're not a part of the compact, we certainly won't be a part of that discussion anymore. [LB905]

SENATOR GLOOR: Senator Christensen waives. Thank you, Senator Dubas and Senator Christensen. The Chair recognizes Senator Sullivan. [LB905]

SENATOR SULLIVAN: Thank you, Mr. President, and good morning, colleagues. Well, first of all, I'm not in support of this amendment. I do believe Nebraska should pay its bills and go forward. But I also wanted to take the opportunity to talk about and question a couple education-related items on the budget. First of all, I applaud and thank the Appropriations Committee for their commitment to early childhood education by expanding the grant program by about \$3.5 million. I had introduced LB984, which still remains in a bill that you will hear on LB967 that would have increased the grant program by about \$4 million. This \$3.5 million that is in the budget will allow even more school districts to start and use those matching grants to start preschool programs, and that follows through with the intent of the Education Committee, its goal to eventually provide 100 percent access for four-year-olds to some type of quality early childhood

Floor Debate  
March 11, 2014

---

education before they enter kindergarten. So again I applaud the committee, the Appropriations Committee, for doing that. But there was another education-related item, the Microsoft IT Academy program that I had some questions on. And I wondered...I see Senator Mello walking into the Chamber. I gave Senator Nordquist a heads-up, but perhaps Senator Mello, if he would yield, I'd like to ask him a couple of questions regarding that program. [LB905 LB984 LB967]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Of course. [LB905]

SENATOR SULLIVAN: Thank you, Senator Mello. As I said, this appears to be a pilot program to start this Microsoft IT Academy. It didn't come through the Education Committee, although I did have the opportunity to talk briefly with the person from Microsoft that was promoting this. I just need to have a little bit more information about it and why the Appropriations Committee felt compelled to put this in as a line item on the budget. [LB905]

SENATOR MELLO: This item was brought to the Appropriations Committee during our hearing on the various education agencies, by Microsoft, and then ultimately supported by the State Chamber of Commerce, afterwards as well, that tried to focus on what other states currently are experimenting with in regards to information technology certifications, and primarily trying to target finding younger students in middle school and high school, as well as their parents, to engage them in software development and helping them gain certifications necessary to move into the work force at a much earlier age. Microsoft explained to us at the hearing, as well as some communication we received afterwards from the Chamber of Commerce, in respects to other states, like the state of Iowa, who also recently had undergone a pilot project of this nature, to focus on statewide access to all public schools in the sense of allowing each school district the ability to work with their department of education to be able to draw down funding to pay for this essential certification class on Microsoft products, and then to cover the cost that essentially it takes to gain that certification, with the hopes that when high school seniors are graduating, they're leaving high school not just with a high school diploma but those who are interested in software development are leaving with a Microsoft software development certification. [LB905]

SENATOR SULLIVAN: So we're putting in \$250,000. What's Microsoft putting in? [LB905]

SENATOR MELLO: Their number...I believe their in-kind contribution, Senator Sullivan--and I have to get the material from my office that they provided the committee. Their in-kind contribution is somewhere along the lines of three times the amount of what goes into what the state actually pays for in respects for the costs associated with

Floor Debate  
March 11, 2014

---

the certification and the class, so to speak, it takes to get that certification. So give or take, it's a good public-private match, so to speak. The other added components, as you can read... [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR MELLO: ...in the budget, is that we required that the Department of Ed partner, obviously, with the business community as well, and our existing community college system, to make sure there's not overlap and that you see, so to speak, a partnership between all three entities as they move forward on these certification programs. [LB905]

SENATOR SULLIVAN: So what's the indication of once the pilot is done what are the hopes and dreams or anticipations of what will happen after the pilot project? [LB905]

SENATOR MELLO: Well, the Legislature will receive an evaluation from the Department of Ed on the pilot project, and it will be incumbent upon the Legislature of whether or not we so choose to move forward of continuing to fund this pilot project or if we want to simply decide to put our tax dollars in other education certification programming. I think that's...that's the understanding the Appropriations Committee was under. That's what essentially our decision was in the budget bill was to do that, knowing that we will be revisiting this come next biennium. [LB905]

SENATOR SULLIVAN: All right. Very good. Thank you, Senator Mello and I... [LB905]

SENATOR GLOOR: Time, Senators. [LB905]

SENATOR SULLIVAN: Thank you very much. [LB905]

SENATOR GLOOR: Thank you, Senator Sullivan and Senator Mello. Senator Chambers, you are recognized. [LB905]

SENATOR CHAMBERS: Mr. President and members of the Legislature, it looks like some good can come out of a bad thing. There are other matters being discussed other than the amendment before us. I think that "Professor" Schumacher did make some very, very good points--very good points, and in any other setting I might be along with him. But on this particular one he did what the Nebraska Supreme Court criticized when former Attorney General Paul Douglas did it. This is the value of having people who go back some distance and know what has happened. Paul Douglas was being charged or accused of improper dealings with a savings and loan operation, industrial. But anyway, he was asked by the lawyers to show him their tax returns. What he did was held up the papers and said, here they are, but did not let them see the contents. And the Supreme Court said when he did that he was playing the lawyer. He knew what was wanted. He

Floor Debate  
March 11, 2014

---

knew what was meant. But by taking the words in a literal sense that had nothing to do what he knew was being requested, he played the lawyer; and that is not to be done. What Senator Schumacher did was to parse words. We could say if you choose to be in that school, that this is not a legal obligation. Then let me accept that. Let's say it's not legally binding. It can't be enforced in any court; but it is a moral obligation. And with the way you all pray in here every morning it seems to me that you ought to at least put on the front of being concerned about moral issues and morality. And I quote a comment from Abraham Lincoln. I said I would try to do things by quotation this morning to the extent that I can. When he issued the Emancipation Proclamation, it did not free a single slave. It was known. Lincoln pointed out that he had to do that in order to be able to bring black troops into the army of the Union, and to encourage and make it possible for any slaves who wanted to escape to do so. When he was criticized for it greatly by an individual, Lincoln wrote a detailed letter in the crisp, succinct way that he had of expressing himself, explaining the value of the Emancipation Proclamation and the value that black troops had provided for the Union. He even made the comment that if we gave up every bit of territory that these black troops have won for us and now hold for us, we could forget the effort because we would lose the war in three weeks. Black soldiers provided the balance of power in the Civil War. That's according to President Lincoln. I read his works. I don't go by this stuff they put in the schoolbooks, which are not true, because they're trying to whitewash and pretty up slavery. But here's what Lincoln concluded his letter with, not the last statement. Men act from motive; that includes black men; and a promise was made, even the promise of freedom; and the promise being made must be kept. Here a promise was made by the state and it must be kept. It is a moral obligation. There is nothing to be gained other than condemnation, which would be merited, to try to not pay this debt that is valid. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: The reason I'm saying a few things on this is because the type of matter may come up again and I will want to refer back to this in the future. And although I say that my brain cells are like Teflon and nothing sticks, on occasion they share the Velcro quality of that which an elephant supposedly has, which never forgets anything. So old folks are cunning. Old folks are wily. Old folks are wise. Old folks forget when it's convenient to forget. Old folks remember when it's necessary to remember. And I do remember what I said, if I don't remember everything others said. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers. Senator Lautenbaugh, you're recognized. [LB905]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. I wasn't going to get involved in this, and certainly yesterday as I was listening to the amendment when it was introduced, but Senator Schumacher is correct. I went and

Floor Debate  
March 11, 2014

---

read the compact and the statute as well, and what this says is, is that if we don't appropriate the dues, they aren't owed; and the remedy of this compact is to suspend us. And if we want to come back in, we come back in under the terms that they set. There is no, we have to pay back dues. There is no, we'll sue you for the dues from prior years. And it's clearly contemplated in there that we have to agree to whatever it is they assess to us, something that we have failed to do year after year after year. I don't see this as a moral obligation. I don't see this as an obligation at all. And again, as Senator Schumacher said, every year that we delay this it becomes worse. And the remarkable thing is...well, I used to be on the Transportation Committee so I'm probably...I've heard more of this than some. I remember discussing this year in, year out, every year I've been here, and still we persist. I went to the Web site last night and Senator Hadley is apparently our representative on this compact, and it's never involved him personally at all. He's never done anything with it. We need to go. I mean, if the argument is, well, we don't get any tangible benefit now but we may into the future, but we're going to continue to incur a moral obligation to pay these amounts annually that are set by somebody else, and even though the law says we have to agree to them or accept them or agree to pay them by legislative action, that we aren't doing annually, where are we going with this? This is not getting better with the passage of time and this is not a solution, and this is not a large amount of money. But what's frustrating about it is the vitriol that was heaped upon the people yesterday who wanted to not spend this money because it was pointless and needless and unwarranted. And worst of all, they were correct. We should not be spending this money, albeit a trivial amount. Senator Kintner, Senator Bloomfield, you were both correct, we don't owe this money; and if we get nothing out of this and we have no intention of participating, which if the recent past is any indication, we don't have any intention. We are allocated four seats on this. Two appear to be vacant according to the Web site; one is occupied by someone who has never done anything at all, according to our representative Senator Hadley; and the fourth is a gentleman who, for other reasons, I don't think is involved in it either. It doesn't exist as far as we're concerned, and yet every year we're assessed an amount that we have to agree to pay, that we don't agree to pay; and the remedy is for this entity to suspend us, but they don't do it. I agree with Senator Schumacher, we should probably just suspend the rules, and I know that's when people get nervous, because I think as I said as the first week (inaudible) had a change in plans; that wasn't part of the original plan. But yes, we should suspend the rules and introduce a bill and kill this thing now, because it isn't going anywhere. And the next time we do a budget, next year, I won't be here, some of you will, and you'll have a discussion about what seems like a trivial amount of money. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR LAUTENBAUGH: And maybe some of you will be heaped with...have abuse heaped upon you for not wanting to pay this trivial amount of money and be told it was a moral obligation. So gosh, I hope someone is taking all this down, because you're not

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

Floor Debate  
March 11, 2014

---

obligated to pay this, and we should stop and, at long last, remove any argument that we're even involved in this by repealing this law. This doesn't involve us, this doesn't concern us, and we probably never should have gotten in; and we should get out directly. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Lautenbaugh. Senator Bloomfield, you're recognized. [LB905]

SENATOR BLOOMFIELD: Thank you, Mr. President and colleagues. I introduced AM2308 in hopes of sparking a little conversation. I think we've done that. The Governor vetoed this same idea last year. I don't know if he will do it again this year. If he does, I probably will not vote to override his veto. But I said at the onset, before Senator Chambers threatened to get out his washtub--which I still have, by the way, Senator Chambers, if you feel need of it--that I would pull this amendment, and I choose to do so at this time. [LB905]

SENATOR GLOOR: Seeing no objection, so ordered. [LB905]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Return to discussion on the committee amendment. Senator Kintner, you're recognized. [LB905]

SENATOR KINTNER: Well, thank you, Mr. President. First, I want to say I agree with everything Senator Lautenbaugh just said. And next thing, I'd like to move to divide the question on AM2019. [LB905]

SPEAKER ADAMS: Senator Kintner and Senator Mello, would you please come to the podium. The ruling of the Chair is that the topic is not divisible. Senator Krist, you are now recognized. [LB905]

SENATOR KRIST: Back to discussion on...thank you, Mr. President. Thank you... [LB905]

SPEAKER ADAMS: Senator Lautenbaugh, for what purpose do you rise? [LB905]

SENATOR LAUTENBAUGH: Mr. Speaker, I rise to challenge the ruling of the Chair. I believe it is a divisible motion. [LB905]

SENATOR KRIST: I think I was recognized and... [LB905]

SPEAKER ADAMS: Excuse me, Senator Krist. Members, the motion to overrule the Chair is applicable in this case, and we'll now debate the issue. Each member is offered

Floor Debate  
March 11, 2014

---

one opportunity to speak and there is no yielding of time to another senator. Senator Lautenbaugh. [LB905]

SENATOR LAUTENBAUGH: Mr. Speaker, I will just stand on the very simple statement that I believe the rules very simply provide that this specifically is a divisible question. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Senator Chambers, you are next in the queue on this motion. [LB905]

SENATOR CHAMBERS: Mr. President, members of the Legislature, if in fact I'm not the oldest person chronology, I've been here longer than anybody else and I'm going to tell you what my thinking on this is. Remember, I voted against adopting these rules, but I play by the rules. But there are times when there are issues that transcend the rules, in my opinion, and we're going to have the opportunity as a body this morning to determine whether or not we're going to take the product of the Appropriations Committee and fragment it. There is a coherence about what they've presented, whether we agree with specific parts of it or not. And I'm saying very forthrightly, in disregard of words that might be interpreted in the Rule Book a certain way, this issue will be resolved this morning by a vote of the body. Maybe nobody anticipated that an attempt to divide the committee amendment presented by the Appropriations Committee, which becomes the Appropriations Committee work. This is a unity, a unit. And again, there are parts of it that I disagree with, but I do not think that the approach to take is to divide the question by breaking the amendment down to any number of separate amendments. If Senator Kintner is upset with something, let him do what Senator Bloomfield attempted to do: Draft an amendment to remove from the budget what he disagrees with, put the onus on him. Instead of standing up, as he often does, to obtain notoriety, let him do it but not at the expense of the process itself, not at the expense of the work that this Appropriations Committee has done. They submitted to us this product and I would be very upset if the Chair or anybody else ruled that the offering of an amendment to strip something from the appropriations bill could not be made. I would not go for that. But I think retaining the integrity of the product of the Appropriations Committee should be maintained. So I am very strongly in favor of upholding the ruling of the Chair that when it comes to the appropriations, the Appropriations Committee's presentation, that is not divisible in the way that ordinary questions may be. How much time do I have, Mr. Speaker? [LB905]

SPEAKER ADAMS: Two minutes. [LB905]

SENATOR CHAMBERS: I'm going to say like Dr. Faustus: Oh, that time would cease its endless flight that that two minutes could stretch on into infinity, and only Senator Kintner and I would be here. I'm going to express my opinion. I don't believe he's read all of the budget. And if he's read it, I don't believe he understands it all. I don't believe

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

Floor Debate  
March 11, 2014

---

he knows which portions of it he ought to try to pull out until somebody tells him. He has the right, and I think the obligation, to do that. But each one of us, for whatever reason or no reason at all, will cast a vote, and I hope the vote is cast to uphold the ruling of the Chair. But here's the way that question is going to be phrased: Shall the Chair be overruled? That's the motion; not, shall... [LB905]

SPEAKER ADAMS: One minute. [LB905]

SENATOR CHAMBERS: ...the Chair be sustained? So if you don't want to get into this fray, just don't vote. But I'm going to vote no, perhaps. (Laughter) Maybe there shouldn't be a vote on the board except Senator Kintner's or whoever made the motion to overrule the Chair. But at any rate, I've made my position as clear as I possibly can. Thank you, Mr. Speaker. [LB905]

SPEAKER ADAMS: Thank you, Senator Chambers. Next in the queue is Senator Krist. And, members, the queue got cleared out, so if you wish to speak to this motion you need to hit your button. Senator Krist. [LB905]

SENATOR KRIST: Thank you, Speaker, and good morning, colleagues, and good morning, Nebraska. I will vote no. I do not believe that this question...that this subject matter is divisible. I've read the rules and rules are always subject to interpretation. But I think the English language is, in this particular case, part of your decision process. On page 49, Rule 7, bottom of the page, (c) (sic): Any member may call the division of a question, which shall be divided if it comprehends propositions in substance so distinct, so distinct, that one being taken away, a substantive proposition shall remain for the decision of the Legislature. I argued yesterday that the division of the Christmas tree bill from the General Affairs Committee was indeed divisible, but I argued that there was subject matter that was despicable to some and acceptable to others, and we should lump those together and not go through the tedious drill of dividing it seven ways. If that question would have come up, I would not have questioned to overrule the Chair. So let me be very, very clear. Many of us do sit in the Chair and we have an opportunity to rule. Had I been in the Chair, I would have made the same decision that the Speaker did for this reason. Take a look at your schedule. We are now debating LB905. Will Senator Mello yield to a question? [LB905]

SPEAKER ADAMS: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR KRIST: Senator Mello, what is the subject matter contained in all the items that are listed in LB905? [LB905]

SENATOR MELLO: In LB905 and in the committee amendment, AM2019, which

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

Floor Debate  
March 11, 2014

---

becomes the Legislature's version of the bill, it is to provide for deficit appropriations. [LB905]

SENATOR KRIST: So let me understand. All those items have to do with deficit appropriations. Is that correct? [LB905]

SENATOR MELLO: Correct. [LB905]

SENATOR KRIST: Okay. And how about...tell me about LB906. What does that subject matter deal with? [LB905 LB906]

SENATOR MELLO: Well, LB906 with the corresponding committee amendment will...purely dealing with transfer of funds and creating and eliminating existing funds. [LB905 LB906]

SENATOR KRIST: And how does that differ from LB130? [LB905 LB130]

SENATOR MELLO: LB130 is...it deals with eliminating Cash Reserve and adding Cash Reserve transfers. [LB905 LB130]

SENATOR KRIST: One more question: Would you expect that any member who brings a motion or a floor amendment to this floor that would eliminate or change part of that budget would be heard and voted on? [LB905]

SENATOR MELLO: As in every legislative session prior that I have heard of as well as the six years I've been in, that is absolutely our protocol and our legislative process. [LB905]

SENATOR KRIST: To all of that, and I've tried to maintain a very solid statesman viewpoint, I will deviate. This is ridiculous. The only vote that can be taken on this is no. This subject matter has come out of our Appropriations Committee, a five-day-a-week committee. They deal with the process and the policy of spending money. All of these bills, LB905, LB906, and LB130, have single purpose in terms of the process itself. If you see that any other way, you probably weren't Jesuit educated. Thank you, Mr. President. [LB905 LB906 LB130]

SPEAKER ADAMS: Thank you, Senator Krist. Senator Wallman, you're recognized. [LB905]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. First of all, I want to thank the Appropriations Committee for the work they put forth in this. It's never easy to spend other people's money. Some people like to do it; some people don't. And so I will not vote to overrule the Chair. And I appreciate the comments being made.

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

Floor Debate  
March 11, 2014

---

Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Wallman. (Visitors introduced.) Senator Conrad, you're recognized. [LB905]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. What a surprise this is to have before us, and an unfortunate one at that. I rise in support of the Chair's original ruling and urge this body to reject the motion to overrule the Chair, for a variety of reasons. Friends, this is nothing more than a Senator "Ted Cruz" style attempt to foment dysfunction in our body and to bring Washington-style politics to the hallowed halls of the Nebraska Legislature. We have an opportunity to band together to protect our institution and to reject this shortsighted attempt. Senator Kintner has done little, if anything, to reduce spending during his two years in the Legislature. He's brought very few, if any, bills to cut spending, and has yet to pass any of those. He's offered few, if any, amendments at the committee level over the past two years to cut state spending. He violated our traditions, as an Appropriations Committee, of doing the hard work of seeking compromise and consensus, and putting out a unified package. Shortly thereafter, where he took a significant amount of heat for those actions, he said, I'm not at war with the committee, I'm not at war with the committee, I just disagreed with the amount of spending. This is a declaration of war. In my eight years on the committee, there were many pieces of process and many pieces of substance which I vehemently disagreed with my colleagues and my Chair over. However, I did the hard work. I dug in. I found room for compromise and consensus. And I stood by my committee and my Chair, defending even those aspects I found abhorrent, because that's important to our process. It's important to function. It's important to meeting our constitutional obligation to pass a balanced and responsible budget. Friends, this is not a Christmas tree bill. This is the state budget which has constitutional prominence above other pieces of legislation. Look at Article III, Section 22 of your state constitution. Look at your Rule Book, replete with separate and distinct rules regarding our budgetary process. This is not a Christmas tree bill. This is not divisible. This is the budget. If Senator Kintner chooses to attack certain aspects of the budget, as he did by filing substantive amendments yesterday, he is free to do so. But because he again was unsuccessful in persuading the body to follow down that path, now he uses additional tools of delay and obstruction and dysfunction. That is Washington-style politics that has no place in the Nebraska Legislature. I think it's very sad that Senator Kintner has chosen to declare war on the committee, to bring Washington-style politics to Nebraska, and to fail to do the hard work to seek compromise and consensus, which you all do in your committees. When members seek a spot on the powerful Appropriations Committee, they are well aware of our traditions and our process. To throw those out the window to make a nonexistent political point is abhorrent. [LB905]

SPEAKER ADAMS: One minute. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CONRAD: Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Conrad. Senator Carlson, you're recognized. [LB905]

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. We're getting into an interesting part of this session and tempers are maybe a little short. We may even be trying to crucify one another once in a while. And with that, I'd like to ask Senator Chambers to yield, if he would. [LB905]

SPEAKER ADAMS: Senator Chambers, would you yield to a question? [LB905]

SENATOR CHAMBERS: Yes, I will. [LB905]

SENATOR CARLSON: Senator Chambers, the other day you talked about crucifixion, you talked about Jesus, you talked about the two people, thieves, on the cross next to him. And that was 1,981 years ago. And you also talked about how that the two kind of spoke to Jesus. Tell me what one of them said. [LB905]

SENATOR CHAMBERS: Well, one of them was mocking and the other one kind of chastised him and said, we're here because of what we did but this man is innocent. Then he looked at Him and he said remember me when thou comest into thy kingdom or enter paradise, words to that effect. It's been a long time since I, you know, since I heard that and my memory is slipping somewhat, but that is the gist of the conversation. [LB905]

SENATOR CARLSON: Your memory is very good. And certainly the one was not repentant at all. [LB905]

SENATOR CHAMBERS: Correct. [LB905]

SENATOR CARLSON: In fact, he just told Jesus, if you're Christ, save yourself and save us. And the other one reprimanded him for it. And then the one who reprimanded him said to Jesus, remember me when you come into your kingdom. And Jesus said, today you will be with me in paradise. And that's what happened. The other one went to the burning lake of fire. And I say this because this is kind of the attitude that we're getting to on this floor, and that's okay. It's part of the process. But it also reminded me of a song I heard over the weekend, and if it were possible I'd like you to hear it because the song was, "We're going to live forever and we need to know where." Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Carlson. (Visitors introduced.) Senator Karpisek, you're recognized. [LB905]

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I warned yesterday when we divided the General Affairs Committee bill that we're setting a dangerous course. I know many of you don't think I'm right very often, but it didn't take very long for me to be right. If people really want to get cute in here and make these sort of points, try to do something that they can use to get reelected, try to hold up the whole body, maybe you don't have a priority bill up but others do, and the people of this state expect us to get something done. I've sat here before without a priority bill up. I did yell and scream about it, but I didn't hold the whole process up and hold everything hostage. If you really want to pigeonhole yourselves in here, you're doing a fine job of it. Is this divisible? I don't know. Should it be divided? Absolutely not. Senator Chambers said if you want to pull something out then have an amendment and do it. That was a wonderful bit of knowledge that I wish he would have talked about yesterday: You don't like part of a bill, bring an amendment and pull that part out. You want to try to outsmart everyone? You want to show your muscles? That's fine. It can go both ways. Senator Conrad hit it right on the head. You want to drag Washington-type politics into here, we can do it, but there is absolutely no reason to. That is not how this body has ever worked in my eight years here. I've been so ticked off at times when the whole Appropriations Committee hangs together, but I understand why. You want to come in and be a renegade, really show us something? It's going to backfire, if it hasn't already. I will say that it has. Maybe go down to your desk and look at and see what you've gotten passed and wonder why. We have to work together here. I'm often one lonely red vote on the board and I get chuckled at for it. Well, you know what? It's fine with me because I put my mark up there. I lost and I moved on. You want to jump up and down and really show that you're going to hold this whole body up? When you go out to the voters, I'm sure that they're going to tell you what they thought about that. This place is special, the building, the whole atmosphere and what we do in here, and I have come to so much love it and appreciate it, and this sort of garbage and what happened yesterday goes absolutely against what we stand for. And you want a fight? You've got one. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Karpisek. Senator Nordquist, you're recognized. [LB905]

SENATOR NORDQUIST: Thank you, Mr. President and members. I certainly will be voting against the motion to overrule the Chair--and this vote takes a majority of those present, just so you're aware of the number it takes--and the reason being just the underlying question here of whether we divide the question. Certainly it would go against the precedent that's been set for decades in this body of how the budget is constructed, how it's debated. And there is an avenue if you don't like aspects of the budget. As Senator Chambers said, and we've already seen it multiple times on LB905, you file an amendment to strike a section. Senator Kintner has already availed himself to that option, unsuccessfully, on the motion to strike Senator Nelson's funding priority.

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

Floor Debate  
March 11, 2014

---

And how do we develop this budget? As I said yesterday, certainly it reflects a lot of the priorities of our committee, but it reflects a lot of the priorities of this body, as I mentioned yesterday: on water funding from priorities of Senator Carlson, Schilz, Christensen; developmental disability funding, priorities of Senator Harms, Lathrop, and many others; early childhood funding. We all sat down and put our priorities on the table, and it is a give and take. We could have put more money in the Property Tax Credit if we didn't have rural senators on the committee say, you know, we need this much for water, we have to have this much for water. We could have made that trade-off. We could have put more money in the Property Tax Credit if Senator Kintner himself wouldn't have come and said, I want \$2.1 million for my legislative district for a bill that Senator Watermeier and I carried, LB1033. We all put our priorities on the table. Senator Kintner put his on and asked for funding to go to a project in or near his district. And now to come and say, I don't like the rest of the budget, I got my money in there but I don't like the rest of it, let's delay and stall, it's just unfortunate that that's the direction we're going to go. So I hope you will join with us and vote no on the motion to overrule the Chair. Thank you. [LB905 LB1033]

SPEAKER ADAMS: Thank you, Senator Nordquist. Senator Kintner, you're recognized. [LB905]

SENATOR KINTNER: Well, thank you, Mr. President. You know, I'm not at war with anybody. I'm not attacking anyone. That's not what I'm here to do. I got thinking this morning that, jeez, wouldn't it be great if we didn't have to do Washington-style politics that maybe we could vote on each individual thing? It seemed like a good idea to me, because you have to vote, and maybe to get something you want you got to vote for a bunch of stuff you don't want. That seemed to me like Washington, D.C. So I got thinking, well, maybe we can just divide it. That makes sense. Now you know I've only been here two years. I've never seen it done before. And you know I got looking at it and inside the budget bill was LB666, LB689, LB738, LB764, LB827, LB889, LB891, LB936, LB944, LB797, LB873, LB1033, LB1046, LB1091, LB1094. Well, that's an awful lot there. That's Washington. That's how Washington does it. So I thought, well, let's just vote on each one. That way they can stand on their own merit or fall on their own merit. So I talked to the Clerk and the Speaker about what I wanted to do. It hadn't been done in recent memory, that anyone could remember, so the Speaker brought Senator Mello and myself back to his office and we had a very spirited debate about the pros and the cons of doing this. And we both made our cases to the Speaker and we did it in a respectful way, I might add. And then we came out here. I made my motion and the Speaker ruled. So now we know that it's not divisible. At that point I was happy. Okay, I got it. I wasn't looking to delay, I wasn't looking to stall. I just wanted to find out if we could do it that way because it just made more sense to me to vote on these things individually than to have to vote in a package, because I think we should do it the Nebraska way, not the Washington, D.C., way. So that is exactly what I was trying to do. I wasn't trying to raise Cain. I wasn't trying to be a rabble-rouser. I just wanted to

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

Floor Debate  
March 11, 2014

---

know if we could do it, and it took a ruling of the Chair to get that done. We've got our ruling of the Chair. So I wanted to make sure everyone understands what I was doing here and what I was thinking about when I did this, and that's exactly what I did. By the way, I don't mind being compared to Ted Cruz. I'll take that as a compliment. Thank you, Mr. President. [LB905 LB666 LB689 LB738 LB764 LB827 LB889 LB891 LB936 LB944 LB797 LB873 LB1033 LB1046 LB1091 LB1094]

SPEAKER ADAMS: Thank you, Senator Kintner. Senator Murante, you're recognized. [LB905]

SENATOR MURANTE: Thank you, Mr. President, Members, good morning. I rise in strong support of overruling the Chair. And as Senator Karpisek said, I'm also in strong opposition to Senator Kintner's effort to divide the question on this subject matter because it seems to me that the two questions are separate. Senator Karpisek laid the question out pretty well. The question of whether the question should be divided and whether the question is divisible are fundamentally separate and they're being conflated today. And we're hearing a lot of reasons to vote to support the Chair in his opinion that this question is indivisible. One of them is that this is not a Christmas tree bill. Well, that's fine; but there's nothing in the Rule Book that says that the division of the question is applicable only to Christmas tree bills. We've been told to take a look at your schedule because if you divide the question, we're going to be here for a really long time. And you have a priority bill that we might not be able to get to. Once again, there is nothing in the Rule Book that says because we have 19 legislative days and we're running short on time and we spent eight hours talking about amber lights a month ago that questions are indivisible. That's not the standard. The standard is any member, doesn't require a second and it doesn't require a vote, may call for a division of a question which shall be divided if it comprehends propositions in substance so distinct that one being taken away a substantive proposition shall remain for the division of the Legislature. I'll tell you what that means to me. That means if we divide this question and have an up or down vote on the Attorney General's budget, can we have a substantive proposition on everything else? And I haven't heard one explanation as to why if we choose to not adopt one division of the committee amendments why the remainder of the budget becomes impassable or is not a substantive proposition that remains for us to make. And we've heard that one of the reasons why we should do this is basically because Bill Kintner is just using this for political purposes. He's a bad guy. Well, that's fine. I don't agree with what he's trying to do or the method that he's trying to do this. I'm going to vote for the budget. But we shouldn't assault or criticize Washington-style politics and use Washington-style rhetoric to do it. Us liking Senator Mello or liking this budget and disliking Bill Kintner has nothing to do with whether the budget is divisible or not because we are making a precedent here right now. Let me guarantee you that every member on this floor at some point going forward will have an Appropriations Committee chairman that you do not like, and there will be a budget that you do not support. And there may be a day where you want to divide the budget. But

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

Floor Debate  
March 11, 2014

---

you have set the standard today that because we're short on time in this legislative session because it's difficult to do, because it's annoying that we're going to just say that Senator Kintner does not have the right to utilize a provision in the rule that we all voted upon except for Senator Chambers. There's a method to voting on AM2019 without dividing it that is specifically articulated in our Rule Book. We don't need to blow up the rules to do it. And I realize that it would be expedient and I realize that it's the easy thing to do, but it's also the wrong thing to do. [LB905]

SPEAKER ADAMS: One minute. [LB905]

SENATOR MURANTE: I'm a little bit passionate on this subject as you know. It's important to me because how we operate says a lot more about who we are than individual bills and how we vote up or down on individual subject matters. And just because the Appropriations Committee did a good job, and I'm not arguing that point, and just because this specific tactic is one that I think the overwhelming majority of us oppose is not the issue. We have a process. And we give each member on this floor a right to that process. It's established. And we should not usurp it just because it's easy. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Murante. Senator Bloomfield, you're recognized. [LB905]

SENATOR BLOOMFIELD: Thank you, Mr. Speaker. I don't know how I'm going to vote on this yet, but I do know that I'm going to support Senator Kintner's right to do what he has done here. For us to lambaste a member because he's following the rules, whether we like them or not, is improper. I've always wondered about the solidarity of the Appropriations Committee. Apparently you take a blood oath to get on that committee that you won't disagree with anything they put out on the floor. Colleagues, that's wrong. If you're on that committee, you disagree with what was done in that committee, I don't know of any other committee in the body that says you have to sit there and be quiet while we pass this. I watched last year as that was done. People who were on the committee wrung their hands and said, boy, I'd like to say something on that but I can't because I won't. I shouldn't because we are solid with the committee. But, colleagues, if you have a differing opinion from the committee you serve on, you have a right to bring that out in the committee; and I believe you have an obligation to bring it to the floor. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Bloomfield. Senator Mello, you're recognized. [LB905]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I appreciate the conversation on the floor today regarding this motion to divide the question as well as the floor debate in regards to overruling the Chair. Of course, I do not support

Floor Debate  
March 11, 2014

---

overruling the Chair and will respectfully disagree with my colleague, Senator Murante, because Senator Krist raised the issue I would have raised. The Appropriations Committee proposals are all one subject matter. You can't divide how you appropriate money. You appropriate it or you don't. And I think Senator Krist laid that out in his remarks, and that is my general understanding of why the budget bills have been significantly different than other bills that are viewed as "Christmas tree bills" because a bill that has a variety of different components that have a variety of different subject matters and do a variety of different things are not the same things as appropriating money to any one particular state agency. And so I share a similar view Senator Krist raised which is this is not divisible. This is one subject matter that we as a body get to decide. Now it was mentioned and it goes without saying, colleagues, our legislative process for as long as people can remember has always allowed individual senators to put forward amendments striking or adding funding to the state budget. That is a process that works and has worked very well, not just in the two years I've been Chair, but obviously the previous four years that I was Chair. And remarks saying whether it was, you know, good or bad; remarks saying that you may not always have a budget that you like; you may not always have a committee or a chairman or chairwoman that you get along with, colleagues, I was a member of the committee for four years. I voted for two budgets and two mid-biennial budget adjustments that I didn't agree with everything in the state budget. There were a significant number of items that I disagreed with. But you don't take a budget vote based on one or two single items. A budget is a guiding document for the state. It is multiple pieces of the puzzle that get put together to paint a picture of where you see the state moving forward over that two-year process. And so I think we should keep that in mind if that's how the Legislature has operated, that's the way our budgets have operated, that's how the Legislature hopefully will continue to operate. In a polite way, the motion to divide the question, colleagues, as I explained to Senator Kintner, this is the nuclear option. This essentially blows up the budget in a way that we have never seen in our lifetime. It's my hope that we do not overrule the Chair, that we move along the process that continues to allow, whether it's Senator Kintner, Senator Bloomfield, or any other senator for that matter who have already introduced amendments or wish to introduce amendments to either strike an amount or add an amount to the state budget. That's our legislative process that has worked very well for us, and it's an orderly process that allows us to continue to do the business and the work of the people. My hope is that you don't vote to override the Chair, you don't look to invoke a nuclear option on the state budget, and allow us to continue the budget debate in an orderly and respectful fashion. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Mello. Senator Janssen, you're recognized. [LB905]

SENATOR JANSSEN: Thank you, Mr. President and members. That was very timely with Senator Mello's orderly and respectful fashion of continuing on with this debate,

Floor Debate  
March 11, 2014

---

and that's the reason I hit my button. I did not intend to but seeing a fellow member being targeted and talked about personally is not something...I think this body is better than. We're talking Washington, D.C., politics. Well, I think we rose to that level by lambasting a fellow member for basically listening to the rules. I mean personally I don't think we should divide the question. But that doesn't mean that I'm going to lambaste a colleague. We talked about if you like one senator, you don't like the other senator, what does that matter? I like both Senator Mello and Senator Kintner. I've worked with both of them. I worked with Senator Mello. I've told Senator Mello, even though it's not a public vote, that I did not vote for him for Appropriations Chair; but I think he does a whale of a job at it. He does a great job at it. I didn't vote for last year's budget. That's the only one I didn't vote for, no offense to him, it's just the only one I didn't vote for. But we've continued to work together in a collegial manner since I've been in this Legislature. And when I see a group of senators take after one particular senator, I think we or they have gone to the other side of D.C. politics, not Senator Kintner for doing something that any one of us could do. That's where I'm at. Do I agree with Senator Kintner on this division? No, I don't. But I do disagree with taking after him on this. And I've often wondered why we don't look at these questions a lot more, but I've gained an experience with the Appropriations Committee. While I'm not inside it, I understand the hard work that goes into it and the deliberations that goes into it and I've come to respect that. And I'll continue to respect that as I will respect each and every one of you. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Janssen. Senator Avery, you're recognized. [LB905]

SENATOR AVERY: Thank you, Mr. President. I think we need to identify what we are facing here and just be brutally honest about it and that is that this tactic is a cynical, obstructive, showboating activity; and it has no place in this body. Does it serve a constructive purpose? Absolutely not. Does it violate any of the formal rules? No, it doesn't. Certainly this is allowable under the formal rules of this body. But I think that what we have heard here from several speakers is quite correct--it serves no useful purpose. It might bring about some satisfaction to one or two or maybe five or six people, but it does not advance the process. It doesn't help us craft a budget. It violates not the formal rules, but it violates some important informal rules, the norms and the practices of this body, how we conduct our business and how we go about it, it matters. One thing it violates, and this is disturbing to me, it violates a very important norm and that is respect for the work of committees. If we don't respect the work of the committees in this body, then it does not take long before a corrosive effect to afflict what we do and how we do it. We have to rely upon the committees to do their work and then respect that work. It doesn't mean we have to agree with all of it. But we certainly don't need to go about the business of trying to dismantle a body of work this committee has produced that is essential to the orderly running of our government. There is also, it seems to me, a lack of respect for the orderly conduct of legislative business. And that

Floor Debate  
March 11, 2014

---

is disturbing. We need to have a focus on working hard to do what we need to do to get the things done that the voters of this state expect of us. And we have, as Senator Karpisek pointed out, a number of very important, high-priority bills waiting in the queue for us to get to. We need to be doing that. And we don't need to be wasting our time with showboating activity. Our responsibility is to respect and to protect this institution. And we should vote to uphold the ruling of the Chair, and I hope that we will do that and I intend to vote that way. Thank you. [LB905]

SPEAKER ADAMS: Thank you, Senator Avery. Senator Scheer, you're recognized. [LB905]

SENATOR SCHEER: Thank you, Mr. President. I think it's been unfortunate that some of the conversation has not really gone to the question in front of us and that's the ruling by the Chair. We can think what we might about individual members, but that's not the discussion in front of us. The discussion should be do we agree with the ruling of the Chair in relationship to something divisible. And I had several conversations with senators around me trying to determine where I was going to finally end up on this. And it took me quite a while to obviously put on my light. But as I looked at it, and I want to be the first to tell you I'm not an Appropriations person and I'm not necessarily a purist in relationship to committees. I think the committees, certainly the Education Committee certainly has been scrutinized over the year and a half that I've been here. So I don't want to hold any committee above any others. But because I have been on the Education Committee, I've drawn an analogy and it may be right or it may be wrong, but this is what I'm going to say is factual to me and I'm going to stick with it. I look at TEEOSA. That comes out and there's a lot of moving parts. And I don't think anyone would think twice if somebody asked for that to be divided that it would be ruled that it would not be divisible. There are certain components. Each one can have a motion on it to change it. Each part of it can be adjusted. And if Senator Kintner feels there's parts of the budget that he would like to address, it's certainly within his parameters as a senator to make those adjustments or amendments to specific items. Just as any of you have or might in our term look at the TEEOSA formula and decide a part of it or a specific portion of it is not to your liking, either being too much, too little, or shouldn't be there or should be there. Therein lies the budget in front of us. It is a complete unit. We can argue about the different components of it, but it is one bill. And if senators would like to discuss a specific part of that bill, it is certainly within your purview to do that. And I don't consider that our discussion is a waste of time as some might. Quite often I get a little bit out of each one of our conversations. I think I've become a better senator by listening to that. I think we need to take personalities out of this process and just listen to what people are saying. We don't have to agree with everything that's said, but we can move on. We don't have to attack. We don't have to react. We just simply need to move on and make our own determinations. For me, it's an analogy of using TEEOSA. It's a multitude of complex individual items, but it's one item. The budget is full of individual things that are funding, but it funds a government. We're welcome to look at each one of

Floor Debate  
March 11, 2014

---

those individually, but not necessarily universally to separate them all at one time. I wouldn't vote to override the President if he ruled not to separate TEEOSA, and I don't feel compelled to do so in relationship to the budget bill in front of us. And for that matter, I would be voting against it. Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Scheer. Senator Smith, you're recognized. [LB905]

SENATOR SMITH: Thank you, Mr. President. And, colleagues, I'm going to stand and support the Speaker's ruling on this. And I want to share with you why I'm choosing to do that. I do believe most likely that this is divisible, and I would have preferred to have seen action taken through filing amendments and motions to address the components of the budget that Senator Kintner would have preferred to have seen changed. I think that this motion to divide is destructive, and I strongly oppose the tactic. But I think that likely it is divisible. But the reason I'm going to stand with the Speaker is because I see this more as a procedural vote and discussion. Just as many times we have the discussion about cloture that we may choose to oppose cloture votes because we oppose an underlying bill, that's a procedural as opposed to a technical vote in my opinion. With this, I think we're really getting into...a lot of us are getting into the weeds and a lot of those here that have dug into the rules, they understand the rules very well, and they're pointing to those rules as to a determination of their opinion on this. But I see it pretty much that if you want to divide the question, overrule the Speaker. If you want to divide this bill, overrule the Speaker. If you support the Speaker's decision, then you want to move forward and have an up or down vote on this budget. That's the way I see it, colleagues. Again, technically likely divisible, but I do believe that this is a procedural vote. And I will vote to support the Speaker's decision. Thank you. [LB905]

SPEAKER ADAMS: Thank you, Senator Smith. Senator Larson, you're recognized. [LB905]

SENATOR LARSON: Thank you, Mr. President. Initially I hadn't planned on talking about this motion. And yesterday I talked about my support for the budget and I still support it. I think it's a great budget. LB905, AM2019, Senator Conrad talked about it on her time on the mike in terms of how she's always stuck by the committee process and what we do is a compilation. Then I heard Senator Janssen talk, and he stood up for Senator Kintner and not to attack members. And I thought that was well said by Senator Janssen. Then another senator stood up and talked about the showboating or to advance their personal process and the informal rules of the Legislature. And I kind of took a little bit of offense. There may be what we in here together say are informal rules, but we do have a Rule Book that we must follow. We hear that this takes us to Washington-style politics. Well, I've worked in Washington and maybe it's the informal rules and those following just how they do business instead of their own real rule book that they get in the mess they're in. Senator Avery talked about respecting the

Floor Debate  
March 11, 2014

---

committees. We didn't respect the committee process that General Affairs worked on, on their Christmas tree bill very much yesterday when we divided that question. I do...the last thing I wanted was to see the budget divided. I do not think it should be divided. It is a compilation of things that I like, things that I don't like, and it is the best budget I've seen since I've been here. I was disappointed to see even the question to be asked for the division of the question. But does that mean it's not divisible? And this isn't a policy argument. As I was talking to Senator Conrad, this is a debate club question more than likely. Senator Conrad and I agree with the budget. We support the budget. But is it divisible? Are we going to choose political expedience because this is going to take a long time or we don't want it to be divided? And I don't know why the Chair decided to say it wasn't divisible. Maybe it was political expedience or we don't want to sit through the budget and the 90-some or 80-some amendments that will come if it is divisible. But we have a Rule Book. And if we, those that cannot...those that set the laws for the rest of the state of Nebraska cannot follow our own rules, we make them up as we go for political expedience or because it's easy or we have an agenda to set... [LB905]

SPEAKER ADAMS: One minute. [LB905]

SENATOR LARSON: ...or if we talk about informal rules or we have to advance the process, which that's more important, our informal rules are more important than our actual rules, there's an issue. Again, I support LB905 and AM2019 wholeheartedly. And if the question is divided, I will continue to stand with the Appropriations Committee through the entire budget as we move forward on each one of those issues that's in that budget. If we go through each amendment one by one, I will stand with the committee in what we have put out because it is a good budget. But there are rules and the Chair had his issues. But there's a motion to overrule the Chair, and we have to look at the Rule Book. [LB905]

SPEAKER ADAMS: Time. [LB905]

SENATOR LARSON: Thank you, Mr. President. [LB905]

SPEAKER ADAMS: Thank you, Senator Larson. Senator Crawford, you're recognized. [LB905]

SENATOR CRAWFORD: Thank you, Mr. President. I stand opposed to the motion to overrule the Chair. I think that when we look at our Rule Books and how we follow the rules it's important to recognize that allowing the Chair to make a ruling is an important part of this process. And to allow the body to move forward is important that we select Chairs that we are willing to put trust in. And so I feel it's important to consider that the Chair has made the ruling and there is appropriate justification for the ruling. It's perfectly appropriate for Senator Lautenbaugh to challenge that. That's his right to do

Floor Debate  
March 11, 2014

---

so. I believe the Chair was operating with a principle of the appropriations as being a package. I also believe that the Chair was operating with a principle of moving forward in a way that the majority of the body would do so, and I support that decision. And again, we have the opportunity to challenge that as every member does. And I will be voting against that motion to overrule the Chair. And I suspect that it will not pass with the majority, and that will demonstrate that the Chair was operating really behind what the way the majority would have seen the application of that rule in this case. Thank you. [LB905]

SPEAKER ADAMS: Thank you, Senator Crawford. Senator Brasch, you're recognized. [LB905]

SENATOR BRASCH: Thank you, Mr. President. And thank you, colleagues. We've had some very heated discussion here this morning, and some valid questions have been raised. I do not stand to overrule the Chair. The division of the question is a fair question to be asked, and we are able to ask that according to the rules. Some of you know that over the last several years I've been keeping notes and tabs, and I pore over the Rule Book often on many days. And one rule this morning that we could keep mind of is Rule 1, Section 2 regarding order and decorum. And it says the President shall preserve order and decorum. And in the case of disturbance or disorderly conduct in the galleries or in the lobby may cause the same to be cleared. I don't think we are at that point. I believe we are here, but I am hearing voices that are not being thoughtful and not being considerate of the job that we have in front of us. We are receiving phone calls, all of us, and e-mails wanting us to do our business, to move on past the small stuff. Appropriations is huge. It is important. And dividing the question would make it even more cumbersome. The Appropriations Committee has taken time, much time, much deliberation. The outcome isn't what we all necessarily wanted to hear, but it is the outcome. So I will follow the ruling of the Chair in not dividing the question. And respectfully to my other colleagues, let us not compare ourselves outside this body but let's be the best we can be within here with integrity and look at the job that we have at hand and serve those in this state. Thank you, Mr. President, and thank you, colleagues. [LB905]

SPEAKER ADAMS: Thank you, Senator Brasch. Senator Lautenbaugh, there are no other senators in the queue. You are recognized to close on your motion. [LB905]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And to be clear, I thought I telegraphed my point with my opening in that I did not intend for this to be an hour-long digression. And I honestly don't expect you to overrule the Chair in reality, but that's both a nod to reality and also because I don't want to hold up the budget. But I'm the Rules Chairman, notary public, former election commissioner, did spend the night at a Holiday Inn Express last night so I think I'm authorized to comment on these things. As we were having this debate, one of my colleagues came over here. I

Floor Debate  
March 11, 2014

---

thought he wanted to talk to me, but no. He just wanted to see what this seat was like because I'll be gone next year and he wanted to see what it was like to sit over here. He measured the drapes. And I said, well, there's a problem because Senator Chambers talks all the time so you're on the camera all the time so be prepared. But all of our time here is fleeting, but what we do with the rules matters. Senator Kintner got beaten up for making the motion to divide, but he's not the one who challenged the ruling of the Chair. That was me because, again, I am the Chairman of the Rules Committee; and I think this is clearly divisible. And I hope you all realize the danger of saying, okay, yeah, the rules might say that but that's not how we do it because then the proper thing is to change the rules or to suspend the rules, which is clearly authorized by, wait for it, the rules. That's how we do things. And to say that, well, these all have to go together because they all deal with the spending with money, well, then is everything with an A bill germane to everything else? Folks, that doesn't get us there in my humble opinion. You suspend the rules. And one of the members talked about we're violating decades of precedent by doing this. Well, I've never heard anybody make a motion to divide the question on the budget since I've been here so this precedent hasn't been tested in my time. But we talk about how we're a nation of laws. Senator Murante gave a brilliant speech and so did Senator Larson, simply brilliant because he was dead on. The rules have to mean what they say, and you have to be able to rely on them as individual senators or you have nothing. You have absolutely nothing to guide you in what you do here. Last year we had a disastrous ruling or the year before, I don't remember when, where I tried to attach a provision out of a bill that I had in committee, it was one out of six provisions, and it was ruled that that one-sixth of a bill was substantially the same as the whole bill and that was a disastrous ruling. But we're stuck with it now. Substantially the same means nothing now. That was a bad ruling and I challenged the Chair. You have to be ready to challenge the Chair when you think the Chair is wrong because things come around again. I think this ruling is wrong. There's a proper way to do this. There's a proper way to say somehow this bill should have been held sacrosanct and we shouldn't be able to divide the question. And it isn't just to say, well, we have unwritten rules and we have unwritten traditions. My friend, Senator Avery, what you're proposing would be monstrous to try to live under, and to a certain extent we do live under it. If it was outside the body, it would be called tyranny, a system where there are rules and laws that you just plain can't rely upon because there's other laws that apply to other people and you have to know what they are. That's not a system of government. [LB905]

SPEAKER ADAMS: One minute. [LB905]

SENATOR LAUTENBAUGH: And I'm trying to remember what you used to do for a living before you came here. That is tyranny. And I'm not saying we're living under a tyranny here, but I'm saying if you want to respect the committee process the committees have to do work deserving of respect. And I think this one does and I don't oppose this budget. But the rules have to be respected as well. And the rules allow that

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

Floor Debate  
March 11, 2014

---

bills can be pulled from committee, and that's not being disrespectful of the committee process. It says that it takes 25 votes to pull a bill from committee. If we're never supposed to do that, we probably shouldn't set the threshold so incredibly low. If that's a nuclear option, it shouldn't be one of the easiest things we can do in the rules, should it? You all need to read these rules and understand what they say. And more to the point, agree to be governed by the rules... [LB905]

SPEAKER ADAMS: Time, Senator. [LB905]

SENATOR LAUTENBAUGH: Thank you, Mr. President. [LB905]

SPEAKER ADAMS: The motion before the body is, should the Chair be overruled? Members, this takes a majority of those present, 25 votes. Have all voted that wish to? Record, Mr. Clerk. [LB905]

CLERK: (Record vote read, Legislative Journal page 848.) 6 ayes, 29 nays, Mr. President, on the motion to overrule the Chair. [LB905]

SPEAKER ADAMS: The motion fails. We return to discussion on the amendment. [LB905]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Are there senators wishing to be recognized? Senator Lautenbaugh, you're recognized. [LB905]

SENATOR LAUTENBAUGH: Thank you, Mr. President. I didn't get to finish there. I was going to say, so please vote red on this motion. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Lautenbaugh. Are there other senators wishing to be recognized on the Appropriations Committee amendment? Senator Mello, you're recognized to close on the amendment from the Appropriations Committee. [LB905]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. AM2019 is the Appropriations Committee mainline budget bill and becomes the underlying bill, LB905. As I mentioned yesterday as we started the debate on LB905, at sine die last session, with the combination of both A bills and what the Legislature passed with the budget, we had an average spending growth of 5.5 percent. The Governor's deficit recommendations would have brought that average up to 5.6 percent, and the budget you have in front of you remains at 5.5 percent average annual spending. Among some of the items, as we discussed that are within LB905: an additional \$25 million per year for the Property Tax Credit Program, we begin the ten-year process of replacing the

Floor Debate  
March 11, 2014

---

State Capitol HVAC system, \$17.5 million for our Game and Parks deferred maintenance projects, \$5 million for the developmental disability waiting list, and \$3.7 million for early childhood education grants through the Department of Education. While we've had some discussion about some items that largely were not located within the budget bill itself, I do want to take this time again, as we have a couple other items, a couple other bills that are independent in nature in regards to fund transfers as well as the utilization of the Cash Reserve, once again to thank the Appropriations Committee members, not just the four members who will be leaving our committee but the other remaining four members who have spent countless time in committee, outside of committee, and in public hearings dissecting, analyzing, and evaluating the variety of proposals, both tax related and spending related, that came in front of our committee. This proposal that we put in front of you, as we discussed, tries to incorporate big priorities that we have heard from other committees and other members of the Legislature. Obviously, the biggest priority we've discussed over the last couple of days is property tax relief and the other is water funding. At this time, I would like to thank the members of the Water Funding Task Force, led by Senator Carlson. I know Senator Schilz, Senator Watermeier, Senator Kolowski, Senator Davis, and I believe it was Senator Johnson was the other...Senator Christensen, I'm sorry, was the other member who spent their interim working on water financing, water funding and looking at a variety of options. They brought two proposals to our committee which serves as essentially the backbone, I would argue, of what this proposal you have in front of you sets forward. It's something that we know is a long-term shared responsibility and a shared liability for this state to focus on water funding and water policy. And I want to thank those members who did their due diligence in the interim to bring forth proposals to our committee. And while we may not finance their entire proposals within our budget proposal, we feel that it's a positive, progressive first step of trying to address what we know will be a long-term state responsibility and state liability when it comes to water funding and water policy. With that, I'd urge the body to adopt AM2019. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Mello. The question is, shall the committee amendments to LB905 be adopted? Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB905]

CLERK: 34 ayes, 0 nays on adoption of committee amendments. [LB905]

SENATOR GLOOR: The amendments are adopted. [LB905]

CLERK: I have nothing further on the bill, Mr. President. [LB905]

SENATOR GLOOR: We return to discussion on the advancement of LB905. Senator Chambers, you're recognized. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm going to say some things that couldn't be said while we were debating whether or not the Chair should be overruled. If somebody can find a way to tie up this body forever, I'm that person. I'd like to ask Senator Mello a question. [LB905]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR CHAMBERS: Senator Mello, how much money is to be appropriated for the water issue? [LB905]

SENATOR MELLO: Senator Chambers, over the course of the three budget bills, it's broken down by each bill differently. But roughly, there's \$31.5 million that would be spent on water this biennium. [LB905]

SENATOR CHAMBERS: Well, let's...is there anything dealing with water on this bill? [LB905]

SENATOR MELLO: Yes. There is an appropriation of \$11 million in General Funds that will go to the Water Sustainability Fund. [LB905]

SENATOR CHAMBERS: If that provision is accepted intact, is that correct? [LB905]

SENATOR MELLO: Correct. [LB905]

SENATOR CHAMBERS: Members of the Legislature, I was opposed to dividing the budget bill, but I stated that you can offer amendments. Senator Mello just showed you that I have 11 million amendments that I can offer. I can offer 11 million amendments. All I have to do is change the amount by \$1, by \$1. And if you are sufficiently tired and you want to not have any further debate on this bill, we've...I don't know how many hours we've debated, I couldn't tie it up very long on General File and you could call for cloture. And nobody would be diminished by it because there's nothing pending. Everything that those who are interested in the budget has been taken care of, so all you would do is vote cloture, yes. The only thing that would be pending is one of my \$1 amendments. You'd vote no on that, unless you wanted to trick me and beat me at my own game and vote, yes, you will deduct \$1 from the appropriation on water. And maybe that would satisfy me, but whether it did or not, vote it up or down. Then you vote to move the bill, which you will do. But then Select File, ah, yes, Select File, Select File is another day. But if everybody who has an interest in this appropriations bill has done everything that he or she is interested in seeing done, then it would be up to me to take whatever time is allowed on Select File before cloture can be invoked. And I'm looking at that water. I'm looking at it very carefully. I'm not an expert on the areas that have

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

Floor Debate  
March 11, 2014

---

been discussed, but I know that water is H<sub>2</sub>O. That's as much as the best scientist knows. And I know that we need to drink plenty of water, I know that, but I can't say precisely how much. Some people don't realize that the eight glasses a day came from the water-selling industry. So they'd like to say 20 glasses a day, but that wouldn't sound reasonable to many people. If I want to take time, I know how to do it. But I will not take it at the expense of perverting the process itself. If I take all the time by offering amendments, I'm not perverting the process. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: I'm making use of it. And because I often will take a position where I'm the only one with it, I've got to find ways to talk. And the way to do that is by offering motions and amendments. And whenever something arises where I feel it's necessary, I'm going to do it. And after I throw a rock, like Senator Kintner, I'm not going to expect people jumping up like Senator Murante and Senator Lautenbaugh to say, well, he has a right to do that, he has...let him speak for himself. He started it. How many times have I asked anybody to stand up here and apologize for me? I'm a grown man. I'm a grandfather, although that doesn't mean anything because my children are the ones who had those children, not me. But that's what troubles me and I would tell people, you don't need to defend me, but Senator Kintner brings all this stuff. [LB905]

SENATOR GLOOR: Time, Senator. Thank you, Senator Chambers. Senator Karpisek, you're recognized. [LB905]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Senator Chambers started where I want to go. I was upset and I got up and I berated, never mentioned Senator Kintner but I hope everyone knows that's mainly where I was directed, not completely. Talking about my bill being divided yesterday still has me very chapped. But if Senator Kintner wants to come and do these things, or anyone else in here wants to get cute and be putting amendments in and doing all this stuff trying to be like Senator Chambers, I will stand up and I will chastise them because this is...there's no place for it. I've been drug back and forth over the coals lots of times in here, not only by Senator Chambers but mainly, and I will be a little more, I'm sure. But if I get up and I stick my head out of the foxhole, I expect to get shot at. And if all my buddies have to stand up and yell at whoever is shooting at me so I can get back down in my foxhole, I don't think that that's very brave or very smart. My whole thing in this is to get this job done, do it as well as we can. It's not about who we like or don't like. I like Senator Kintner. We can goof around with each other, laugh at each other because we both have a lot to laugh at, and that's fine. But don't come out here and just try to muddle up everything. And we are starting to get personal on some things. Again, if someone wants to pick a fight, you don't have to look far to come to me. You'll get one. And I feel that the first blow has already been thrown and it wasn't by me. And I don't think it landed but, guess what, there's one coming back and maybe a flurry. If we really want

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

Floor Debate  
March 11, 2014

---

to go down that road we can get drug into it. I don't want to go down that road. But just because everyone else sits back and doesn't do this sort of ridiculous stuff doesn't mean we can't. We all have the right to do whatever we want to do here. Doesn't mean we should. There is respect for everyone. And if I get up and yell, yeah, I apologize, not to probably who I'm yelling at or what about but for the rest of the body. But to think that it's really fun and funny to tie everything up and go after one person's thing or another or a group is not how it should work here and I will not stand for it and I will stand up each and every time and go after it. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Karpisek. Senator Bloomfield, you're recognized. [LB905]

SENATOR BLOOMFIELD: Thank you, Mr. President. Senator Chambers mentioned he had 11 million possible amendments coming on the water bill. Well, colleagues, I can outdo him. I've got 17 million that we're wanting to give to Game and Parks, and when we get to Select File you may see some of them. I'd yield the remainder of my time to Senator Murante. [LB905]

SENATOR GLOOR: Senator Murante, you have 4 minutes 20 seconds, and you are next in the queue. I'll let you know when you're on your time, Senator. [LB905]

SENATOR MURANTE: Thank you, Mr. President. That won't be necessary. Members, good morning. I have to thank Senator Lautenbaugh for graciously calling my passionate floor speech brilliant, I believe was the word. I wish it would have been more persuasive and effective, but I guess brilliant will have to do for today. And I perhaps have to...I rise to...I don't...typically when I get fired up and passionate about a subject, I turn my light off and wait for the blood pressure to fall a little bit before speaking, but this is a subject matter that I think is very important. In conversations off the microphone, it's pretty clear that the practical effect of overruling the Chair on that motion would have been too steep a price to pay, and I understand that. As we discussed earlier this year, I have been keeping track of the rules which we follow as a matter of tradition rather than what's in the Rule Book, and I'm attempting to gather them and on an annual basis codify them into the Rule Book. And I can guarantee you that the budget being indivisible will make its way into a rules change for next January. But I thank everyone for the discussion. I do think, especially with respect to Senator Mello and my discussions with him off the microphone, they were very thoughtful and considered, but we disagree on the subject matter at the time. But I want to thank you all for your courtesy and thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Murante. (Visitors introduced.) Senator Wallman, you're recognized. [LB905]

SENATOR WALLMAN: Thank you, Mr. President and members of the body. Would

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

Floor Debate  
March 11, 2014

---

Senator Mello yield to a question? [LB905]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR WALLMAN: Thank you, Senator Mello. I see the Attorney General's request, was it \$400,000 for water litigation? Is that for our compact? [LB905]

SENATOR MELLO: Senator Wallman, you are absolutely correct and I probably should have incorporated that \$400,000 into our \$31.5 million we're putting towards water, even though this is going to the Attorney General's Office to continue to pay for our legal services to deal...continue the ongoing case in the Republican River Valley on the Nebraska-Kansas Compact. [LB905]

SENATOR WALLMAN: So how are we on that compact? Are we okay now? [LB905]

SENATOR MELLO: Senator Wallman, to be delicate in regards to the issue still not being completely addressed by the legal system, it's an issue that likely we will have to address further next biennium if and when there is an actual settlement dollar that...between Nebraska and Kansas as we end that legal process. The Attorney General's Office has done a fabulous job of keeping the Appropriations Committee up to date and informed of how that litigation has been transpiring over the last six years. We're reaching to the end of that litigation and we will likely have a final judgment sometime later this year in which the Legislature will then have to deal with it come next year. [LB905]

SENATOR WALLMAN: Thank you, Senator Mello. This is one issue that's bothered me ever since I've been in here. We can't seem to resolve our problems with our neighbors. Kansas is our neighbor. They should have been in our Water Task Fund hearings as well, because we share water under the ground. And it always has disappointed me that we didn't include our neighbors in these water talks. Why? I don't know. One of the former senators says, are you a Kansas senator or a Nebraska senator? Well, I said I've lived in Nebraska all my life, but I have friends in Kansas, also former legislators, so they have some common sense as well. If we plug in what they think and what they think we're doing wrong, and what...they're doing some things wrong as well. So this is a complicated issue, folks, and it's not going to go away. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Wallman and Senator Mello. (Visitors introduced.) Senator Chambers, you're recognized. [LB905]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'd like

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

Floor Debate  
March 11, 2014

---

to ask Senator Bloomfield a question or two. [LB905]

SENATOR GLOOR: Senator Bloomfield, would you yield? [LB905]

SENATOR BLOOMFIELD: Yes. [LB905]

SENATOR CHAMBERS: Senator Bloomfield, when you mentioned my Game and Parks bill, I think you meant my mountain lion bill, correct? [LB905]

SENATOR BLOOMFIELD: No, I meant the \$17 million we are mistakenly giving Game and Parks. [LB905]

SENATOR CHAMBERS: That's not my bill. [LB905]

SENATOR BLOOMFIELD: No, I was referring to the \$11 million...or 11 million amendments you said you can make on the water bill. I said I could do 17 million on Game and Parks and you may well see some of them. [LB905]

SENATOR CHAMBERS: I stand corrected. Thank you, Senator Bloomfield. [LB905]

SENATOR BLOOMFIELD: You're welcome. [LB905]

SENATOR CHAMBERS: I was just getting ready to have a little set-to with Senator Bloomfield. But here's the point that all of this is leading up to. There are ways without disturbing the essential process that we utilize to get done anything that we want to do. I gave the example of the 11, whatever the number of millions of dollars that are entailed to show that we don't have to turnover the entire wagon because there's an apple on the wagon that we don't like. Take the apple off the wagon. And as for unwritten rules, Senator Lautenbaugh knows that there's an entire system of law called common law where you don't have statutes written. They're based on tradition, Opinions by the court, and even the courts themselves will talk about practices long engaged in. They're not in the law, they're not in the constitution, but they are called traditions and they overbalance and trump a lot of other things. So if somebody stands on this floor and talks about unwritten rules, that person can do that. But we have far more unwritten rules than written rules. And I started the discussion this morning on whether we should override the Chair or not by pointing out that I'm very familiar with the words in this Rule Book. I'm familiar with the rule that talks about dividing the question. But I also made it clear that I think the budget bill is different and that it transcends those words that apply to every other matter that could qualify as a question to be divided. And then I pointed out that we will decide, as a body this morning, on how that rule is to be interpreted. The Chair gave an interpretation. Do we agree that the budget presentation is a totality and we can try to change it by amendment but not by dividing that totality? And the body voted that way and I think it was the wise thing to do. But when I stand on this floor, if I

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

Floor Debate  
March 11, 2014

---

decide there's something that I must do, I'm going to do it. And if I have a bill that people are going to attack, let them attack it. But I tell them, and I'm going to put it this way, if you strike the king, you must kill him. Don't do something to me and leave me breathing. Don't challenge me if you don't mean to go to the mat. And the mat, to me, is the sixtieth day of a session or the ninetieth day. So if you want me, make sure that you are not acting on emotion which may dissipate and then you will frighten yourself and say, I wish I hadn't done that, I wish I hadn't said that. But here's another principle that I follow. I'm not calling anybody a rat, but rats are not obnoxious other than because of the reputation people have attributed to them and have hung on them, but rats are what they are because human beings are what human beings are. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: There are rodents that people would call rats that are used as pets now, and if you could look at them and separate this animal you're looking at from all of those things that are attached and just look at the animal, they are not abhorrent. They are not repulsive. We say that because of where they live and the things that they do, and they live where they live and do what they do because human beings do what human beings do. But here's the expression. I say that I will always give a rat a way out. But if the rat doesn't want to take it, then we will battle like scorpions in a bottle and I will not blink first and I will not back up. Because when things reach that turn, it now is a challenge to me and... [LB905]

SENATOR GLOOR: Time, Senator. [LB905]

SENATOR CHAMBERS: ...a fight of wills. Yes. [LB905]

SENATOR GLOOR: Time, Senator. [LB905]

SENATOR CHAMBERS: Oh. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers. Senator Dubas, you're recognized. [LB905]

SENATOR DUBAS: Thank you, Mr. President. Would Senator Mello yield to a question, please? [LB905]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR DUBAS: Senator Mello, if you brought this up on the floor, I apologize. I missed it. I know you mentioned it in the briefing that we had on the budget in reference

Floor Debate  
March 11, 2014

---

to the \$22 million fine that HHS is looking at dealing with right now in regards to some noncompliance issues during the child privatization. And I know there's a negotiation going on to get that fine reduced, but could you just reference that in terms of where that may be for future budgets? [LB905]

SENATOR MELLO: I can, Senator Dubas, and I briefly mentioned it yesterday in respects to some issues when I think it was a comment raised in regards to us not respecting taxpayers, and I wanted to remind the body of this, this outstanding fine that currently exists. It was made mention earlier in the legislative session by the State Auditor's Office and acknowledged by the Department of Health and Human Services that we have currently levied a \$22 million fine against us by the federal Department of Health and Human Services for essentially misspending and misutilizing federal funds during the child welfare privatization effort. The Department of Health and Human Services met with Senator Harms, Senator Campbell, Senator Dubas, and myself, as we wanted to find out how this was going to transpire for the remainder of this biennium and whether or not we needed to try to prepare ourselves in this budget for the potential \$22 million fine for next biennium. In speaking with Senator Campbell, we're still waiting for a letter from the Department of Health and Human Services in respects to what their future progress and/or mode of action, so to speak, moving forward with the federal government to give this Legislature, let's just say, a peace of mind that this issue will be dealt with, so to speak, next biennium when the Legislature is in session and so we don't have to account for it currently right now in our mainline budget bill in LB905. But make no qualms about it, colleagues. As Senator Dubas and Senator Campbell and Senator Harms would agree, the likelihood is that we will have to do a one-time transfer from the Cash Reserve come next biennium to pay this fine or whatever fine is ultimately levied by the federal government for the administration's mismanagement of these federal funds. We don't know what that dollar amount will be. It's been estimated roughly to be about \$15 million. So if you wanted to be able to look and evaluate where we're at with the Cash Reserve, while we have \$696 million left in the Cash Reserve through our budget, the Appropriations Committee proposal, take out \$15 million minimum right now that ultimately we'll be left with at the start of next legislative session based on having to repay this fine at the federal level. There's also a \$3.6 million appropriation in Senator Krist's bill from the Cash Reserve to pay for the purchase of a new state plane. That will reduce it that much further. So taking those two components in, we're roughly closer to about \$678 million, right about where the Cash Reserve was when we ended last legislative session, if you take those two added components into consideration outside of what the Appropriations Committee advanced to the floor. [LB905]

SENATOR DUBAS: Thank you very much, Senator Mello. I know I could have raised this question on the next bill as well, but I just wanted to make sure that we got it into the record that this is something that the next Legislature will definitely have to look at. I won't be here to be able to interject my comments on that issue, but I want to, I guess,

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

Floor Debate  
March 11, 2014

---

go on the record right now. This is a fine due to mismanagement and things that weren't done correctly. And I know our providers are very concerned that they potentially could lose some of their funding to help pay for this fine. And if this was something that the state did that we have to make restitution for, I think these should be dollars that come from the state; that these fines should not be paid at the expense of any of our providers or in any way that could impact the services that these providers are offering to our children... [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR DUBAS: ...and families. Thank you, Mr. President. So as I said, I just think it's good for the Legislature to know that this is an issue that they will have to deal with in the next legislative session and I'm hoping that we will find the dollars in the budget, Cash Reserve, whatever it may be, to take care of this and that it won't be at the expense of our providers or the children and families that they serve. Thank you. [LB905]

SENATOR GLOOR: Thank you, Senators Dubas and Mello. (Visitors introduced.) Mr. Clerk for an amendment. [LB905]

CLERK: Mr. President, Senator Chambers would move to amend with FA245. (Legislative Journal page 849.) [LB905]

SENATOR GLOOR: Senator Chambers, you're recognized to open on your amendment. [LB905]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, there was a song that--I'm not going to sing it--Charlie Daniels was the one responsible for it and it talked about the devil going down to Georgia; he's going to steal some souls. And the devil had a contest. Whoever played the fiddle best would be the winner. So this guy that Charlie Daniels was making the hero had him say to the devil, you sit down in that chair right there and let me show you how it's done. Well, Senator Kintner, who needs this lesson, is not even here. This is how you go after the appropriations bill. But I have a reason other than just showing Senator Kintner something. I'd like to ask Senator Mello a question or two. [LB905]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR CHAMBERS: Senator Mello, I was going to run out of time but I have ten minutes on my opening. There are several places in this budget where several agencies are enumerated as recipients or they...federal funds were going to be appropriated for

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

Floor Debate  
March 11, 2014

---

the benefit or to carry out the work of those agencies. Is that correct? [LB905]

SENATOR MELLO: That is correct, Senator Chambers. [LB905]

SENATOR CHAMBERS: What would happen if that federal fund line were to be eliminated by way of an amendment? Does that mean that these federal funds either will not be accepted, or if accepted, they could not be expended? What would be the impact of that? [LB905]

SENATOR MELLO: It would be your second component. If...we could accept the federal funds but they would not have the appropriations authority granted to them by the Legislature to actually spend the appropriation. [LB905]

SENATOR CHAMBERS: Thank you. Members of the Legislature, I'm not particularly upset about the money being appropriated or proposed to be appropriated for water, but I am upset that those who have such an interest in getting that money have no interest in expanding the reach of a program to provide healthcare for people who need it. I could, and I might, try to strike the appropriation or the authorization to expend any federal funds by any of these state agencies for those hypocrites in here who talk about, we don't want federal money, we don't want federal funds. And how many would vote for it? I'd like to see all those who are against expanding the reach of Medicaid by making that preposterous argument, well, that's federal money; well, you don't know whether they're going to be giving it next year or two years down the line. You don't know whether they're going to give money for these programs that are being funded now with the help of federal money, but that's the way some want to play the game. So it bothers me tremendously to know that there are people ill. People with families, when so much is made of family values and keeping families together and providing what families need to stay together, and healthcare is essential and the absence of healthcare can bring about so much dysfunction in a family, so much depression, so much concern, the feeling of being unable to provide for your family what you as the provider should be able to make available. And this Legislature is withholding that money, but they're taking other federal money. Why isn't all federal money dirty? I'd like to ask Senator Mello a question. [LB905]

SENATOR GLOOR: Senator Mello, would you yield? [LB905]

SENATOR MELLO: Absolutely. [LB905]

SENATOR CHAMBERS: Senator Mello, among...within all of that money that is to be appropriated for these water issues, is any of that money federal? [LB905]

SENATOR MELLO: The money that we have incorporated into the budget is Cash Reserve funding and General Funds. [LB905]

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: So nothing from the federal government is coming from that,... [LB905]

SENATOR MELLO: No. [LB905]

SENATOR CHAMBERS: ...for that, any of that. [LB905]

SENATOR MELLO: No. [LB905]

SENATOR CHAMBERS: Now we could divert that money, if we chose, to some other program, couldn't we? [LB905]

SENATOR MELLO: We could. I'd hope that you wouldn't, but we could. [LB905]

SENATOR CHAMBERS: We could try. [LB905]

SENATOR MELLO: (Laugh) Yes. [LB905]

SENATOR CHAMBERS: Thank you, Senator Mello. Members of the Legislature, I'm talking about a reality. I'm talking about people in the rural areas who need medical care now, people in rural areas who need mental health professionals now, rural counties who need lawyers right now. And we have rural people sitting in here talking about we're not going to accept this federal money. You know why? Because a black man is sitting in the White House and he got a healthcare bill through that the Kennedys, Bush, and nobody else could do, and they hate that black man more than they love Christ. They hate that black man more than they love this talk about family values, the strong bearing the infirmities of the weak, the state and the government doing for the public what the public cannot do for itself. Are we going to appropriate state money to expand the reach of Medicaid? Is that what you want to do? You know good and well you're not going to do that. You know you're not going to do that. Well, the people in this state are our responsibility. You're going to spend state money for water and not water for everybody, for those who make use of the water. And where are they predominantly? In the rural areas. And where does the greatest opposition to providing healthcare for sick people in rural areas come from? You all know how Jesus could be heard when he was talking to thousands of people and he had no megaphone? He got agitated and exercised like I am and that booming voice could be heard for acres trying to make those hardhearted sinners pay attention. But I don't have to be like Jesus and cut a new trail. I'm just presenting to you what he said to you, and you all pray to him every morning. Then you act like you don't hear what I'm saying, you don't know what I'm talking about. You know what I'm talking about. Are you going to appropriate state money to make healthcare available to those who would have it if we expanded Medicaid by the use of federal money? No, you're not going to do it, because you're

Floor Debate  
March 11, 2014

---

hardhearted. Your conscience is seared. And Senator Carlson told you where you're going. He didn't use the word. You are going to the place where the fire is, where it's hot, where the worm dieth not and the fire is not quenched. That is a direct quote in the quaint language of what Senator Carlson refers to as the Good Book. We have an obligation and we have a responsibility. I don't know why those of you who invite these preachers here in the morning invite them here. They don't know that they're dealing with reprobates. They actually think they're dealing with people who care about the public, who care about the sick, who care about the infirm, who care about those who cannot provide for themselves. These preachers are duped. They are deluded. They are took by us and we hypocritically--not me, you all--invite them here. That is sacrilegious. You are dirtying the religion that that preacher claims to believe in. You have the opportunity to put in practice what you talk about, but you won't because you're hardhearted, you are meanspirited, you are hateful. And let somebody stand up and say I shouldn't use this kind of language. Then don't you engage in the kind of conduct where that's the only language that can describe what it is that you do. How would you describe somebody who has a basket full of medication and you have somebody with little children who are ill and all you got to do is reach in that big supply of medication and give it to the sick child and the sick child is healed, and you won't do it? How should you be described? Your conduct is what puts the label on you. I'm talking about the realities and the reality that I see, obviously, is different from the reality the rest of you all see. I don't come down here when you pray in the morning because I know it doesn't mean anything. But at least I show enough regard for the person who has been tricked into coming here to pray. I don't come in here and participate in the sacrilege, in the hypocrisy, in the misleading of that person. [LB905]

SENATOR GLOOR: Senator Chambers,... [LB905]

SENATOR CHAMBERS: Yes. [LB905]

SENATOR GLOOR: ...your time is up, but you're next in the queue. Please continue. [LB905]

SENATOR CHAMBERS: And will that...oh, and... [LB905]

SENATOR GLOOR: That will be your second time. [LB905]

SENATOR CHAMBERS: ...this is on my amendment. Thank you. Members of the Legislature, I'm not going to try to tie up the budget bill just to do it. I did not talk on anything with reference to this bill other than the matters that I thought pertained to the integrity of the Legislature or the legislative process. But now that those things have been taken care of, I want to bring up some of these items that money is being appropriated for. If some hardhearted person does not have the water to irrigate, what do I care about that? All we're talking about is money. What do I care about that when

Floor Debate  
March 11, 2014

---

you don't care enough to provide medical care for those who need it? One senator was saying if you went out and asked the voters whether they want to spend money for the fountains or if they want a tax cut what will they say. What would the Nebraskans say if you put to them, should we provide medical care for sick children or water for rich people to irrigate their land? How would they answer that question? That is the question to put. I'm not against the irrigators. I'm not against the navigators. I'm not against the alligators. I'm not against the prognosticators. I'm not against any of that. But we begin to weigh and form judgments. And to form a judgment you have to analyze, you have to evaluate. And when there are competing interests then you have to talk about priorities, which is the more important. And if you have more than two you're looking at, which is the most important. And to me, I'm wondering if an irrigator who can't get enough water to irrigate some crops would feel the same internal agony as the parent who cannot provide medical care for his or her children. That's the way I make judgments, and water is not as important as the health of the people. And the "Parson" probably doesn't like what I'm saying but he knew that one day called the Sabbath and he knew, the "Parson" did, and Jesus knew, that there was a commandment from God, remember the Sabbath day to keep it holy; don't anybody do work on it, don't you, your servant, your ass, your other animals. He's talking about a jackass and that word is in the Bible. Don't anybody do the work. So Jesus took his disciples and they were hungry on the Sabbath and they went through a cornfield. Not only did they take that person's corn but they didn't pay for it, and they were condemned for it. And Jesus said, the Sabbath is made for man, not man for the Sabbath. And then he asked them, which one of you, if you had a jackass and he fell in the well on the Sabbath, you wouldn't go take that jackass out of the well, trying to show them how hypocritical they were. So which of you will say give money for the irrigator but don't accept money to provide healthcare for those who are ill? [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: There were people as hardhearted as those in this Legislature who made people who had leprosy, and I think the formal term is Hansen's disease. They made those people shout out "unclean, unclean," warning others, I'm not a human being, I am a thing and I'm an unclean thing at that. All these self-righteous, hypocritical people, yet if they were smitten with Hansen's disease then suddenly they would see how unfair, how dehumanizing it is to have to shout, "unclean, unclean" when you're suffering under a devastating illness in the first place. This... [LB905]

SENATOR GLOOR: Time, Senator. [LB905]

SENATOR CHAMBERS: Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Chambers. Senator Campbell, you're recognized. [LB905]

Floor Debate  
March 11, 2014

---

SENATOR CAMPBELL: Thank you, Mr. President. I'm going to go back to the questions that Senator Dubas asked about the money that we would owe the federal government with regard to the child welfare programs, and I want to thank the department for their exchange of e-mails because my office has continued to try to find answers for Senator Dubas, Senator Mello, and Senator Harms. I want to indicate to the body that we have already paid for a disallowance of \$3.2 million for a 2010 Title IV-E foster care disallowance. That was our first payment. We are currently paying on a disallowance of \$7,772,308, and we have a payment plan to pay that disallowance back in which the last payment would be made in 2015. So each quarter we are paying to the federal government \$647,000 and some money on that disallowance, which I am assuming, from Senator Mello's comments, that that was already accounted for in the budget. So then we come to the last issue of which Senator Dubas has asked about and which we discussed yesterday in the appropriations briefing. The allowance that has now...or disallowance that has our attention is the one that was reported to be nearly \$22 million. And the department is trying to get the federal government to discount that allowance by, basically, \$7.3 million. They've asked for that as of March of 2014. And they have laid out a payment plan to the federal government if that disallowance is in effect. But they expect...and here's where we will answer Senator Sullivan's question from yesterday morning and her question was, will we have to pay the interest on that? The payment plan that the department is putting together on the \$22 million minus \$7.3 million, we hope, is that we would have to pay the interest of \$2.5 million. If the federal government okays that plan, we will pay on a payment plan up until...our last payment would be on January 30 of 2017. So when Senator Mello says we think it's going to be about \$15 million, that is what we are asking the federal government to do, but we would still have to pay that interest. And I hope that has clarified the question. I appreciate the e-mails from the department. But this is an issue, colleagues, that we need to pay attention to and follow, because what is sad here is that this is money, all these figures that I'm giving to you, is not one dime that is going to the children of the state of Nebraska. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Campbell. Senator Chambers, you're recognized. [LB905]

SENATOR CHAMBERS: Thank you. Members of the Legislature, I'd like to ask Senator Lautenbaugh a question. [LB905]

SENATOR GLOOR: Senator Lautenbaugh, would you yield? [LB905]

SENATOR LAUTENBAUGH: Yes. [LB905]

SENATOR CHAMBERS: Senator Lautenbaugh, on occasion from time to time away from the mike, do you and I have very civil discussions about various issues? [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR LAUTENBAUGH: Yes. [LB905]

SENATOR CHAMBERS: Did you indicate when I asked you why you didn't offer a certain amendment, I'm not even going to bring it up, that you had given a promise that you would not try to amend the Appropriations bill on General File? [LB905]

SENATOR LAUTENBAUGH: That's correct. [LB905]

SENATOR CHAMBERS: But did you point out to me also that that did not necessarily bind you in terms of not offering any amendment that you might think would be appropriate on Select File? [LB905]

SENATOR LAUTENBAUGH: That's correct. [LB905]

SENATOR CHAMBERS: Thank you very much. Members of the Legislature, I'm not going to try to hold this bill up on General File, but I did say Select File is another question. And I'm not the only one who wants to see the bill move knowing that we have another chance on Select File. I'll tell you another reason I want the bill to move. It's in the way. As long as we have these Appropriations bills, we're not going to do much of anything else on General File. I will withdraw this amendment that I have pending, but I had run out of opportunities to speak. And the only thing before us was a motion to advance the bill. If I did not offer an amendment, I could not say anything else on the bill. But since other matters have been discussed, I want to kind of go back to what we were talking about earlier in terms of whether or not Nebraska should pay its bills, and I think that has been settled. But the "Parson" knows some things and I'm going to see if I can elicit some of his knowledge this morning if he will yield to a question or two. [LB905]

SENATOR GLOOR: Senator Carlson, will you yield? [LB905]

SENATOR CARLSON: I will. [LB905]

SENATOR CHAMBERS: Senator Carlson, did you ask me some questions about the crucifixion based or inspired to do so by comments I had made at an earlier time? [LB905]

SENATOR CARLSON: Yes, I did. [LB905]

SENATOR CHAMBERS: So you wouldn't feel that it was going against that standard if something you may have said at an earlier time leads me to ask you a question or two now? [LB905]

SENATOR CARLSON: No. Ask and it shall be granted. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: And it shall be given. Yes. Senator Carlson, the Old Testament contains what is called the law, and some people think of the Ten Commandments, but there were many, many other provisions that are encompassed in that term the law. Would you agree? [LB905]

SENATOR CARLSON: Yes, I would. [LB905]

SENATOR CHAMBERS: Was there a provision that said that if a person was caught in adultery, then that person should be stoned? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Was a woman brought to Jesus who had been taken in the very act of adultery based on her accusers? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Did she deny what they had said? [LB905]

SENATOR CARLSON: No. [LB905]

SENATOR CHAMBERS: Did Jesus know what the law was in your opinion? [LB905]

SENATOR CARLSON: He did. [LB905]

SENATOR CHAMBERS: And based on what the words of the law were, what should he have advocated be done if he was going to obey that law? [LB905]

SENATOR CARLSON: Well, he could say whatever he wanted because he follows after the law and of course he told her... [LB905]

SENATOR CHAMBERS: But if he were going to follow was written in the law at that time, what would have been his position? [LB905]

SENATOR CARLSON: Well, she would have been stoned. [LB905]

SENATOR CHAMBERS: But she was not stoned. [LB905]

SENATOR CARLSON: No. [LB905]

SENATOR CHAMBERS: And who made the decision that she should not be stoned? [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CARLSON: Jesus did. [LB905]

SENATOR CHAMBERS: And he didn't do it by saying don't stone her. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: He didn't deny that the law said that. But what was the question or what was the statement he made to them as to how the stoning should begin? [LB905]

SENATOR CARLSON: Well, whoever is without sin throw the first stone. [LB905]

SENATOR CHAMBERS: And no stones were thrown, huh? [LB905]

SENATOR CARLSON: No. [LB905]

SENATOR CHAMBERS: So that leads us to a position where we can imply that nobody there was without sin, correct? [LB905]

SENATOR CARLSON: Correct. [LB905]

SENATOR CHAMBERS: I'll continue this when I'm recognized again. [LB905]

SENATOR GLOOR: Senator Chambers, this would be your closing. You are recognized. [LB905]

SENATOR CHAMBERS: It's my closing? [LB905]

SENATOR GLOOR: It is your closing, sir. [LB905]

SENATOR CHAMBERS: Senator Carlson whom I refer to as "Parson," for the record so I want it to be clear that I'm still engaging with "Parson" Carlson. Was there anybody present at that time who indeed was without sin? [LB905]

SENATOR CARLSON: No. Jesus, himself. No one else. [LB905]

SENATOR CHAMBERS: I didn't say no one else. Was there anybody there at that time without sin? [LB905]

SENATOR CARLSON: Other than Jesus, no. [LB905]

SENATOR CHAMBERS: If we were in court I'd say, Your Honor, would you instruct the

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

Floor Debate  
March 11, 2014

---

witness be responsive to the question? "Parson," was there anybody there, anybody who was without sin? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Who was that person? [LB905]

SENATOR CARLSON: Jesus. [LB905]

SENATOR CHAMBERS: And if he was going to carry out that law and the law as he amended it, he should have cast the first stone, shouldn't he, because he said let he that is without sin cast the first stone. Isn't that what he said? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Now he was without sin, wasn't he? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Yet he didn't cast the first stone. What did that tell you, if anything? [LB905]

SENATOR CARLSON: Well, he showed mercy. [LB905]

SENATOR CHAMBERS: And it showed that if a person without sin, there would be no capital punishment following his law. Isn't that true? [LB905]

SENATOR CARLSON: Yes. [LB905]

SENATOR CHAMBERS: Thank you. Members of the Legislature, there you have it. (Laughter) That's in the Bible. And I'm using the pronunciation that Senator Carlson would give. I read that book. It's like any other book to me. There's sense and nonsense in it, but there are principles that are of great value because you will find those principles articulated other places, and a lot of them articulated before a word was written in the "Bible." There are certain fundamental principles that some people say will be found wherever human beings are. Now another issue that should be raised, and women ought to think about this but they don't, if this woman...let me ask "Parson" Carlson a question or two because he understands things like the meaning of adultery from having read the Bible. [LB905]

SENATOR GLOOR: Senator Carlson, would you yield? [LB905]

SENATOR CARLSON: Yes, I would. [LB905]

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

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: Senator Carlson, how many people does it take to commit adultery? [LB905]

SENATOR CARLSON: It's takes two. [LB905]

SENATOR CHAMBERS: If she was taken in the very act of adultery, how many people would have been involved? [LB905]

SENATOR CARLSON: Two. [LB905]

SENATOR CHAMBERS: Where was the man, Senator Carlson? [LB905]

SENATOR CARLSON: He went and hid someplace I suppose. She came to Jesus. [LB905]

SENATOR CHAMBERS: But he was guilty also, right? [LB905]

SENATOR CARLSON: Pardon? [LB905]

SENATOR CHAMBERS: He was guilty also? [LB905]

SENATOR CARLSON: Oh, yes. [LB905]

SENATOR CHAMBERS: Thank you. Members of the Legislature, You see why I say that "Bibble," it's a book written of, by, and for men, and it was men who brought this woman to Jesus. They didn't care about the law. They didn't care about anything except trying to catch this man in his words. But he had somewhat of the cougar in him--now you see me, now you don't. You see evidence of me but you don't see me. There's a spiritual side of me that you will not see, but that spirit has more impact than this physical part that you see. So why don't people ask the right questions when they're talking about the "Bibble" and things in it? Where was the man? They decided that only the woman should suffer the death that the law called for. And now to deal with something Senator Lautenbaugh brought up this morning. There are things written that are called the law, but there are amendments to it that are not written but they trump that written word. And some people say there's a spirit behind the law. There's a goal, an end that the law is designed to guide us to. And in order to carry out the spirit of that law, the words of the law are ignored. [LB905]

SENATOR GLOOR: One minute. [LB905]

SENATOR CHAMBERS: And everybody knows that that happens. And I applied these things because life is really like a seamless web. Whatever happens in any part of it will

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

Floor Debate  
March 11, 2014

---

be transmitted and communicated to the rest of the web, but some of us don't have the sensibilities, the sensitivity, to detect those vibrations that are very small. But those are the ones that dictate more of what we do than anything else. And, Mr. President, I will withdraw that motion. [LB905]

SENATOR GLOOR: Seeing no objection, so ordered. Seeing no one else wishing to speak, Senator Mello, you're recognized to close on LB905. [LB905]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. With the previous adoption of AM2019 that becomes the underlying bill which is the Appropriations Committee recommendation for the mainline budget bill for the remainder of this biennium, I'd urge the body to adopt LB905. Thank you, Mr. President. [LB905]

SENATOR GLOOR: Thank you, Senator Mello. Members, the question before us is the advancement of LB905 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB905]

CLERK: 37 ayes, 2 nays, Mr. President, on the advancement of LB905. [LB905]

SENATOR GLOOR: The bill advances. Mr. Clerk, items for the record. [LB905]

CLERK: Thank you, Mr. President. Enrollment and Review reports LB974, LB768, LB854, LB941, LB941A, LB560, LB1076, LB692, LB851, LB744, LB744A to Select File, some having Enrollment and Review amendments. Education Committee reports LB1060 as indefinitely postponed, that signed by Education Committee. New A bill. Senator Mello offers LB974A (Read LB974A by title for the first time.) An announcement: The Agriculture Committee will have an Executive Session in Room 2022 at 1:30. Ag Committee, 2022 at 1:30. (Legislative Journal pages 849-859.) [LB974 LB768 LB854 LB941 LB941A LB560 LB1076 LB692 LB851 LB744 LB744A LB1060 LB974A]

Mr. President, Senator Campbell would move to recess the body until 1:30 p.m.

SENATOR GLOOR: Members, you've heard the motion to recess until 1:30. Those in favor say aye. Those opposed say nay. We stand recessed.

RECESS

SENATOR KRIST PRESIDING

SENATOR KRIST: Good afternoon, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators,

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

Floor Debate  
March 11, 2014

---

please record your presence. Mr. Clerk, please record.

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

SENATOR KRIST: Thank you. Do you have any items for the record?

CLERK: I have one item, Mr. President. Senator Mello would like to print an amendment to LB851. That's all that I have. (Legislative Journal pages 860-861.) [LB851]

SENATOR KRIST: Thank you, Mr. Clerk. Let's proceed to the first item on this afternoon's agenda. [LB851]

CLERK: LB906 was a bill introduced by the Speaker at the request of the Governor. (Read title.) Introduced on January 15, referred to the Appropriations Committee. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM2175, Legislative Journal page 791.) [LB906]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Mello, you're recognized to open. [LB906]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. LB906 is the second of three appropriations-related bills and is the funds transfer bill which provides for various transfers between different state funds, cash funds. The bill includes both transfers from the General Fund to cash funds and transfers between cash funds as well as repealing an obsolete cash fund. LB906 does contain an emergency clause. The Appropriations Committee amendment AM2175 would become the underlying bill. The amendment provides for a number of additional fund transfers, as well as corresponding amendments to legislative intent language in existing fund statutes. The amendment also creates a new cash fund in the Department of Motor Vehicles, the Department of Natural Resources, and the Game and Parks Commission. A full listing of the transfers provided for in LB906 and in AM2175 can be found on the committee's statement. But among the committee's recommended cash fund changes are a \$12.5 million transfer from the Department of Motor Vehicles Cash Fund to the newly created Vehicle Title Registration System Replacement and Maintenance Cash Fund for the creation of a new vehicle title registration system. Transfers of \$15 million from the Cash Reserve Fund and \$2.5 million from the State Recreation Road Fund to address the backlog of deferred maintenance projects in our state Game and Parks system and both one-time and ongoing funding for water infrastructure projects through the transfer of \$21 million from the Cash Reserve Fund and \$11 million from the General Fund to the Resources Development Fund and the newly created Water Sustainability Fund. I would urge the advancement of LB906. Thank you, Mr. President. [LB906]

Floor Debate  
March 11, 2014

---

SENATOR KRIST: Thank you, Senator Mello. As the Clerk said, there are committee amendments. And, Senator Mello, as the Chair, you're recognized to open on your amendments. [LB906]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Also, colleagues, AM2175, as I mentioned, becomes the underlying bill. It is the Appropriations Committee recommendation which is the second of third bills. Just to draw attention to members, you can find more details in respect to page 30 of your budget book that goes over the cash funds and some of the federal fund transfers that are incorporated in LB905, LB906, and LB130. One particular item I just want to bring reference to, and it's something that was an innovative approach to deal with some of the Game and Parks Commission backlog was a bill brought forward by Senator Watermeier, a concept that we ultimately incorporated within the budget a little differently. But it helps upgrade the Arbor Lodge facility in Nebraska City to a point where the state Game and Parks Commission could transfer that facility to a private nonprofit entity for a long period lease and then be able to utilize the roughly quarter of a million dollars the Game and Parks Commission currently right now is losing on the facility to add that money back into their backlog projects that we've heard about, both under Senator Avery and Senator Hadley's bills that have come out of Revenue, but also the Appropriations Committee proposal that complements the work that's been done in the Revenue Committee to address the backlog of deferred maintenance projects in our Game and Parks Commission. It really was an innovative project and I want to thank Senator Watermeier for bringing an idea that we ultimately as a committee felt was an innovative way to both take care of an existing important state historical facility, but also transfer that facility to local management so then the Game and Parks Commission could see, hopefully, more savings in the future instead of losing funding which they currently are seeing on that property in Nebraska City. Outside of that, as I mentioned, there are a variety of other cash fund transfers that we discussed both in the Department of Motor Vehicles. Primarily and under LB905, other changes that's pretty significant is the water funding component that we talked about in the mainline budget. We actually create the Water Sustainability Fund in LB906 and make the transfers from the General Fund to LB906 as well as the cash reserve transfers as well. With that, Mr. President, I urge the body to adopt AM2175. Thank you, Mr. President. [LB906 LB905 LB130]

SENATOR KRIST: Thank you, Senator Mello. The floor is now open for debate. Seeing one wishing to speak, Senator Mello, you're recognized to close. [LB906]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. As I mentioned, AM2175 is the Appropriations Committee recommendation. It's the second of three bills. It's the complementary bill to the mainline budget we passed before the noonhour. I'd urge the body to adopt AM2175. Thank you, Mr. President. [LB906]

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

Floor Debate  
March 11, 2014

---

SENATOR KRIST: Thank you, Senator Mello. You've heard the closing to AM2175. The question is, shall the committee amendments to LB906 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB906]

CLERK: 31 ayes, 0 nays on adoption of committee amendments. [LB906]

SENATOR KRIST: The committee amendments are adopted. [LB906]

CLERK: I have nothing further on the bill, Mr. President. [LB906]

SENATOR KRIST: Seeing no one else wishing to speak, Senator Mello, you're recognized to close on your bill. [LB906]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Thank you for adopting AM2175 which is the committee's recommendation. As I mentioned, it creates a number of new cash funds, makes transfers of some existing funds to some of those new funds, being the primary main ones, the Game and Parks Commission, the Water Sustainability Fund, and the new Vehicle Title Registration System Replacement and Maintenance Cash Fund, which is a new cash fund that will focus on replacing an aged old vehicle title registration system. I'd urge the body to adopt LB906. Thank you, Mr. President. [LB906]

SENATOR KRIST: Thank you, Senator Mello. The question is the advancement of LB906 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB906]

CLERK: 31 ayes, 1 nay, Mr. President, on the advancement of LB906. [LB906]

SENATOR KRIST: LB906 advances. Next item. [LB906]

CLERK: LB130 (Read title.) Introduced on January 11 of last year, referred to the Appropriations Committee. The bill was advanced to General File. I do have committee amendments, Mr. President. (AM2180, Legislative Journal page 791.) [LB130]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Mello, you're recognized to open on LB130. [LB130]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. As introduced, LB130 would strike obsolete language pertaining to the completed transfers in Section 84-612 of state statute which is the section of statute that creates the Cash Reserve Fund. The Appropriations Committee amendment AM2180 would become the bill. The amendment includes the Appropriations Committee recommendations for

Floor Debate  
March 11, 2014

---

transfers from the Cash Reserve Fund to the General Fund and to the Nebraska Capital Construction Fund. The transfer to the Nebraska Capital Construction Fund provides for funding for the renovation of the Capitol HVAC system and construction of the courtyard fountains in the Nebraska State Capitol's four courtyards, while the General Fund transfers provides funding for other one-time projects listed in your budget book on page 9. As I discussed a little bit on the mainline budget bill, this is the third of three bills that incorporate all of the committee's budget recommendations. And as you review your budget book on page 8 and page 9, the Appropriations Committee took a very thoughtful, long-term perspective on the judicious use of our state's Cash Reserve Fund. The overriding principle that we utilize was that the Cash Reserve Fund was only to be used for one-time items, not ongoing tax changes and/or ongoing spending items, but one-time items, primarily as you see on infrastructure projects for water, Job Training Cash Fund, as well as capital construction in respect to the State Capitol and our Game and Parks Commission. And we have one other item on a separate bill that Senator Krist has brought to the Legislature in regards to utilizing the Cash Reserve Fund for a one-time use to purchase a new state aircraft. There's a little I would say historical perspective and analysis done in regards to why the Appropriations Committee has tried to strike a balance in regards to protecting the cash reserve for future years. And that analysis is once again in your budget book, page 8 and page 9, where we try to stick to roughly an analysis to keep 16 percent of projected state revenues as part of the cash reserve to protect our state against future economic downturns. Colleagues, this is a fiscal policy that this committee is putting forward to the body. It's a policy that we feel, in the aftermath of the great recession and the likelihood that we will not see an additional \$600-plus million from the federal government through another stimulus bill, that protecting the cash reserve to that roughly 16 percent number helps us stave off future tax increases, particularly when we know the next economic downturn will occur. And that, colleagues, is something that I think the Appropriations Committee members over the last four years prior to this biennium can explain in great detail of how we worked hard not to increase taxes, how we utilize both the cash reserve and the \$600-plus million in stimulus to be able to balance the budget and hopefully still try to protect some key priorities within state government. With that, colleagues, I'd urge the body to adopt LB130. Thank you, Mr. President. [LB130]

SENATOR KRIST: Thank you, Senator Mello. As the Clerk stated, there are amendments from the Appropriations Committee. Senator Mello, as the Chair, would you like to say anything more about your amendment? [LB130]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. AM2180 is simply the committee's recommendation, as I mentioned. It's roughly about \$65 million of one-time transfer from the Cash Reserve to both the General Fund for one-time items as well as to the Nebraska Capital Construction Fund for one-time construction items. With that, I'd urge the body to adopt AM2180. Thank you, Mr. President. [LB130]

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

Floor Debate  
March 11, 2014

---

SENATOR KRIST: Thank you, Senator Mello. Seeing no one wishing to speak, Senator Mello, you're recognized to close on your amendment. Senator Mello waives closing. The question is, shall the committee amendment to LB130 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB130]

CLERK: 35 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB130]

SENATOR KRIST: The committee amendments are adopted. Senator Mello, you're recognized to close on your bill. [LB130]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. With AM2180 that was just recently adopted, that becomes the underlying Cash Reserve Fund transfer bill. As I mentioned, there is a significant fiscal policy that we looked both to the short term and long term with the adoption of AM2180. And I'd urge the body to advance the final of the three Appropriations Committee recommendations bills. Thank you, Mr. President. [LB130]

SENATOR KRIST: Thank you, Senator Mello. You've heard the closing. The question is the advancement of LB130 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB130]

CLERK: 36 ayes, 0 nays on the advancement of LB130, Mr. President. [LB130]

SENATOR KRIST: LB130 advances. Next item. [LB130]

CLERK: Mr. President, may I read a few things?

SENATOR KRIST: Absolutely.

CLERK: Notice of hearing from the Government Committee, signed by Senator Avery as Chair. Revenue Committee reports LB836 and LB1067 to General File, those reports signed by Senator Hadley as Chair. (Legislative Journal pages 861-862.) [LB836 LB1067]

Mr. President, the next bill is LB949. It's a bill introduced by the Business and Labor Committee. (Read title.) Introduced on January 16, referred to the Business and Labor Committee, advanced to General File. There are committee amendments, Mr. President. (AM2068, Legislative Journal page 779.) [LB949]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Lathrop, as the Chair, you are recognized to open. [LB949]

Floor Debate  
March 11, 2014

---

SENATOR LATHROP: Thank you very much, Mr. President and colleagues. Good afternoon. I'm going to introduce the claims bill next. This is LB949. It is introduced by the Business and Labor Committee at the request of the Department of Administrative Services, Risk Management Division. This is the annual approved claims bill, which contains claims against the state of Nebraska that were either approved by the Claims Board or litigated and have judgments against the state. Statutes require the approval of the Legislature. LB949 includes tort claims and agency write-off requests. The first claim is for \$600,000. The claimant was wrongfully accused in the murders of Wayne and Sharon Stock. The Attorney General's Office has negotiated this settlement. The second claim is for \$152,752.67, which is a court-ordered judgment plus interest. The claimant's son was a resident at BSDC. He had his feeding tube inserted to facilitate proper nutrition until a swallowing disorder could be controlled with proper therapy. The district court found BSDC physician Dr. Tran negligent when he ignored a nurse's observations indicating the tube was not inserted properly and refused to personally examine the claimant's son. The claimant's son suffered an abdominal infection as a result of the doctor's negligence. The third claim for \$125,000 represents a court-approved settlement against the Department of Corrections. The claimant in this case suffered damages resulting from the negligence in his medical treatment. Specifically, he complained of a lesion...a legion...a lesion, pardon me, for three years, until staff ordered a biopsy, which resulted in a diagnosis of cancer. The fourth claim for \$15,000 represents the remaining amount due pursuant to settlement. Fifty thousand dollars has already been paid. This claim concerns a civil rights violation against a state trooper who arrested the claimant without probable cause. The fifth claim for \$325,000 is also a settlement concerning the wrongful arrest in the murders of Wayne and Sharon Stock. The sixth claim for \$32,807 is a vehicle accident. The claimant's vehicle was struck by a snowplow and pushed into a ditch. The seventh claim for \$29,996.27 concerns the same vehicle accident. This is the amount to reimburse the insurance carrier and I believe that was a subrogation claim for property damage. The following claims concern agency write-off requests. Agencies are required to seek the Claim Board's approval for debt write-offs. The board approved all of the requests which are found in LB949. The board determined that the debts were uncollectible either because the debtor is deceased, the debt has been discharged through bankruptcy, the statute of limitations has run, or the board was satisfied with the department's efforts to collect the debt, which went unsuccessful. The Department of Roads requests a write-off of \$108,009.81 for debts related to property damage to various signs and so forth out on the roadway. The Supreme Court requests a write-off of \$286.29. The debts are for unpaid faxing services. The Military Department is requesting a write-off of \$7,546.27. The department has been unable to collect amounts provided for tuition assistance. Health and Human Services requests a write-off of \$747,545.18. The debt includes cases where the department overpaid benefits or cases where families did not reimburse the department for care of a family member. The DMV requests a write-off of \$1,190.85 for unpaid appeal transcripts. And the Board of Educational Lands and Funds

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

Floor Debate  
March 11, 2014

---

requests a write-off of \$7,572.57 for a tenant that did not pay on a lease. That's the introduction, full introduction, of the bill and I would urge your support of LB949. [LB949]

SENATOR KRIST: Thank you, Senator Lathrop. As the Clerk stated, there are amendments from the Business and Labor Committee. As Chair, Senator Lathrop, you are recognized to open on your amendments. [LB949]

SENATOR LATHROP: Thank you very much. Colleagues, the amendments become necessary because between the time the bill is drafted and the time we get to committee, there are additional claims that are brought to us by the Claims Board, and they are found in AM2068 and includes three claims. The first is for \$150,000. This is a workers' compensation claim. It is a settlement for indemnity benefits. The claimant was assaulted by a psychiatric patient at the Lincoln Regional Center. The second claim for \$250,000 concerns a judgment under a wrongful conviction statute. In 1969, the claimant was convicted of murdering his wife. The Nebraska Supreme Court reversed his conviction in 1970. The claimant was retried and found not guilty. The district court found the claimant had met his burden by clear and convincing evidence that he was innocent, and the court awarded \$250,000 in damages. And the last claim for \$575,000 concerns a vehicular pursuit where an innocent third party was struck and killed. The involved state trooper attempted a traffic stop. The vehicle accelerated and continued onward at speeds in excess of 100 miles an hour. The trooper followed at similar speeds and the fleeing vehicle sped through a stop sign, striking the decedent's vehicle. The claimant was settled by the Attorney General's...the claim, pardon me, was settled by the Attorney General's Office. That's our introduction on AM2068, Mr. President. [LB949]

SENATOR KRIST: Thank you, Senator Lathrop. The floor is now open. Senator Chambers, you are recognized. [LB949]

SENATOR CHAMBERS: Thank you. Members of the Legislature and Mr. President, I support this claims bill, obviously. And there are some claims I would like to see in it but they're not, and I'm not even going to touch on those. But the fact that it was necessary to pay off some people because of a false arrest, which shows that a cop's mouth is not a prayer book. They lie. Ordinarily, no matter how egregious the lie is, that cop's lie is taken over the word of the citizen. Sometimes things are so bad and the evidence so strong that the citizen does prevail. But that is the exception, not the rule. Cops know that they can and are encouraged to lie on people once they get them. Now this is not the way it's done, what I'm going to say next. I have to make that clear because some people accept what I say without realizing that sometimes I'm being satirical or using hyperbole on purpose. At the academy, they are told how to lie, because I know cops who went through it, and when to lie. And the Supreme Court has said that when interrogating a person cops can lie. They don't have to tell the truth. But if you as a citizen tell a lie to a cop, that is a crime. If Jesus is standing there, and you've told a lie

Floor Debate  
March 11, 2014

---

and you're a cop, and Jesus says you're a liar, and the Mormon Tabernacle Choir behind Jesus and behind the Mormon Tabernacle Choir, the choir of all the angels and they say in perfect, angelic harmony, amen, the cop is supposed to say, no, I'm telling the truth. Are you calling Jesus a liar? I'm saying that I'm telling the truth. Well, Jesus said you're lying. Well, anybody can make a mistake. They are taught how to lie. This time one of them got caught. These people who call themselves crime scene investigators will plant evidence and frame people. Two people were framed for a murder that they did not commit. Fortunately for them, the ones who committed it were caught. Had that been a death penalty case, they would not have been killed yet, thankfully, because it takes time to get a person from a conviction and a sentence into the death chamber, and especially when you have an incompetent Attorney General who's going to get the Supreme Court to issue a death warrant when the execution cannot be carried out because the means to do so are absent. And even though a court said that the Attorney General's Office should be called to account for doing that, nobody has made a move to see that's done. The court can file an ethics complaint, but the court chose not to, I guess figuring that I would read the court's judgment and take on myself the responsibility to do what those in the legal profession and in the judicial profession will not do. These two persons were found innocent, so some money is going to be given to them. Can money make a person whole? It never can in some circumstances. But the theory behind damages is to say that it's an acknowledgment that you were wronged, and to the extent that money can give some compensation for the wrong that you suffered, this is the money that you'll get. But to have been convicted of murder is all that some people will ever remember... [LB949]

SENATOR KRIST: One minute. [LB949]

SENATOR CHAMBERS: ...and associate with people's names. There was a man convicted of murdering his wife, always proclaimed his innocence. And the system which is supposed to be best in the world...I think I need to turn my light on, Mr. President. Thank you. [LB949]

SENATOR KRIST: You have 42 seconds left. You can continue and you're the next in the queue. [LB949]

SENATOR CHAMBERS: Thank you. People in this country are geared, and I would say brainwashed, into saying that America has the best legal system in the world. When a person has been convicted of murder and sentenced to die, the state constitution mandates that there be an automatic appeal. There are some people who have appealed several times through federal court and even state court. Always the decision stood. Then way down the line the death sentence is overturned and sometimes a person is exonerated. But those courts along the way are saying you were charged and convicted by a jury. The Supreme Court at the state level upheld the conviction. When you went into federal court, it was upheld, upheld, upheld. And they use all of these

Floor Debate  
March 11, 2014

---

things to show that you're getting a fair shake in court. Then, when after you've been languishing on death row, as one man did in Oklahoma, solitary confinement, his mind deteriorated to such an extent that he wanted all of his appeals, every document withdrawn so they could kill him because he couldn't stand that solitary anymore. Somehow he was prevailed on and the system allowed him to continue, and he was exonerated. He was found not guilty of the crime. And that's what this supposedly best system in the world did to that man. He'll never be the same again. So all of these courts were wrong. All of these judges were wrong. The jury was wrong. And an innocent person suffered all of that. People in this society...let me deal with Nebraskans. Nebraskans don't even know and understand the legal system in their own state, let alone the legal system in Iowa or the other 48 states. They don't know or understand the legal system in any of the 58 (sic) states in this country, so how in the world are they going to say, except that they're foolish, that America has the best legal system in the world? They don't understand what happens in another legal system in other parts of the world. For one thing, those systems don't have the adversarial method where it's the state against this person. They're supposedly trying to find out what justice is, where the truth lies. Judges can interrogate. Judges can intervene and say, this is going nowhere, this is not right. Won't happen in this country. The prosecutor will withhold evidence. The prosecutor will put on liars. The prosecutor will know that he is fabricating evidence. And this best system in the world allows it, encourages it. And the one who uses it most successfully is advanced. So you have two people convicted of murder because a guy, who has supposedly an impeccable record as a crime scene investigator, fabricated evidence. And it was so obvious that he did it. I used to do a public television program so I analyzed that case and I showed where the guy had to be lying, that the courts had to know it, because he found some blood in a dumpster. But guess what happened. If the blood had been deposited there, it had been deposited there months before.  
[LB949]

SENATOR KRIST: One minute. [LB949]

SENATOR CHAMBERS: A winter had passed over it. Stuff had been emptied out of it and put in it, and he went back after all of these months and he found a perfect blood sample in this dumpster, and it was used as evidence. That's what was done in this best system in the world. I don't trust it. I don't trust prosecutors. I don't trust police officers. Are there honest police officers? Well, here's when an officer is honest. A man was in court, charged with stealing, shoplifting. His defense was that he was a kleptomaniac, that he couldn't help himself. And the judge said, let me ask him a question. You mean to tell me you cannot resist this urge to steal? He said, no, Your Honor, I can't. He said, has that irresistible urge to steal ever come over you when you were standing next to a police officer? [LB949]

SENATOR KRIST: Time. And your third time is started. This is your third time. [LB949]

Floor Debate  
March 11, 2014

---

SENATOR CHAMBERS: Thank you, Mr. President. And third time is a charm, they say. I don't even know what that means. One thing that is good about what this Legislature has done, that's to create in statute a system such as the one we are operating under today whereby a person who feels wronged, and with no other alternative, can present a claim to the state against the state. And if the evidence is very strong, in some cases overwhelming, that the person is entitled to some kind of recompense, that person can have his or her claim presented to the Labor Committee, on which I sit and have sat for several years. And the Labor Committee invariably, as long as I've been there, will support and present to the Legislature those claims and recommend, as is being done today, that they be paid. Remember, we are not being generous. We're not being "full-souled" and purehearted. There was no alternative other than to do what is being done in order to maintain at least a semblance of fairness. But whatever the motivation, it's good that this little bit is being done. And I support this claim bill, all the claims in them. I support the amendments. And the claim that I would submit, but I'm not going to because nothing has happened, but I've been sued along with the state for \$24.5 million. I will not resist the lawsuit. Nobody in my whole life has ever said that I'm worth \$24.5 million, nobody! And you think I'm going to do anything to have that erased? Which one of you has ever been said to be worth \$24.5 million? Not one of you, not all of you put together, not even "Professor" Schumacher. I'd like to ask, for the record, Senator Schumacher a question or two if I may. [LB949]

SENATOR KRIST: Senator Schumacher, will you yield? [LB949]

SENATOR CHAMBERS: Senator Schumacher, sometimes I can be quite presumptuous. Have you ever been...has anybody ever claimed in an official document that you were worth \$24.5 million? [LB949]

SENATOR SCHUMACHER: Not in an official document. [LB949]

SENATOR CHAMBERS: If that had happened, would you do anything to erase that or would you want it to just stand, whether the money was paid over or not? [LB949]

SENATOR SCHUMACHER: I'd just ask him where it was at. [LB949]

SENATOR CHAMBERS: You said what? [LB949]

SENATOR SCHUMACHER: I would just ask him where it was at so I can cash out. (Laugh) [LB949]

SENATOR CHAMBERS: Thank you. What I've always said when somebody is suing me, if they find that we'll split it, no questions asked. But sometimes it helps me to be able to lighten the mood somewhat on a very serious issue such as this. And I applaud Senator Lathrop for the way he has handled the Business and Labor Committee.

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

Floor Debate  
March 11, 2014

---

Senator Mello was giving accolades to the members of the Appropriations Committee, and I think Senator Lathrop has done a very good job. And my view is that you should not wait till somebody has croaked. If you have something to say that's meaningful or you think it is, say it while they can listen to it. They can accept it or reject it, but at least you did what you thought you ought to do. I commend you, Senator Lathrop. Thank you, Mr. President. [LB949]

SENATOR KRIST: Thank you, Senator Chambers. (Visitors introduced.) Senator Wightman, you are recognized. [LB949]

SENATOR WIGHTMAN: Thank you, Mr. President. I thought that I should get up, in light of the fact that I have a 4th grade class here and I thought I just heard Senator Chambers say 58 states. And I thought I probably should point out to the 4th grade that, unless Senator Chambers has learned something today that I didn't know, there are still only 50 states. Thank you. [LB949]

SENATOR KRIST: Thank you for correcting the record. Seeing no one else wishing to speak, Senator Lathrop, you're recognized to close on your amendment. Senator Lathrop waives closing. The question is, shall the committee amendments to LB949 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB949]

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB949]

SENATOR KRIST: The amendment is adopted. [LB949]

CLERK: Senator Lathrop would move to amend with AM2309. (Legislative Journal page 845.) [LB949]

SENATOR KRIST: Senator Lathrop, you're recognized. [LB949]

SENATOR LATHROP: Colleagues, as I said before, we do get from time to time after we...actually, after we had a hearing on the majority of the claims or almost all of the claims, we had a late settlement come in from the Attorney General's Office. This is a significant claim involving a tragic circumstance. AM2309, let me find my notes, is a claim for \$2,000 (sic). It was settled by the Attorney General's Office and approved by the Claims Board. An inmate, approved to drive a state vehicle, struck and killed a lady named Joyce Meeks. Ms. Meeks died instantly. The settlement represents the amount she would have financially contributed to her family if she had lived to the point of retirement. As I said, this is a late-settled claim by the Attorney General's Office. It was settled by the Attorney General's Office in a process that involved the adversarial process. And I would encourage your approval of AM2309. Thank you. [LB949]

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

Floor Debate  
March 11, 2014

---

SENATOR KRIST: Thank you, Senator Lathrop. You've heard the opening on AM2309. Those wishing to speak: Senator Chambers, Hadley, and Bloomfield. Senator Chambers, you're recognized. [LB949]

SENATOR CHAMBERS: Mr. President, at this time only to say that I support this amendment. Thank you. [LB949]

SENATOR KRIST: Thank you, Senator Chambers. Senator Hadley. [LB949]

SENATOR HADLEY: Mr. President, would Senator Lathrop yield to a question? [LB949]

SENATOR KRIST: Senator Lathrop, will you yield? [LB949]

SENATOR LATHROP: Yes. And I'll begin by saying that should have been \$2 million, not \$2,000. Hopefully that's not why you stood me up anyway. [LB949]

SENATOR HADLEY: No. I was just going to say, as you remember last year giving my all for the citizens of Nebraska, I fell in the line of duty in the Legislature. And no one explained to me about this filing a claim for all the egregious injuries I suffered. Is it too late to do that? [LB949]

SENATOR LATHROP: Senator Hadley, I'm not sure that's true. I think maybe one of your colleagues might have mentioned that you have a work comp claim after you stumbled on your way into the Revenue Committee and tore your rotator cuff. [LB949]

SENATOR HADLEY: Well, we'll not go into details, but I'm just going to look at ways to file a claim. Thank you. [LB949]

SENATOR KRIST: Thank you, Senator Hadley and Senator Lathrop. Seeing no one else wishing to speak, Senator Lathrop, you're recognized to close on your amendment. Senator Lathrop waives closing. The question is the adoption of AM2309 to LB949. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB949]

CLERK: 33 ayes, 0 nays, Mr. President, on adoption of the amendment. [LB949]

SENATOR KRIST: The amendment is adopted. [LB949]

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

SENATOR KRIST: Senator Lathrop, you're recognized to close on your bill. [LB949]

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

Floor Debate  
March 11, 2014

---

SENATOR LATHROP: Thank you. And normally I'd waive closing, except that Senator Scheer, who was apparently following along in the bill with my narrative, pointed out that I neglected to mention one other write-off, which was \$16,385.66 by the Lottery Division of the Department of Revenue. And with that addendum to my remarks, I would encourage your support of LB949. Thank you. [LB949]

SENATOR KRIST: Thank you, Senator Lathrop and Senator Scheer. You've heard the closing. The question is the advancement of LB949 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB949]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB949. [LB949]

SENATOR KRIST: LB949 advances. Next item. [LB949]

CLERK: Mr. President, LB987 was a bill originally introduced by the Revenue Committee and signed by its members. (Read title.) The bill was introduced on January 21 of this year, referred to the Revenue Committee. The bill was advanced to General File. I do not have any amendments at this time, Mr. President. [LB987]

SENATOR KRIST: Thank you, Mr. Clerk. Senator Hadley, as the Chair of the committee, you are recognized to open. [LB987]

SENATOR HADLEY: Mr. President, members of the committee, this is a bill that we heard a lot about in the Tax Modernization Committee. I want to take just a minute and thank the 14 members of that committee that put in untold hours this past summer travelling the state, having numerous meetings, crafting a report, and trying to help our tax system. The bill was passed out of committee as a committee bill, signed by six members of the Revenue Committee. It deals with two areas that I think are very important to what we would call a modern tax system. And there are two areas that basically help the taxpayers of Nebraska. The first one is...deals with the brackets. As you know, we have basically four brackets in our tax system. This is where the tax changes. On the incremental income that you earn, you pay a higher rate. The federal government for years has indexed these brackets. What that means is the federal government has allowed these brackets to increase by the amount basically of inflation so that you do not pay taxes on income increases that are basically inflation increases. This bill will eliminate this hidden tax increase. Why is this an important bill? The Fiscal Office estimates this about \$10 million a year that taxpayers in Nebraska will not be paying and increasing by \$10 million every year. So that at the end of ten years, for example, the taxpayers of Nebraska in terms of ten-years-from-now dollars will be paying taxes on \$100 million less in revenue. This is a way that over the years the state government has been able to have additional money to spend but it's come out of the taxpayer's pocket. What this bill will do will be to shut that type of expanding the brackets and will help the average taxpayer in Nebraska. Again, I want to reemphasize

Floor Debate  
March 11, 2014

---

this is a significant tax cut to every person who pays taxes, income taxes, in the state of Nebraska. Simple concept. All it says is we will expand the brackets by the amount of inflation per year. Secondly, Social Security. We heard a lot about taxation of Social Security. I believe we're one of five states, seven states, somewhere in that area, that tax Social Security to the full extent that the federal government taxes Social Security. I would like to be able to wave a magic wand and eliminate tax on all retirement, but we just can't afford that in the state of Nebraska. The dollars just aren't there. What this does, what this bill does is for the first time since 1987 when the federal government started taxing Social Security, and the state of Nebraska went along, for the first time in that period of time, we're going to increase the amount of money that's exempted from taxation by our lower income people in the state of Nebraska. I want you to look at the handout that I sent out. I'm going to start on page 2. I found this to be a very interesting statistic. Forty percent of the Social Security income earned in Nebraska was taxed. Sixty percent was exempted last year. Sixty percent of the Social Security paid in Nebraska was not subject to income tax. There are people who think every dime of Social Security is taxed. That is not correct. This chart shows that only 40 percent of the Social Security dollars earned by Nebraskans are taxed by Nebraska. The goal of LB987 is to reduce that 40 percent. The other side shows the overview. I'm going to try and even simplify it further by giving you the way it works now. If you're a single filer and you earn \$24,999 or less, you pay no social...no tax on your Social Security. From \$25,000 to \$33,999, you pay tax on 50 percent of your Social Security. If you earn over \$34,000, you pay tax on 85 percent. At no time does a person pay tax on 100 percent of their Social Security. If you're a joint filer, you pay...zero to \$31,999, you pay zero percent. From \$32,000 to \$43,999, you pay on 50 percent. And over \$44,000, you pay on 85 percent. The purpose in this bill, very simply stated, it says that for married filers we're going to change that \$44,000 to \$58,000. So married filers who earn under \$58,000 will not pay tax on their Social Security. Above that, they will pay the normal tax that the federal government charges. For all other filers, we're changing the bracket from \$34,000 to \$43,000. In essence, we're raising that bracket to make the lower income people who are living on Social Security primarily to have a better shake, to have a better source of income. Lastly, we had a revised fiscal note. The fiscal note is in two parts. Basically what it says is the Social Security ratchets up and it eventually comes up to be about \$16.6 million a year. The indexing starts at \$5 million and goes up \$10 million a year. As I said, that is an important point. It is a tax cut for every citizen of the state of Nebraska. I think these were responding to what the people told us in the tax modernization. I applaud the Revenue Committee and its members for voting this out. It's a way of reducing taxes for the people of the state of Nebraska. With that, I would be happy to answer any questions. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Hadley. Those wishing to speak, Senators Nordquist, Mello, Schumacher, and Campbell. Senator Nordquist, you're recognized. [LB987]

Floor Debate  
March 11, 2014

---

SENATOR NORDQUIST: Thank you, Mr. President and members, and thank you, Chairman Hadley, for your efforts through the summer on the Tax Modernization Committee and with LB987. I'm very pleased to be a cosponsor of this legislation. The issue of taxation of Social Security benefits is something that I've introduced legislation on every year since I've been in the Legislature, and I think that this approach that's encapsulated in LB987 is a great start for us and a responsible approach forward as I introduced multiple bills over the last six years on the issue. It was Senator Hadley who a couple of years ago at the hearing, you know, said why, why in the world would we need to cut Warren Buffett's taxes on his Social Security. And that's when I think we started to look down the direction of putting the dollars into the pockets of our seniors in our state who really need those dollars because this is an economic...they are an economic engine. Retirees more so than the general public spend the dollars where they're at. They spend them in the local grocery store. They spend them on Main Street. So these dollars for these families below the income levels laid out in LB987 will be dollars that go right back into our economy. And Senator Hadley talked about the amount of Social Security that is being taxed. I have some numbers that were given at the hearing on my bill, LB17, last year. In 1998, 26 percent of Social Security recipients were subject to some level of taxation. But because the numbers haven't changed and incomes have grown, the latest number we had was '05 which showed that 39 percent or almost 40 percent of Nebraska seniors now are paying taxes on Social Security benefits. So this certainly will help get us back to a number of less seniors paying Social Security benefits. We know that this certainly will make us much more competitive when we talk about retiree taxation with our neighboring states. We are lagging behind all of our neighboring states. Iowa did a five-year full phaseout of their Social Security piece, and Senator Hadley said that does take a significant amount of revenue. But this is a great place to start. And I think with the \$25 million investment in property tax relief that we made in the budget that was just advanced, with this bill with the Social Security component and the indexing component which I fully support and Senator Dubas' LB96, the ag repair parts legislation exemption that is now on Final Reading, I think with those four components we have really addressed the concerns that Nebraskans brought to us during the Tax Modernization Committee. We at least in good faith made a significant investment, and these pieces when you look at the next biennium, I believe this bill is somewhere around \$60 million or \$65 million over the next biennium, \$50 million of property tax relief. I'm not sure the ag piece. If I remember right, \$7-8-9 million a year. So that's another \$20 million on top of that. So we are making, you know, in the neighborhood of \$120-130 million reduction in revenues in the next biennium targeted at the areas that Nebraskans told us they wanted it targeted at. So I think those of us that were on the Tax Modernization Committee certainly should feel good about the work, and we're very thankful that the body as a whole is willing to move forward with the proposals that we came forward with from the Tax Modernization Committee. [LB987 LB17 LB96]

SENATOR KRIST: One minute. [LB987]

Floor Debate  
March 11, 2014

---

SENATOR NORDQUIST: Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Nordquist. Senator Mello, you are recognized. [LB987]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. I rise in support of LB987, and I'd like to thank Senator Hadley who not only obviously serves as the Chair of the Revenue Committee but served as Chair of the Tax Modernization Committee over the interim. We had heard through the Tax Modernization Committee a variety of issues to look and evaluate in regards to our tax code. As we've seen bills that Senator Nordquist just mentioned that have come on General File, this Legislature has started to address item by item that has come out of the Tax Modernization Committee report with arguably LB987 being one of the larger components, if not the largest component, as it relates to income tax changes. As Senator Hadley mentioned in his opening, this has a delayed impact, colleagues. And when we talk about fiscal impacts and tax changes, obviously if you look at the fiscal note it only has roughly give or take about an \$8.5 million impact this biennium. But as we have discussed, the impact doesn't really impact...has as much impact now but it compounds year after year, particularly when you add in the changes in reducing the amount of Social Security that would be eligible for income tax changes as well. That dollar amount compounds year over year to where Senator Hadley so aptly described that, within ten years this is a \$100 million a year tax bill. And so for those who say that the Legislature is not doing enough, that we're not being mindful of the taxpayers, read and review LB987 because this has larger tax implications in the long term that benefit over 70 percent of our taxpayers, primarily those who are middle-class taxpayers that will stem potential tax increases artificially through inflation. If you look through the Tax Modernization Committee report, there's a variety of other items that this Legislature has already started to move on. And I think Senator Hadley and the members of the Revenue Committee who supported the Tax Modernization Committee report and other members of that committee who signed onto the report can walk you through those items. LB96 that eliminates the ag machinery repair parts exemption. LB987 which provides an indexing of our income tax code as well as provides relief to senior citizens on Social Security. Expanding our homestead exemption was a key component of trying to reduce the reliance on property taxes. Expanding state aid to public education. Senator Sullivan has brought then LB725 to reduce our local effort rate from \$1.03 to \$1. Senator Schumacher has brought some bills to focus on some of the sales tax exemptions that we heard during the hearings that people felt were an unfair business-to-business transaction. Colleagues, I stand not just in support of what LB987 is providing this body but more importantly what it's providing taxpayers not just this year, not just the next two years, but for the next decade. But just as important that this Legislature is taking a mindful eye towards evaluating our tax code and putting forward responsible proposals. And I appreciate that from the position I sit in the Appropriations Committee because a

Floor Debate  
March 11, 2014

---

number of members have tried to take out the politics surrounding tax issues, whether it's from the executive branch or those who are trying to seek an office in the executive branch. And the Revenue Committee and this Legislature as a whole has done its job. It's considered responsible policies, it's debated policies, and it's moved them along during the legislative process which LB987 is by far the biggest component of that. [LB987 LB96 LB725]

SENATOR KRIST: One minute. [LB987]

SENATOR MELLO: I hope members are mindful that tax changes primarily when it comes to income taxes have a significantly delayed impact. We saw this in LB970 when the Legislature passed in 2012 where just this biennium, this year alone we start to see the full implementation of a tax bill we passed over two years ago to the tune of over \$50 million a year in lost income tax revenue due to those tax changes. So we need to be mindful, colleagues, in regards to this is a responsible proposal that addresses tax reform that constituents and taxpayers brought to us during the Tax Modernization Committee. And I want to thank Senator Hadley for his leadership because he's led the way and he's done so, colleagues, in a responsible, long-term thoughtful process. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Mello. Senator Schumacher, you are recognized. [LB987]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I rise in support of LB987. I want to thank Senator Hadley for his leadership and his patience with all of us as we muddled through the Tax Modernization Committee hearings and the discussions, trying to come up with a policy that was honest and that made sense. I recall the old saying that every dark cloud had a silver lining. There's a corollary to that: Every silver cloud has a dark lining. Quite honestly, this particular mechanism of indexing the brackets takes away a really nifty political gimmick from us. You see, for the last 15 or so years we've been able to have an automatic tax increase and look the voters in the eye and say, hey, we didn't raise your taxes. Well, it was done automatically for us. When inflation happened, people began to have more and more income bumped up into the higher tax brackets, and that resulted in about \$10 million a year. So in passing this what we in fact are doing, as Senator Hadley explained, we are taking that automatic tax increase away and that means \$10 million less, the next year \$20 million less, the next year \$30 million less. If we have periods of aggressive inflation, it will be more dramatic than that. So in the context of all this, I want to echo just a little bit of what Senator Mello said, and that is that the idea that we're going to have and count on robust revenues to just float us all through the increased expenses we're going to see from less federal programs, aging baby boomers, and increased issues with children in need, we're going to find some tough, tough times. But we did hear the taxpayers. We did rationally look at what we could do without jeopardizing the

Floor Debate  
March 11, 2014

---

stability and long-range safety of the state, and this is one of the things that there was pretty clear consensus on we ought to do, because it is the right thing to do even though it's going to make our job more difficult and the job of future Legislatures far more difficult as we go on. I encourage your support for this because it's the right thing to do. It looks not very painful today but it's one of those things that we're going to have to take into account as we move down years into the future. Thank you. [LB987]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Campbell, you're recognized. [LB987]

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. I, too, would like to add my thanks to Senator Hadley and also to my colleagues who also served on the Tax Modernization Committee. It was truly a good education for the Health and Human Services Chair to serve on the committee and I particularly enjoyed hearing from my colleagues on the Revenue Committee as they look at the principles that are needed to be...to have into place for good tax policy. About a week ago I said to Senator Hadley, could you describe for me or get some facts for me what we've done with regard to income tax relief in the last couple of years, knowing that we had LB987 coming and what that impact would be, because we've heard so much about we need income tax relief, we need income tax relief. So Senator Hadley and his staff brought to me the report of three major bills that we have passed in the last two years. LB970, which has been referred to here, was the package--Senator Cornett at that point was the Chair of the Revenue Committee--for a total of about...impact of \$55 million. That has just come into play this year. We also had LB308 last year, and Senator Conrad mentioned this bill yesterday, and that total was \$16 million. And then last year we also had LB572 on the ESOP tax, which I believe Senator Harr brought forward, for a total of \$83 million of tax relief, income tax relief, that we've put into place in the last two years. All of that is to say that I certainly do support the Revenue bill and thank the Revenue Committee for bringing it forward. It's very clear to me that this Legislature has paid close attention to income tax relief in the last couple of years; it's paying attention to it today. And, colleagues, we do need to always keep in mind to not just look at what we're doing today but what have we done in the last couple of years and, as importantly, what do we need to do in the next couple of years. I thank the committee once again for bringing this forward. It's another step for income tax relief. Thank you, Mr. President. [LB987 LB308 LB572]

SENATOR KRIST: Thank you, Senator Campbell. Senator McCoy, you're recognized. [LB987]

SENATOR McCOY: Thank you, Mr. President and members. I rise in full support of LB987 that has, as been said by our Chairman, Senator Hadley, was voted out of our Revenue Committee. I was one of those votes. I think it's a good piece of legislation. It's a very good step. It's a good step for a couple different reasons. You know, we've talked

Floor Debate  
March 11, 2014

---

a lot...I'll take the indexing component of this first. You know, we've talked a lot about that bracket creep, what that means for Nebraska families. LB970 that's been referenced a couple different times was my priority bill from two years ago; care very deeply about that piece of legislation. I think it's a good start, although not enough, and I'm not done trying this session to get more accomplished on income tax relief. But I think LB970 from 2012 was a good start. That bracket creep is a real problem. Let me give you an example, and I don't believe anybody has mentioned this yet on the microphone but we talked about it a number of different times, not only just in Executive Session but in discussions with the Revenue Committee and the Tax Modernization Committee, that if we had indexed all the way along a married filing jointly family in Nebraska, where the top rate prior to January 1 of this year kicked in at \$54,000, now kicks in at \$58,000, had we indexed every year along the way since 1993, unlike what we did, that top rate of 6.84 percent would today kick in at \$84,400, just to give you an idea of what a difference indexing makes if done over time. That's hugely significant. To Senator Hadley's point, that year after year of tax savings to avoid that bracket creep situation for Nebraska families is significant. It's significant to keep our young professionals here, our young people here. It's significant tax relief for our families. I am one...I think we can have diversity of opinion on this floor and in this Legislature. I think it's one of the hallmarks of our body. I don't personally believe that this is where we ought to stop this session, but I support this piece of legislation, not just for what it does for indexing for income taxes but for what it does for those with Social Security income. It's been long overdue in this state, as many of us know and as has been talked about time after time after time. And here we stand today with an opportunity to do something about it. These were both recommendations of the Tax Modernization Committee. There were also some recommendations in that report that, personally, I didn't support. But I'll tell you one of them that was in that report and that's reducing ag land valuations, which is my priority bill this year. So I think we can have a difference of opinions on the priority ranking of some of the things that...and concepts that we talked about in the Tax Modernization Committee, but today the issue in front of us is LB987 and I think it is a good step for Nebraska and one that I support wholeheartedly. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator McCoy. Senator Kintner, you are recognized. [LB987]

SENATOR KINTNER: Mr. President, thank you. I would like to also thank Senator Hadley. He's been through a lot as Chairman of the Revenue Committee. He's shown the patience of Job, sometimes the wisdom of Solomon, and the whole time he's had a steady hand on this whole thing. And I really appreciate Senator Hadley's contributions to the whole discussion. And the Tax Modernization Committee, I appreciate everything they've added to it and his guidance of that committee, and of course the Revenue Committee. They stepped up and it was...came out unanimously, this. This is good policy. As Chairman Mello said, it's reasonable. I think it's measured and it's a good

Floor Debate  
March 11, 2014

---

start. Like Senator Nordquist, I, too, have introduced something to do with Social Security in reducing the tax on Social Security income both of my years down here, and I think this is something that we need to keep our eye on, we need to keep moving the ball forward. And I hope at some point that we can be a state that doesn't tax Social Security. I think this is a great start and I thank the committee and I thank Chairman Hadley again. I urge my colleagues to support this. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Kintner. Senator Wallman, you're recognized. [LB987]

SENATOR WALLMAN: Good afternoon, Mr. President, members of the body. Here we go. Senator Hadley is at it with revenue, with income tax. And he tried his property tax relief; it didn't go. And I'm a senior citizen. I pay income tax. I pay Social Security. On my Social Security tax I pay tax. Do I mind that? Nobody likes to pay their taxes. But the biggest complaint I hear in my district, next to Kansas and Missouri and Iowa, the district over, is property taxes on your house, on your farmland, on your small business and also on your large businesses. So what are we doing wrong here? Do we really want to modernize our tax system at all? Do we really want to go there? We should, absolutely. We look at other states, and I've looked at them, where they get their income from. Colorado, Wyoming, of course, is coal and oil, severance tax. South Dakota, North Dakota, severance tax. So did we ever look at that for revenue? We have to look at revenue, folks. And Senator Hadley and I had a little discussion last night about revenue. We can't keep pinching down our revenue. Whether it be income tax or whether it be sales tax exemptions, we are cutting our revenue. So how are you going to pay for the schools? How are you going to pay for healthcare? How are you going to do it? Local entities will say, whoops, we've got mental health issues here, we have to take care of this. We'll have to raise the property tax. And lots of cities and counties can probably raise their taxes more, but I live in a county, for goodness' sakes, they floated a bond to redo the roads, borrowed money to redo our roads. And our local townships, they're up against the lid limit, they can't afford to get new equipment because they're against the lid, even though the property has been rising. Inflation, this is a tough issue, folks, and whether we want to cut income tax, we are transferring wealth. The poor people have to pay more. They won't get taxed on the Social Security to begin with. So the people that can afford it will get the biggest tax breaks. And the property, if you own a house, it costs you so much dollars...so many dollars to live there just to pay the taxes. That doesn't count heating and cooling and all...insurance. It costs a lot of money to live in your own house in Nebraska compared to Missouri, compared to Kansas, compared to Arizona, all these states. So why is that? Because we dump the local entities under the bus so they have to pick up what we don't want to pay for in here. We don't want to expand income tax or sales tax. So here we are. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Wallman. Those still wishing to speak: Senators

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

Floor Debate  
March 11, 2014

---

Scheer, Davis, Sullivan, Crawford, and Bloomfield. Senator Scheer, you're recognized. [LB987]

SENATOR SCHEER: Thank you, Mr. President. I rise to support LB987. Today is a new day. It's not yesterday. Yes, yesterday we were looking at property tax relief. Today we're looking at a different type of tax relief and that would be Social Security benefit taxation and that of the creep on income taxes. To me, this is helping not just the wealthy, it's helping everyone. Because when the tax brackets creep up with inflation, even those with lower income it moves up incrementally. And pretty soon, as we've noticed, most of the Nebraska population is at the highest level that we have. It seems to me that if we can start adjusting that and make the differences in those tax brackets, it becomes a fairer tax. It doesn't put everybody lumped into the top. That doesn't help property tax, I know, Senator Wallman, but today is a new day and we'll live to fight another day on that. I remember yesterday Senator Karpisek made the comment that if we're going to return money, perhaps we ought to return the money from where it came. Well, this gives an opportunity to do so because the state does receive its income from income tax and sales tax. So consequently, by adjusting the income tax on both Social Security benefits and the creep on the rates, it does help every Nebraskan. And it doesn't just help those that...I would take deference with Senator Wallman that those on Social Security aren't paying taxes on it anyhow, because there are people that are making above just Social Security, that have had jobs that are providing them a retirement benefit as well as having Social Security. You want to call it a doughnut, you want to call it whatever you are, but they have Social Security and they have a little bit of an income coming from a retirement program. And so they are paying on their Social Security. And if we can adjust that a little bit to where they are not paying or not paying as much, that does help our economy. Those folks have a lot of disposable income. And most of us that have took economics, regardless if it's a Jesuit institution or not, would realize that any income that you can put into an economy will be turning several times over. So anything that we can do to put money back into the hands of people that will spend it will help the economy of the state of Nebraska. It will help the residents. It will help us to recruit people. It will stop those that are retiring from leaving the state of Nebraska just because they want to have a greater portion of their income to spend, and I don't blame them. And with that, I thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Scheer. Senator Davis, you're recognized. [LB987]

SENATOR DAVIS: Thank you, Mr. President. I wonder if Senator Hadley will yield to a question. [LB987]

SENATOR KRIST: Senator Hadley, will you yield? [LB987]

SENATOR HADLEY: Yes, sir. [LB987]

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

Floor Debate  
March 11, 2014

---

SENATOR DAVIS: Senator Hadley, you went over some of the data on Social Security income and exemptions, and I wonder if you could give me that again before I make my points here. [LB987]

SENATOR HADLEY: Is the data you're talking about, Senator, when the brackets...when they kick in on Social Security? [LB987]

SENATOR DAVIS: Yes. [LB987]

SENATOR HADLEY: Okay. For a single person below...basically below \$25,000, no Social Security is taxed. Up to \$34,000, between \$25,000 and \$34,000, 50 percent of the Social Security is taxed. Over \$34,000, 85 percent is taxed. For a joint return under \$32,000, zero Social Security is taxed. From \$32,000 to \$44,000, 50 percent of the Social Security is taxed. And over \$44,000, 85 percent is taxed. [LB987]

SENATOR DAVIS: And with the new structure is it...there's a figure of \$58,000 I believe you quoted. [LB987]

SENATOR HADLEY: That's correct. [LB987]

SENATOR DAVIS: So tell me what is going to be exempt below \$58,000. [LB987]

SENATOR HADLEY: Fifty-eight thousand, if it's filed in a joint return, all of Social Security will be exempt. [LB987]

SENATOR DAVIS: So, folks, I just did a little working with the gadget, which is always a great tool, and I just want to share that with you that two people working at the maximum salary through their life and retiring at age 65 will have \$57,344 in disposable income. Two people who are not retired at the same level will have \$57,344 in income but they're not retired. They're going to end up paying \$12,200 in Nebraska income tax. Now let's think about who these people are. These are the younger people that are participating in the work force, working hard, with children, car payments. I made this point the other day but I'm passionate about it. We need to find a way to help people who are a little bit younger and are struggling with some of their debts. I don't resent helping out people on Social Security, but I think it's really important that we consider that. We are increasing the homestead exemption for these people, and this is going to be a tax shift one way or the other because the state of Nebraska is not going to have the revenue available to it in a few years. So is there going to be more TEEOSA funding? I doubt it, unless we're going to go to some other entity of state government and say, well, we're going to take revenue from here for something else. So what does that do? That matriculates back down to the school districts in the form of property tax, which is the issue that we heard at every one of the Tax Modernization Committee's

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

Floor Debate  
March 11, 2014

---

meetings all summer. I haven't seen anything done for agriculture here that's significant, and I wish the body would really think about the fact that agriculture is the driving force of this state. And the other point I want to make, a lot of people who grew up on farms and ranches retire and move to town. And what is their retirement income? Because they probably didn't have a lot of income, so they're not going to have a lot of Social Security, but they're going to have rent off that farm or ranch. And guess what. The state is going to have to tax, the local entity is going to have to tax them more. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Davis. Senator Sullivan, you're recognized. [LB987]

SENATOR SULLIVAN: Thank you, Mr. President. Good afternoon, colleagues. Well, first of all, I stand in strong support of LB987 and I do thank Senator Hadley for his leadership on this effort, and it has been an effort. We spent a lot of weeks and a lot of hours listening to constituents and taxpayers, and I think LB987 strikes a balance. It provides at this point in time, going forward also, a reasonable level of tax relief. But the comments of Senator Schumacher and Senator Davis are not lost on me. To a certain extent, I really believe our work has just begun. This is not the end of the story, certainly, because first and foremost I would not be a good Education Chair if I weren't cognizant of the impact that this is going to have on our General Fund revenues and the impact ultimately that will have on our responsibility to fund our public schools. And there will be challenges there, along with all the other challenges that we have in providing services that Nebraskans expect out of their government. So the balancing act will continue and it's going to teeter back and forth until we can provide that appropriate balance. And I also hear, painfully, to a certain extent, what Senator Davis is saying. Try as we might, because that's what we heard, Nebraskans need and want property tax relief. And quite frankly, we are not going far enough. But I know Senator Hadley joins me, too, in the fact that we were...we are going to try, we've tried, yesterday we did, and we didn't achieve that, to provide a little more to the property tax credit. We're going to continue to work on this effort. We know we have to. Because not only do we need to listen to what Nebraskans have told us in wanting to achieve property tax relief, but we also know that if we are to achieve that then the balance will tip more toward, okay, state revenues, what are you going to do to help us balance the responsibilities that we have to provide the services? And that is, first and foremost, to our public schools. So while I support LB987 and want us to support it grandly, I know that our work is far from finished and we need to be cognizant of the challenges and the needs still unmet that we need to attend to going forward. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Sullivan. Senator Crawford, you are recognized. [LB987]

SENATOR CRAWFORD: Thank you, Mr. President. I stand also in support of LB987

Floor Debate  
March 11, 2014

---

and do want to echo some comments of other senators who have stressed that this is one in a long line of efforts to reduce the tax burden for Nebraskans. And so the Revenue Committee has worked very hard to find multiple ways of trying to reduce taxes and modernize our tax system, and I applaud their work in that way. And as Senator Sullivan mentioned as well, we all do realize that this is one step in a longer process and that we still have other work to do, and I appreciate that as well. One piece of the bill that I'm going to pull out in particular is the retiree tax relief, and I realize that that's been an important goal for many of us in this body. And one of the first bills that I cosigned...the first bill that I cosigned when I joined the body last year was a bill to provide some tax relief for those who are receiving Social Security. And actually another part of that relief, the relief on Social Security benefits, also addresses another key concern of many of my constituents, which is tax relief for military retirees. And so one of the issues that I want to make the body aware of is the fact that many people who are military retirees, older military retirees, do also receive Social Security income, and so those older retirees who receive Social Security income will at least, with this bill, receive some tax credit relief, because the tax credit relief will come on their Social Security income. And so that's a very important step in that direction of providing some tax relief. In this case, in this bill as it stands now, provides some tax relief for the older retired military retirees who also receive Social Security income. I believe there's negotiations and discussions about whether we can move any further along that line this year and I hope to be involved in those and hope that we can move a little further along. But I'm happy to see at least some concerns about addressing income tax relief for older military veterans are taken care of with this bill, and for that and other reasons stand in support of LB987. Thank you. [LB987]

SENATOR KRIST: Thank you, Senator Crawford. Senator Bloomfield, you're recognized. [LB987]

SENATOR BLOOMFIELD: Thank you, Mr. President. I am going to support LB987, not because I think it's anywhere near enough but because it is a struggling infant step forward. Senator Davis took quite a little of my thunder, but I think there's probably a little bit left. If you work and manage to save, oh, \$4 million and you have it sitting in a bank account, CDs, whatever, we don't tax that principal. We may tax the income, but we don't tax that principal. If you work a lifetime and accumulate \$4 million worth of real estate, worth of farmland, you're going to pay tax on that every year, and every year it increases. Maybe, to get some property tax reduction, maybe we should start looking at these big CDs that are sitting around that we're not collecting anything on. You know, we're drawing a whopping quarter of a percent on the smaller amounts. If you have \$4 million, \$5 million laying there, you're probably doing a little better than that. Maybe we should slap a little tax on all that principal laying there. Let's put a 1 percent tax on that while they're drawing 2 percent and see how people like it. What we have done for property tax relief is embarrassing. We have done very, very little for what the people across the state of Nebraska asked us for over and over and over again. What they told

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

Floor Debate  
March 11, 2014

---

us was the most important thing that we could do, we have not done. Again, I will support LB987. It creeps those brackets up a very small amount for the income tax. But I'm not happy with what we've done. But I will support this part of it. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Bloomfield. Senator Cook, you are recognized. [LB987]

SENATOR COOK: Thank you, Mr. President. And good afternoon, colleagues. I also rise in support of LB987. And while I do not participate on the Tax Modernization Committee during the interim, I am a member of the Education Committee, and we also heard over and over again about the desire for property tax relief. I would echo what my colleagues on the Education Committee have mentioned. There's a continual desire for the decrease in property taxes, and as we vote for this--and as I said before, I support it--we have to remember that that's the pool of money out of which the TEEOSA funding comes. And it is our one and only constitutional obligation, to fund education in the public schools. At my time on the microphone this afternoon, I'd also like to draw the body's attention to a document that is currently in draft form but available. I serve as Vice Chair of the Planning Committee, and Figure 9 in the December 2013 report features the median household income for Nebraskans by legislative district. In Legislative District 13, the district I proudly represent, that number is \$42,289. And according to the handout that Senator Hadley so generously provided, my guess is that most of the people who are collecting Social Security and collecting any kind of income in my district are not going to be terribly impacted by this proposal. But once again, I rise and want to honor the work of the committee that they have attempted to address issues as they're related to income tax. But I also want the body to be aware that we have young families who are going out to work every day and paying taxes and paying for childcare and paying for all the things that you pay for in the busy years. And I want us to think about how we are supporting them and how we are investing in our future. If this is a bill for people who currently collect Social Security and we at the same time want to invest in pre-K-12 education, where will those tax dollars come from if we are, on the one hand, seeking property tax relief, reducing the size of the pot from which we draw TEEOSA, but in the meantime we still have children being born in this state who will need access to a high-quality public education? Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Cook. Senator Brasch, you're recognized. [LB987]

SENATOR BRASCH: Thank you, Mr. President. And thank you, colleagues. I do support LB987. And like many other senators, I've heard echoed here that there is support, but we acknowledge that this is a start in the right direction and there is more to be done. And one comment I wanted to make yesterday, I still feel strongly about the need for property tax relief. And as this is a huge year for changing of the guard, there's

Floor Debate  
March 11, 2014

---

many seats being changed, at least 17 in here are being changed, we're changing the guard on our leadership in this state on many levels as well. And as I'm listening closely to many individuals out there stepping up to be the leader, it's becoming a contest of how much dirt do you have under your fingernails, that same dirt that grew this state, you know, our ag land, our farms, our communities. And you read just an e-mail this morning from Senator Johanns' office that talks about how this state was formed. But we are not doing enough for the agricultural community who is being taxed on multiple layers. This is a start. This is a good start. I do support this, but our work and our challenge is to make it fair and not just look at what we will do but look at what we can do. And as we reduce our taxes, we need to understand that we do need to grow our tax base to lessen that burden, look at how we can make more citizens productive citizens, less jail time, less jails, more people returning to the work force, having more jobs available. That is growth. But we have a solid core. Our foundation, our economic engine, what feeds this state and has grown this state from day one is agriculture. And their backpack, their burden, is getting heavier and heavier with each generation, where less and less individuals are able to return to those same farms. However, as we change that guard and that leadership and we look at who has that ag background, who has that strong work ethic, who has the courage to go where no man or woman has gone before and plant one seed, and from that seed you grow a community, from that community you grow a state. And that's how our nation has grown. We need to look at every nickel, dime, and penny, that is true, and use it wisely and not grow government but grow good business. LB987 does provide relief that is right to do, but we have only started. Yes, Senator Sullivan, I understand the dilemma. We do need to make sure that our students leave our schools as leaders and that we also shine as number one in education as we shine in agriculture and opportunities. Thank you, Mr. President. Thank you, colleagues. [LB987]

SENATOR KRIST: Thank you, Senator Brasch. Senator Wallman, you are recognized. [LB987]

SENATOR WALLMAN: Good afternoon again, fellow countrymen. This is very interesting. I thought we were about tax relief for ag land, so is this going to relieve ag land valuations, mill levies, all these things? We're still going to ask money from the same people. It's ag land. And also these small towns and villages would have nice homes. They pay their taxes, they pay their property taxes as well. And as much as I'd like to vote for this, I just can't vote for this because people voted down Senator Hadley's proposal to give more money to ag land relief, property tax relief, and they didn't vote for it. So I couldn't figure that out. So now we've got income tax relief, which has nothing to do with property tax relief, nothing, absolutely zero. So if you want to vote for this, vote as you wish. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Wallman. Seeing no one wishing to speak, Senator Hadley, you're recognized to close on your bill. [LB987]

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

Floor Debate  
March 11, 2014

---

SENATOR HADLEY: Mr. President, thank you. Thank you all for the comments. I certainly had very little to do with it. I worked with a great Modernization Committee. The Revenue Committee is working hard to try and do what we can to help. I use two criteria when I look at bills like this: is it reasonable, and is it sustainable? I think it meets both criterias. I do think it will help middle-class Nebraskans with the bracket creep and it helps our elderly. Those are things we heard. I think it's a good bill. If I could wave a magic wand, there's a lot of things I'd do in here. But we also, to quote Paul, Senator Schumacher, we have to live in the land of reality also with what we can do, what we can afford to do. And we'll live to fight another fight on areas. We've had years of building some of these problems up. We can't expect to end the problems overnight. I get a kick out of the exemption on ag parts. You know, people are expecting us to solve these problems overnight with property taxes, sales taxes, income taxes. Do you know the Syracuse study in 1987 suggested that we do away with sales tax on implements? And it only took us to 2014 to get it done. So sometimes it takes us a little time in here. But I think these are all starts. And while I don't believe it's enough, we did make a start on property tax. We put \$25 million into the Property Tax Cash Fund. That brings it up. The average taxpayer in Nebraska is going to see a decline...an increase, I should say, an increase in that property tax credit next year because of the action that was taken. So I do appreciate all your help. We will continue to work on it. I appreciate the help of the, as Senator Brasch said, the 17 people that are leaving. They have done a great job in trying to mentor some of us. I know that's difficult at times, but I do appreciate that. With that, I'd ask for your green vote on LB987. Thank you, Mr. President. [LB987]

SENATOR KRIST: Thank you, Senator Hadley. You've heard the closing. The question is the advancement of LB987 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB987]

CLERK: 36 ayes, 1 nay on the advancement of the bill, Mr. President. [LB987]

SENATOR KRIST: The bill advances. Next item. [LB987]

CLERK: Mr. President, if I may, before we proceed, I have an amendment to be printed by Senator Nelson to LB867. (Legislative Journal pages 862-864.) [LB867]

Mr. President, returning to LB863, it's a bill originally by Senator Karpisek. (Read title.) Bill was referred to General Affairs. Bill was presented yesterday, along with the committee amendments, Mr. President. The committee amendments were divided. The first component of the committee amendments was adopted, specifically AM2297. The second component is now pending, which is AM2298, Mr. President. (Legislative Journal page 827.) [LB863]

SENATOR KRIST: Senator Karpisek, you are recognized. [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Just a refresher real quick, this is our committee omnibus bill; has been divided into seven parts. As the Clerk mentioned, we have moved through the first part, Senator Wallman's cemetery bill. We were almost done with my e-cigarette bill, which was LB681, which would just not allow the sale of e-cigarettes to minors and for minors to possess the e-cigarettes. And that's basically what that law does. It would be a Class V misdemeanor for possessing such products and a Class III misdemeanor for selling those products. As I say, we're almost done and Senator Kintner put a floor amendment up and that's where we are now, Mr. President. Thank you. [LB863 LB681]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Kintner, would you like to refresh us on where we are? [LB863]

SENATOR KINTNER: Well, thank you, Mr. President. I think at this point I'd just like to withdraw my amendment and we'll get on with the vote here. Thank you. [LB863]

SENATOR KRIST: Thank you, Senator Kintner, withdrawn. Seeing no one else wishing to speak, Senator Karpisek, you're recognized to close. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I would just appreciate, I don't think that this is a very controversial part of this bill. Again, it just keeps the e-cigarettes out of the hands of minors under 18. I think e-cigarettes should be in the same class on that as tobacco products. This does not change the taxation of e-cigarettes. It does not change where they can be "vaped," doesn't change any of those things. It just says that anyone under 18 should not possess them. And I would appreciate a green vote. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. You heard the closing. The question is the advancement of AM2298. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB863]

CLERK: 28 ayes, 0 nays, Mr. President, on the adoption of this component of the committee amendments. [LB863]

SENATOR KRIST: This component has been adopted. Next component, Mr. Clerk. [LB863]

CLERK: Mr. President, Senator Karpisek, as Chair of General Affairs, would offer AM2299. (Legislative Journal page 830.) [LB863]

SENATOR KRIST: Senator Karpisek, you're recognized. [LB863]

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I apologize. I forgot to thank Senator Kintner on that last one, for withdrawing that motion. I appreciate that very much. AM2299 was LB899 introduced by myself, and appears on pages 14 and 15 in Sections 23 through 26. Currently, there is no definition in the Nebraska Liquor Control Act for hard cider. The popularity of hard cider has been on the rise in American alcohol markets. Because hard cider is produced by the fermentation of primarily apples, it is considered a wine. As a wine, wholesalers must have a wine-distributing license to distribute hard cider, retailers must have a wine-retailing license, and the product is taxed as wine. Because the industry markets the product like a beer through its packaging and alcohol content, the Nebraska Liquor Control Commission thought it made sense to define hard cider as a beer. The Nebraska Liquor Control Commission requested this definitional change in its legislative letter classifying hard cider as beer to address these concerns. LB899 is modeled after the federal regulation definition for hard cider except that in addition to apple, the bill includes pear and the alcohol content is 8.5 percent maximum, which is the same as a bill called the CIDER Act, acronym, that is currently being considered by Congress. LB899 is intended to get Nebraska ahead of these issues, since relying on the federal government to act creates uncertainty and doesn't address Nebraska's current licensing issues. I would like to say and very much thank Senator Harms and Project Extra Mile for sitting down and talking through this with me. I do have to say that in the end we did not come to a consensus. We were not able to work out an amendment on this. Doesn't mean I've given up, and maybe we still can, but if we can't, I would like to move through these divisions and vote them up or down. There are, especially Senator Wallman's cemetery bill and my e-cig bill, that I think are very important and I would just appreciate an up-or-down vote on these bills as they come up through the division. And again, I want to thank Senator Harms for being very genuine, sitting down, telling me his issues, trying to work through them. I very much appreciate that. Thank you, Mr. President. [LB863 LB899]

SENATOR KRIST: Thank you, Senator Karpisek. You've heard the opening on the third portion, AM2299. Those wishing to speak, Senator Harms and Senator Gloor. Senator Harms, you're recognized. [LB863]

SENATOR HARMS: Thank you, Mr. President and colleagues. First of all, I want to thank Senator Karpisek. We had a good conversation this morning. I've always found Senator Karpisek, when we get into these kind of issues, to be a true gentleman. He's a good listener and I have always appreciated that, trying to find the middle road on this. And so thank you very much, Senator Karpisek. We're just philosophically at different poles and that's okay. That's what the democratic process is about and that's, quite frankly, why I wanted to have these broken down into different segments. And I will tell you that by doing this we have much more conversation than we ever would have had on the first two bills, and I thought those were healthy. And I'm hoping that we're not moving to filibuster this bill. That's not my intent at all. I just want to have a vote up or

Floor Debate  
March 11, 2014

---

down on each one of these and move on. So the definition of hard cider, as you heard earlier, is classified...would be classified then as a beer. And as Senator Karpisek said, it's fermented from a fruit and currently taxed approximately at .95 cents per gallon. The proposal would classify hard cider as a beer, lowering that tax to .31 cents per gallon. Reclassification of this is what really bothers me. It lowers the tax rate and makes the product more accessible to youth, and that's where I'm coming from. It makes it more accessible to youth, allowing them to...allowing it to be sold by additional class of liquor license, like beer-only license, convenience stores and so forth. And I guess that's where I'm coming from. Every time I open up the paper, you know, and see where a teenager has been killed in a car because they weren't wearing seat belts or they were...it involved alcohol, it brings this to my attention constantly. And as we allow these things to go by and erode us and allow our teenagers to purchase this, it's wrong, colleagues. And the argument is that when you lower the amount of money, it's easier for them to purchase it. And we know that the females will be attracted to hard cider because of the sweeter aspect of their drinking. Let me just give you some other information about the thing that I am concerned about, and that's the youth. Young people who began drinking before the age of 15 are four more times likely to develop alcohol dependency and 2.5 times more likely to become abusers of alcohol than those who have been drinking at the age of 21. The concern that I have is that in 2009, underage customers consumed--and listen to this, colleagues--consumed 2.5 percent of all alcohol sold in Nebraska, totaling \$150 million were sold in 2010. These are underage customers, colleagues. You don't think this is not a big business? It is big business. These sales provide a profit of \$73 million to the alcohol industry. That's why they're interested in it. That's why we want to continue to erode that basis. Ranking states based on a percentage of alcohol consumed under age, with one being the highest, Nebraska ranks number five in the nation, number five. Colleagues, we have a problem with our youth and alcohol, and particularly where I come from. When I first came here, we were number one in the state in underage drinking. We were at the top in teenage pregnancies. Now, coupled with all the other issues coming into our area through the changing of marijuana in Colorado, we're being flooded with all those issues. This just simply adds to that, and that's the reason why I'm behind this. That's the reason I disagree with where we are, lowering this does not help us at all, colleagues. I think it's wrong. I don't think we should do this. And somewhere along the line, as policymakers, we have to start to take a stand. [LB863]

SENATOR KRIST: One minute. [LB863]

SENATOR HARMS: Thank you, Mr. President. We have to start to take a stand on these issues. We can't let this continue to go by. And I thank Senator Karpisek. As I said earlier, we had a great conversation this morning. It's just that philosophically on this particular issue we are at different corners, and I'll come back later on and have further discussion with you. Thank you, Mr. President. [LB863]

Floor Debate  
March 11, 2014

---

SENATOR KRIST: Thank you, Senator Harms. Senator Gloor, you're recognized.  
[LB863]

SENATOR GLOOR: Thank you, Mr. President. Good afternoon, members. I certainly rarely disagree with Senator Harms or Project Extra Mile, for that matter. I also am concerned about youthful drinking. But this product, cider, is not a product made for youth or with the intent of appealing to youth. The first time I had cider was by mistake. I was at a microbrewery that specialized, as you might expect, in beers, barley pop, and in this case inadvertently ended up being given a cider, which I found undrinkable, frankly. It is not overly sweet. It is (laugh) something that "brewmeisters" continue to make as a point of distinction, I think, for a very small sliver of the market but certainly not something that was made to sell to youth. Saying "cider" I think lends itself to people thinking along those lines, but having tasted several, I'll tell you it is not to my liking and I think it takes only a certain personality who enjoys...and certain taste buds who enjoy that. Senator Chambers, I believe, talked to us about Johnny Appleseed, who was sowing certain types of apples that were used to make cider, which was used as a substitute for beer, I believe, for years and years. But that part of it doesn't bother me. And I do understand the concern about dropping price, but the small amount of price drop here as a result of a change in taxation will quickly be absorbed from a marketing standpoint by the sellers of the product. Our experience with tobacco products has been, much, much higher increases in tobacco taxes end up being absorbed into the size of the product. They'll sell it at what the market will bear. And the decrease, I do not believe, makes it any more affordable one way or the other. It's such a small price. And again, I don't believe this is a product that particularly appeals to youth, certainly not in my experience. I do think the commonality, as the feds have ruled, in how this is classified makes a lot of sense to me. I don't have strong, strong feelings about this one way or another except the common-sense issue of I know what cider is, I've had cider, I don't think it's a youth product. I don't think the price on it will adjust at all based upon what we're doing. And commonality in pricing, selling, taxing these products seems to me to reduce errors and make it fair to tax collectors, as well as the marketers and sellers of this product. Thank you. [LB863]

SENATOR KRIST: Thank you, Senator Gloor. Senator Harms, you're recognized.  
[LB863]

SENATOR HARMS: Thank you, Mr. President. I do think that the change in the price does make a difference in the amount of the cost. When you're teenagers, you're going to try to buy the cheapest stuff you can buy. That's just the way it is, and I'm sure all of us went through that at one time in our life. But that's exactly where we will go and that's what students will go for. I just would ask you to think about this for a moment, colleagues. This reclassification of this I think is dangerous. This reclassification of this will broaden the market out way beyond where I think it should be. This is about selling. This is about making profit. They already make a phenomenal amount of profit. We

Floor Debate  
March 11, 2014

---

already rank nationally high. And I guess if we really care about what's happening to our teenagers, then I think it's time for us to help the parents take a stand on some of these things. I introduced legislation on underage drinking a number of years ago. We passed that legislation and I think it's made a difference. But for every bill like this, we just constantly erode that base. We constantly erode the issue of teenagers and alcohol and drugs. And so I would be at hopes that as we look through this that you would at least give that some serious consideration. You know, I worry about my own grandsons, my own grandchildren as they grow up. Where we live, with all the marijuana and all the other sorts of things that are happening to our teenagers, it's an issue for where I live. This is an issue for a lot of parents. This hard cider basically has a sweet taste, and we know from some of the other issues that we've discussed on this floor that it will attract young teenage women. And by the way, young teenage women are now consuming more alcohol than we've ever seen historically, and a lot of it is just because it's easier to get. And any time you address the issue where we start changing the classification, dropping the amount and labeling it as beer, it's much more cost-effective for teenagers to buy it. They will go the cheapest route they can go. A lot of them don't have the money. If they could get that sort of thing with that high amount of alcohol content, that's where they'll go. So I hope that as you look at this, colleagues, we just vote it up or down. It doesn't make any difference where you are. I hope that you'll at least give it consideration and understand that it is a serious issue as far as I'm concerned. Thanks, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Harms. Senator Crawford, you are recognized. [LB863]

SENATOR CRAWFORD: Thank you, Mr. President. I appreciate the concerns raised by Senator Harms and Project Extra Mile about access to minors for drinking. I was on the committee and voted this bill out. A couple of points that were important to me in making that choice: one was, as Senator Gloor has already mentioned, the small price change, and the numbers I have is about 36 cents per six-pack. So...and when you already recognize if minors are looking for an inexpensive product, there are more inexpensive products that they could choose. So I don't think that the price point shift is a big enough one to have a dramatic impact on access. The other issue that came up in the hearing was the fact that since you have to have the harder license to sell hard cider, that some of the convenience...more of the convenience stores and other locations that sell beer were now applying for the higher level license. And so one of my concerns in terms of access to alcohol is that because of that then we're actually providing more places in more communities where there's access to the harder liquor as well. And so that is a balance there--the price point difference on the one hand, versus having more convenience stores, more locations that are selling the harder liquor because, well, they've already paid for the higher level license to sell the hard cider. So now they may as well sell some of the harder liquor because they've already paid for that license. So those were factors that I considered in deciding that it was worth passing the bill out to

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

Floor Debate  
March 11, 2014

---

not create that added incentive for more stores to have the higher level license, and also because I didn't think the price point was enough of a risk, that it was worthwhile to have less paperwork and less confusion in terms of all the regulations and licenses on these businesses. Thank you. [LB863]

SENATOR KRIST: Thank you, Senator Crawford. Senator Christensen, you are recognized. [LB863]

SENATOR CHRISTENSEN: Thank you, Mr. President. You know, it's sad to me. When we was last debating this, I was trying to negotiate some common ground on this and it didn't happen. But when you listen to the Liquor Commission, their problem was they didn't like the deliveries of the hard cider being delivered by the beer trucks and having to have multiple different fees and multiple different delivery charges. And that could have been handled very easily. So I just want people to make sure that they understand. Yeah, the Liquor Commission wanted some things that's in this bill, but not near to the extent of what we have here. What they wanted to see was take care of that when the beer truck drives up and also delivers the cider, they don't have to have two different licenses on that truck, far as to be able to deliver them both, and didn't have to have two different invoices and additional delivery fees. And that part was negotiated because we could have had hard cider delivered to wholesalers as a beer and still left it as a...for retailers, as a wine, which would have allowed us to have the higher tax, the higher license requirement, but take care of the commission's part of it. And we didn't get it worked out. Not all the parties could agree on it. So unfortunately, we get to talk on, on this situation and go through. But I want you to know that the part that the commission wanted there was agreement on with everybody but the retailers, because they wanted a cheaper license because they would still have had two licenses. The retailers weren't happy, but we could have took care of the wholesalers, we could have took care of a lot of the objections that I'm seeing from Senator Harms and some of the other groups that are outside that we were negotiating with. And so I just want you to know that when people talk about the commission brought this bill, they only brought part of it, the part that would have took care. They don't care if we change it to a beer or we take care of the delivery issue, which they had. And so anyway, I just wanted to touch base on that because I was the one running around yesterday working on that yesterday morning and still wish that we could get to that, but we didn't. And if Senator Karpisek would yield, I'd ask him a question or two. [LB863]

SENATOR KRIST: Senator Karpisek, will you yield to a question? [LB863]

SENATOR KARPISEK: Yes, I will. [LB863]

SENATOR CHRISTENSEN: Senator, I apologize. I missed the meeting this morning. But am I correct in what I've said so far that...? Go ahead. [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: I'm sorry, Senator Christensen, I wasn't listening. I apologize. If you want, I'll hit my light and you can ask again. [LB863]

SENATOR CHRISTENSEN: No, that's fine. I'm used to you not listening to me, so that works. [LB863]

SENATOR KARPISEK: (Laugh) I know. It's just reciprocal, I know. [LB863]

SENATOR CHRISTENSEN: (Laugh) No, what I said was the commission wanted either this redone as beer or take care of the delivery part of it,... [LB863]

SENATOR KARPISEK: Correct. [LB863]

SENATOR CHRISTENSEN: ...and we could have handled that in a separate amendment but the two sides couldn't come together. Is that correct? [LB863]

SENATOR KARPISEK: That is correct. The main sticking point is the licensure of who...we would treat it, I would like to see we treat it as a beer, for the beer truck could haul it and someone with a beer license to sell it... [LB863]

SENATOR KRIST: One minute. [LB863]

SENATOR KARPISEK: ...but tax it as a wine. We couldn't get past the licensure part to sell it. [LB863]

SENATOR CHRISTENSEN: And so it come down on the retail side, that we couldn't agree to lower that license, but on the wholesaler side we agreed on that one to lower, correct? [LB863]

SENATOR KARPISEK: Well, we agreed to lower the tax. We just couldn't agree that the retailer would have to buy another...that they would have to get another license. They'd have to get a wine license. [LB863]

SENATOR CHRISTENSEN: Well, they would have to get a D license instead of a B license. It would just be one license. And we was trying to take care of the delivery having two licenses and we could take care of the two, but you wanted the lower license. But we agreed to leave the tax high in the negotiations we were doing, correct? [LB863]

SENATOR KARPISEK: No, I was saying that I would give up the taxes,... [LB863]

SENATOR CHRISTENSEN: Yeah, and... [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: ...take the tax down. But on the other side then, let a beer license be able to carry it or sell it. [LB863]

SENATOR KRIST: Time, Senators. [LB863]

SENATOR CHRISTENSEN: Thank you. [LB863]

SENATOR KRIST: Thank you, Senator Christensen and Senator Karpisek. Senator Bloomfield, you're recognized. [LB863]

SENATOR BLOOMFIELD: Thank you, Mr. President, members. If you go back to when AM2299 was LB899, I believe the number was, it was LB899, when that was in committee I was present, not voting. I'm apt to be that way again today. I don't believe moving this forward does any great harm. I don't see it making it more accessible to young people that shouldn't have it. My question was the process and how it was made and how the law reads and, therefore, I couldn't bring myself to support it coming out of committee. But I didn't want to be a no vote on it and keep it from coming out, where we could talk about it. That's why I sat on it and didn't vote. And I think Senator Karpisek has some conversation going on with Senator Christensen back there. I hope they will continue that. And toward that end, I would yield the remainder of my time to Senator Karpisek. [LB863 LB899]

SENATOR KRIST: Senator Karpisek, you've been yielded 3 minutes and 40 seconds. [LB863]

SENATOR KARPISEK: Thank you, Mr. President. And thank you, Senator Bloomfield. We are talking amongst each other. I think that we are coming to an agreement. I still want to make sure that we all know what the agreement is before we all walk away thinking we agree and we don't. The last thing I want to do is mislead anyone on what we are coming up with and what we are promising each other to do. Again, we're thinking about getting rid of this amendment, the cider part of it, and we're talking about the growler part, which I think is section five also. That's where we're working now. We'll keep talking to Senator Harms. Again, I cannot say enough about Senator Harms and the way he's been willing to work with me. As much as I yelled this morning about this is not the way we do things, Senator Harms, this is the way we do things and I really do appreciate that. I will come back when we try to get something worked out for sure. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Chambers, you're recognized. Senator Karpisek, there is no one else in the queue. Senator, stand by. Senator Scheer, you're recognized. [LB863]

SENATOR SCHEER: Thank you, Mr. President. There needs to be some additional

Floor Debate  
March 11, 2014

---

conversation to be had in the back, and so if my 5 minutes of fame this afternoon will accomplish that, I'd be more than happy to try to facilitate that. You know, as we've looked at what we've accomplished this week, I guess I'll just sort of start there, I think we've sort of made it past the bend, I think. We got a little testy yesterday and got a little longer, but you know today has moved pretty well. We've had some great discussions. We moved some tax proposals on and I think we can all be proud of the work that has been done so far. As we move forward in the week, knowing that we're going to have a long weekend, I think that will be well served for all of us as most of us can use the time. And if we...we're done? I think if we may have no need for my services, I will go ahead and yield the time back to the President, unless time is needed again. [LB863]

SENATOR KRIST: Thank you, Senator Scheer. Senator Bloomfield, you're recognized. Senator Murante, you're recognized. Senator Bloomfield is here, never mind. [LB863]

SENATOR BLOOMFIELD: Thank you, Mr. President. Members, I turned my light on mostly because we're trying to come to an agreement in the back of the room there and we're basically burning a little bit of time. But I was going to say something about, maybe a little bit tongue in cheek, that if we did this we would at least be giving somebody a tax break if we reduce that by 6 cents a bottle. Wherever we can get a little tax break, I'm willing to take it. Now I got to stand here for the next two minutes to try to figure out what I want to say. Were I real good at this, I'd start to quote Dr. Seuss, but I'm not all that good at that either, so. Senator Chambers isn't there so I can't get in a fight with him. I think Senator Murante was back there, and I will...he had his light on. Hopefully he's wanting to do something besides kill time, so I'll yield the remainder of my time to him. [LB863]

SENATOR KRIST: Senator Murante, you're yielded 3:52, and you are next in the queue. [LB863]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. I'm sorry to dash your hope, Senator Bloomfield, but we are still in the process of finalizing the compromise, which it sounds like many are amenable to. And I'd like to echo to a certain extent, to a great extent what Senator Karpisek had said. We started this process where I thought dividing the question was the wrong course of action on this bill. To me, it did not help facilitate negotiations but made the negotiations more difficult. And in my view, that is a process which really ought to be reserved for very rare instances. And as we discussed this morning, those instances really ought...the better process really in my view is...and how I have chosen to operate is when I have a problem with a bill that has numerous components to it, I offer an amendment to take that component out and that's how it works. But Senator Karpisek and Senator Harms have had numerous conversations over the last 24 hours and I'd like to echo what Senator Karpisek had said regarding Senator Harms and the way he handles himself as a Nebraska State Senator. I don't think anyone could accuse him of acting with any less

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

Floor Debate  
March 11, 2014

---

than honor and dignity. I regret that I will only have served two years with him when he is term limited at the conclusion of this legislative session. And although we have disagreed from time to time, I don't think anyone can argue that there is a member of this Legislature who is more concerned with the safety especially of young people in the state of Nebraska. It is a subject matter upon which Senator Harms has fought for as long as I've been observing the Legislature anyway. And although we have at times disagreed on the best methodology and tactics to achieve that end, he is a person whose character I've never had to question. And as we proceed on this bill, I understand that Senator Harms's and others' concerns is rooted in the fact that they believe there to be a vice and that it should not be expanded or proliferated. I'm not sure that this bill does that. But in the spirit of compromise, it sounds like the interested parties have reached what I consider to be a very reasonable agreement, and that's a good thing. I think far too often, especially in the last two years, the art of compromise was put aside in favor of running up the score and seeing who can get all of what they want rather than...and sharing that, as Speaker Flood used to say, used to make the analogy, perhaps the presiding officer would appreciate the analogy, bringing the bills in for soft landings. And rather than building consensus, I think too often we have tried to get all of what we want on votes which have divided this Legislature unnecessarily. And that too often we forget that the people who disagree with us, in their heart of hearts, are doing what they believe is in the best interest of the people of Nebraska. [LB863]

SENATOR KRIST: You're now on your own 5 minutes. [LB863]

SENATOR MURANTE: Thank you, Mr. President. (Laugh) And in the case of Senator Harms, I don't ever recall an instance where the rhetoric reached a level of disrespect or contempt for his fellow members. That's not the way he operates. That's not the way he does business. And as he goes, I hope that the remainder...that those of us returning in this body can take the spirit that Senator Harms embodies and can legislate accordingly. I know Senator Harms has the respect of, in particular, the members of the Appropriations Committee, a committee on which he serves. Back in the days when I used to work for Senator Nelson, he would speak fondly of Senator Harms and how he chose to operate in that committee. And although when I disagree with Senator Harms that it's usually the instances where I also disagree with Senator Nelson. There seems to be an incredible correlation there, Senator Nelson. I think we can all agree that both of those gentlemen are good and decent people and try to do what, in their view, is best for the state of Nebraska. Senator Nelson is encouraging me to keep it up, to perhaps segue off of Senator Harms and his...okay. Okay. And with that, I will yield the remainder of my time to Senator Coash. Thank you, Mr. President. [LB863]

SENATOR KRIST: Senator Coash, you're yielded 3 minutes and you are next in the queue. [LB863]

SENATOR COASH: Wonderful. Thank you, Mr. President. I do want to take a moment

Floor Debate  
March 11, 2014

---

to talk about timing, because we've had some challenges in the General Affairs Committee with regard to the state's prerogative as it relates to regulating alcohol and putting that up to the federal government, which regulates alcohol highly as well. It's a highly regulated product. As the executive director, the liquor commissioner tells us...Liquor Commission tells us all the time, liquor is the only thing that is mentioned in the U.S. Constitution three times. Think about that--in our constitution it's mentioned three times. Our federal government and our state government treat the manufacture, distribution, and retail of liquor--I'm using liquor in the broad sense to include wine and beer--treats these products...maybe kid gloves isn't the way to put it, but certainly regulates them highly, taxes them highly. We want to get some tax relief, Senator Bloomfield, I will tell you that the...there's a map we see every year in General Affairs and in that map it puts Nebraska and it puts all the states around it. Why do we see lower taxes with regard to beer around the states? Well, let's think about that. We got Colorado, big brewery there. Missouri I think taxes it at 6 cents a barrel. Wonder how they got that done, 6 cents a barrel on their beer. And at the federal level they're talking about reducing the federal excise tax and that's coming right out of Boston. Imagine that. So we're all pretty protectionist about our states. Here in Nebraska we don't have any of those big breweries so we tax it at a higher rate. And that means we tax not only the beer we produce in our state at a higher rate but the beer that comes into our state at a higher rate. I think there are some on this floor that would tell us that taxing a product is the way to get it into or out of the hands of people who shouldn't have it. I think we could tax this three times as much and people will still get their booze. But I want to talk a little bit about the timing. This is what we struggle with in General Affairs, okay? Federal government, and we're discussing hard cider--federal government has already said, and we had testimony in the hearing saying, look, we got to tax hard cider like it's wine because it's made out of fruit. But we understand now that nobody drinks it like wine. You don't buy it in a big bottle of wine. You buy it in a six-pack. [LB863]

SENATOR KRIST: You're now on your own 5 minutes. [LB863]

SENATOR COASH: Thank you, Mr. President. So we heard that the FDA is looking at reclassifying it, so we had a decision in the General Affairs Committee: Do we wait for the FDA to classify it the way they want to classify it, or do we get ahead of it? Same thing with the previous division, which was e-cigarettes. The FDA is going to give us a ruling on age limits of e-cigarettes. And my opposition to that last division wasn't on the merits of should a minor have access to that, but it was really do we want to have to come back and do this again. And it reminded me of Senator Scheer's debate on the age limit for tanning, and I kept thinking, are we really doing anything? Does it really matter? At the end of the day I think you know with the tanning, with the tanning bill, we decided to do something. I don't think it's going to do anything, frankly. I think if we restrict the age of e-cigarettes to minors, I don't think that's going to practically do anything either. And at the end of the day we're going to have two rulings from the federal government, maybe it will happen in my time in the Legislature, maybe it will be

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

Floor Debate  
March 11, 2014

---

something that Senator Watermeier is going to have to take up after I'm gone. Will Senator Watermeier yield to a question? [LB863]

SENATOR KRIST: Senator Watermeier, will you yield to a question? [LB863]

SENATOR WATERMEIER: Yes, I will now. [LB863]

SENATOR COASH: Senator Watermeier, have you ever had these hard ciders before? [LB863]

SENATOR WATERMEIER: No, I have not. No experience. [LB863]

SENATOR COASH: Would Senator Scheer answer...yield to a question? [LB863]

SENATOR KRIST: Senator Scheer, will you yield? [LB863]

SENATOR SCHEER: Yes, I will. [LB863]

SENATOR COASH: Senator Scheer, have you ever had one of these hard ciders? [LB863]

SENATOR SCHEER: Yes, I have. [LB863]

SENATOR COASH: You ever had a glass of wine? [LB863]

SENATOR SCHEER: Yes, I have. [LB863]

SENATOR COASH: You ever had a glass of beer? [LB863]

SENATOR SCHEER: I have. [LB863]

SENATOR COASH: A bottle of beer? If you were to compare your experience in drinking a hard cider, would you compare it most to being similar to the glass of wine or to the beer? [LB863]

SENATOR SCHEER: My palate would tell you that it would be more closely related to a beer than a bottle of wine, more so because of the carbonation involved in the hard ciders. [LB863]

SENATOR COASH: Imagine that. Thank you, Senator Scheer. That's exactly what the manufacturers of the product would want you to experience. They want you to drink this product, think you're drinking a beer. There is a product out there I want to point your attention to. It's called Redd's Apple Ale. It is...that is actually a beer because it's apple

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

Floor Debate  
March 11, 2014

---

flavoring. Don't go drinking a Redd's Apple Ale thinking you're going to get any vitamin C. There's no apple in it. But there's another product out there...well, there's several products out there. And we've had that discussion about looks like a duck, smells (sic) like a duck, right? This product quacks like a beer. Would Senator Bloomfield yield to a question? [LB863]

SENATOR KRIST: Senator Bloomfield, will you yield? [LB863]

SENATOR BLOOMFIELD: I would just love to. [LB863]

SENATOR COASH: You have any experience duck hunting? [LB863]

SENATOR BLOOMFIELD: No, sir. I've never had a duck do any harm to me; therefore, I never decided I should shoot one. [LB863]

SENATOR COASH: (Laughter) You ever have one of these products? Have you ever had a hard cider product? [LB863]

SENATOR BLOOMFIELD: I think I have probably at a legion meeting or something, yeah. [LB863]

SENATOR COASH: What did you think of it? [LB863]

SENATOR BLOOMFIELD: I wasn't all that impressed. [LB863]

SENATOR COASH: Do you remember our debate on flavored malt beverages? [LB863]

SENATOR BLOOMFIELD: Yes. [LB863]

SENATOR COASH: Let me tell you something about flavored malt beverages. There's a problem with that product and it's not how it's taxed. [LB863]

SENATOR KRIST: One minute. [LB863]

SENATOR COASH: It's not how it's distributed. It's not how it's manufactured. The problem with that product is how it tastes. (Laughter) And we got this product out there, I think it's off the shelves now, it was called Four Loko, and it was awful. This was caffeine-infused beer. So I don't...why you'd want to have a shot of espresso in your beer, I'm not sure. I'll yield the balance of my time to Senator Bloomfield. [LB863]

SENATOR KRIST: You have 30 seconds, Senator Bloomfield. [LB863]

SENATOR BLOOMFIELD: (Laugh) Thank you, Mr. President. For score, seven years

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

Floor Debate  
March 11, 2014

---

ago, our fathers brought forth on this continent a new nation--either that, or we started stalling for time. I'm not sure which it was, but it seems like we're still in that process. It looks like the cooler heads are still prevailing back there so we continue. [LB863]

SENATOR KRIST: Senator Bloomfield, you're now on your own five minutes. [LB863]

SENATOR BLOOMFIELD: Four score and seven years ago (laughter)...thank you, Mr. President and colleagues. I do believe there is some important conversations taking place toward the back of the Chamber. I think we need to let those proceed. I sometimes wish there was a way we could put them on hold for a half an hour while that was going on and move on to other things, but this seems to be the way we do it. It, to me, looks to be pretty unproductive as days are dwindling down. And if Senator Chambers was here, he could sing for us a little bit about something about days dwindling down to a precious few. He's been trying for two years now to get me to sing. I can't so I won't. But I will continue to burn up the clock a little bit here. If I knew any good stories, I'd tell them, but I don't. I keep looking back there, waiting for Senator Karpisek to wave his hand above his head, but it...I think he's just stalling so he can watch me squirm a little bit more and it's working. But I'd like to ask Senator Coash a question if he would yield, Mr. President. Okay. Thank you. [LB863]

SENATOR KRIST: Senator Coash, will you yield? [LB863]

SENATOR COASH: Yes, I would. (Laugh) [LB863]

SENATOR BLOOMFIELD: Mr. Coash, Senator Coash, you didn't happen to infer a moment ago that Missouri would have lowered their tax on beer because of Anheuser-Busch, would you? [LB863]

SENATOR COASH: Oh, that's exactly why they don't have a high tax on their beer. Big business runs government. [LB863]

SENATOR BLOOMFIELD: You were supposed to stretch it out a little further than that, Senator Coash. (Laugh) [LB863]

SENATOR COASH: Well, Senator Bloomfield, here is my point: My point is, is that if you have an industry in your state...we tend to go towards what we want more of, right? And in Nebraska we want more ag so we try to incent more ag in... [LB863]

SENATOR BLOOMFIELD: We seem to have missed that on property tax reduction just a few minutes ago. (Laughter) [LB863]

SENATOR COASH: I'll give you that. But what we want to do, and this is a purview-of-government issue, Senator Bloomfield, is we want to see more of something,

Floor Debate  
March 11, 2014

---

we incent that. What does Missouri want to see more of? They want to see their home team, their home industry do well, right? They bought a big stadium for the St. Louis Cardinals. That's a big deal for their state. So Missouri has found a way...this is my...this is what I don't get. If Missouri has found a way to live without the tax money of the beer manufacturer and they got a brewery the size of Anheuser-Busch, I don't understand why Nebraska can't live with a tax burden on its manufacturers lower than what it is. But as it stands now, we've got...I think we're at the top third in the way that we tax beer. [LB863]

SENATOR BLOOMFIELD: Didn't we at one time have a special tax break for a local brewer? [LB863]

SENATOR COASH: There's not a tax break for a local brewer. What I will tell you though is that we do give some deference to local manufacturers with regard...their ability to move in and out of a three-tier system. [LB863]

SENATOR BLOOMFIELD: We have a (inaudible) exception or (inaudible)? [LB863]

SENATOR COASH: We used to have a Storz exception. [LB863]

SENATOR BLOOMFIELD: Storz exception. [LB863]

SENATOR COASH: Yeah, and we got rid of that I think my second year in the Legislature, and that was an exemption for a company, and this is what's ironic about this, Senator Bloomfield, is that company hadn't been in existence for 40 years or so. We get rid of the exemption that was put in there... [LB863]

SENATOR KRIST: One minute. [LB863]

SENATOR COASH: ...and kept in there for them, they come back to the state two years later. They said, hey, we want our exemption. And we said, well, we got rid of it, we didn't think you were coming back. So we did used to give special breaks, all right? And at one point that company I think was the third-largest manufacturer in the state. [LB863]

SENATOR BLOOMFIELD: Okay. Thank you. Colleagues, they're still meeting back there. (Laughter) I haven't seen a wrestling match break out yet so they must be doing all right. But for right now that's all I have, Mr. President. [LB863]

SENATOR KRIST: Time, Senator. Thank you. It's the Chair's decision that we should stand at ease for just a few minutes until the discussion is over. So if you'd just take your, unless you really want to talk, take your lights off. Colleagues, let's bring it back together. Senator Karpisek, you are recognized. [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Thank you, Mr. President. Members of the body, I am sorry and I'm embarrassed that this is the way that we had to slow things down to...or stop things. Senator Harms and I have talked things through and we still can't get there. But if we keep going and don't have any agreement, things on Select File are all going to fall apart. So here is what I am going to suggest is that we vote red on AM2299; we will also vote red on the growler bill, which is I think Section 5, as we get to it; and then, as I understand, Senator Harms will agree to vote green on the other portions of that bill. It's not what I want to do, but I think that Senator...I know Senator Harms has negotiated in good faith. I'm giving up a piece of something that I really don't want to, but I gave my word and I'm going to stick to it and I'm going to make sure that everyone else does the same. I would like to yield the rest of my time to Senator Harms. Is that all right, John? [LB863]

SENATOR KRIST: Senator Harms, you're yielded 3:32. [LB863]

SENATOR HARMS: Yeah. Yes, I will. Thank you, Senator Karpisek. This has been an interesting process and, quite frankly, I think we're at a point where this is a good opportunity for us to make the changes we need. I support what Senator Karpisek has done and I guarantee you we'll keep our end of the promise of this, whatever it takes. I've always had a good working relationship with Senator Karpisek even though sometimes we're at different poles. We've always been able to talk to each other and I appreciate his openness and his friendliness to resolve this issue. It's not what he wanted, it's not what I wanted, but it's the best we could do, and so we're going to go that direction. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Harms. Senator Karpisek, would you like to close? Senator Karpisek, you're recognized. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Again, I appreciate Senator Harms and everyone else that was involved in the negotiation. I do not mean this next part against Senator Harms, but I still don't think that this bill should have been divided into seven parts. It was not the way to go about it. It was not the stand-up thing to do. If someone would have come to me and not tried to spring a surprise on me, we could have worked some of these things out and not had the mess out here that we have. I don't appreciate the way that happened and I will remember that. I am trying to do the best for this body to get through this part, through this bill, and try to keep as many people happy as I can. It's a whole lot of people behind me that probably aren't very happy. But at the end of the day, we have to do what we think is right. I would appreciate that you vote red on AM2299. Thank you, Mr. President. [LB863]

SENATOR KRIST: You've heard the closing and the request on third division, AM2299.

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

Floor Debate  
March 11, 2014

---

The question before us is, should AM2299 be adopted? All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 3 ayes, 24 nays on the adoption of the amendment, Mr. President. [LB863]

SENATOR KRIST: The amendment is not adopted. Next division. [LB863]

ASSISTANT CLERK: Mr. President, the next portion of the divided committee amendment is AM2300. (Legislative Journal page 831.) [LB863]

SENATOR KRIST: Senator Karpisek, you're recognized to open on AM2300. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I do want to just remind everybody on that last one, that was brought to us by the Liquor Control Commission members who have been put on there by this body. AM2300 was LB863. This, in our omnibus bill, is the steering wheel, I guess, or the body or the tree on our Christmas tree bill. LB863 appears on pages 15 through 19, 24, and 25, in Sections 27, 32, and 36. LB863 eliminates a provision requiring cities and villages to vote in liquor by the drink. During the '50s and '60s, you started seeing bottle clubs popping up which did not sell alcohol but stored and served its...for its members. Through court cases and subsequent legislation, the bottle club license was given the rights of an I license, so in communities that had not voted in alcohol by the drink, a license would instead get an I license and a D license rather than a C license. The Nebraska Liquor Control Commission stated in its legislative letter that this also is a provision that is antiquated and should, therefore, repealed. I would appreciate a green vote on this, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Coash, you are recognized. [LB863]

SENATOR COASH: Thank you, Mr. President. AM2300 is a...it's a cleanup amendment. It just needs...this is just a cleanup provision. But the reason I had my light on was to comment on what has been transpiring, and I want to state on the record what Senator Karpisek has done is what leaders do. Leaders stand up, they take positions, they work to find consensus, and they give a little. And sometimes they give until it hurts them in their gut. And what Senator Karpisek stood up here a moment ago and did is to be commended. I think Senator Karpisek can see the forest for the trees. He can see the big picture. He understands what it is to govern. He understands what it is to open his ears. And he leads on those issues not on just...my main experience with Senator Karpisek has been through the General Affairs Committee. And we deal with very different issues in there, as...and that could be said about a lot of different committees, but cemeteries, libraries, the arts, alcohol, tobacco, and gambling. What a perfect guy to

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

Floor Debate  
March 11, 2014

---

run a committee. And I appreciate what he's done; I appreciate working with him on this issue. And I hope my colleagues understand what he's done because it's not an easy thing to do. But again, it is a leadership stance that he has taken and I commend him for that and I would urge your advancement of AM2300. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Coash. Senator Karpisek, you are recognized to close. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. (Laugh) Still not happy but at least I get this one, I hope. Again, please vote green on this bill, on this division. It's an old, antiquated rule that we really don't need and everyone is getting around. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. You've heard the closing. The question is the adoption of AM2300. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 32 ayes, 0 nays on AM2300, Mr. President. [LB863]

SENATOR KRIST: AM2300 is adopted. Next division. [LB863]

ASSISTANT CLERK: General Affairs would offer AM2301. (Legislative Journal page 834.) [LB863]

SENATOR KRIST: Senator Karpisek, you're recognized to open on AM2301. [LB863]

SENATOR KARPISEK: Thank you, Mr. President. LB914 appears on pages 9 through 21 in Sections 28 through 29. LB914 would allow a retail licensee with a Class C license to be eligible for a limited bottling endorsement. LB914 clarifies that a craft brewery licensee may also get the limited bottling endorsement, although a current law already allows them to bottle their product under their manufacturer's license. This is call the "growler" bill, and it would allow a growler that may not exceed 68 ounces to be filled with beer to be taken home for consumption. This was one of the bills that we have agreed upon to jettison to move the bill and not hold the Legislature up any more than it has happened this session. So I would urge the body to vote red on this division. Thank you, Mr. President. [LB863 LB914]

SENATOR KRIST: You've heard the closing and the request. The question is the adoption of AM2301. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 0 ayes, 24 nays, Mr. President, on the adoption of the amendment. [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KRIST: The amendment is not adopted. Next division. [LB863]

ASSISTANT CLERK: General Affairs would offer AM2302. (Legislative Journal page 835.) [LB863]

SENATOR KRIST: Senator Karpisek, you're recognized. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. This is Senator Murante's LB888. It appears on pages 21 through 23 in Section 30. Under current law, a local governing body may, with at least a two-thirds vote, allow for consumption on a licensed premises within the governing body's jurisdiction until 2:00 a.m. LB888 would allow a local governing body, with at least a two-thirds vote, to allow for the purchase of alcohol for consumption off the licensed premises until 2:00 a.m. In other words, LB888 would allow a local governing body, with a two-thirds vote to approve, in addition to on-sale until 2:00 a.m., also off-sale until 2:00 a.m.; or on- and off-sale until 2:00 a.m. I would urge the body to vote green on this amendment. Again, this is Senator Murante's LB888. Thank you, Mr. President. [LB863 LB888]

SENATOR KRIST: Thank you, Senator Karpisek. Senator Bloomfield, you're recognized. [LB863]

SENATOR BLOOMFIELD: Thank you, Mr. President. I should have hit my light a little quicker and talked on the last bill. I am going to vote green on this one. I was very tempted to vote green on the last one. But the Chairman asked me not to; he asked, in fact, that we vote against it. I didn't do that; I didn't go that far. But as Senator Coash said, Senator Karpisek is doing what a leader does back there now. Some of the things that he's asking us to vote no on came out of the committee pretty strong. And Senator Karpisek doesn't mind when we disagree with him that we stand up and say so on the floor. I think that's the way a committee should work. I want to applaud Senator Karpisek for the way he has handled this and I will be voting green on this now amendment that should have been bill, LB888. Thank you. [LB863 LB888]

SENATOR KRIST: Thank you, Senator Bloomfield. Senator Murante, you're recognized. [LB863]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. Senator Karpisek fairly well detailed what this division of the committee amendments does. And as he rightly stated, this was initially my LB888. I won't get into a lot of the details. He covered most of it. But I do want to echo a little bit of what Senator Bloomfield had mentioned, and I hope we all appreciate what just happened in this Legislature. Senator Karpisek knew full well and knows full well right now that he has the votes to pass this entire committee amendment. And I'm sorry to say that good public policy is not going to

Floor Debate  
March 11, 2014

---

be adopted today. But I will say this to Senator Karpisek, who is unfortunately not returning next year, that the compromises he made to get LB863 advanced, which the provisions of the compromise...with portions of the committee amendment stripped out, to those of us who are returning, several of us have already had the conversation that we're go...we will be back next year to get those enacted into law by other means. I'm very regretful that Senator Karpisek did not get the provisions of this bill in its entirety...in its entirety advanced because they were good public policy; they made a lot of sense. And he made a sacrifice. I hope we all fully recognize the level of sacrifice that he made. Thank you, Mr. President. [LB863 LB888]

SENATOR KRIST: Thank you, Senator Murante. Senator Johnson, you're recognized. [LB863]

SENATOR JOHNSON: Thank you, Mr. President. I'm a member of the General Affairs Committee and I've not been on the mike since we started talking about this, had a couple other things we were working on, on some other...in another committee. As probably most of the General Affairs Committee knows, this was probably not my priority committee. I'm kind of the other person on the committee most of the time. I...if...I know Senator Coash probably knew not to ask me some of those questions about what kind of drink I've had because I probably haven't, so I'm sure that's why I was relieved of any questions there. I'll talk about AM2302 just from the perspective I think I probably came down and testified previously before I became a senator when I was mayor against going to the time of 1:00, and so I still have some concerns on that. But the fact that the community where I was mayor, we still are at 1:00, we're not onto the new time at all, and I'm going to make an assumption that they will probably go that same way this time, so I think the local process is still in control. And if they decide that 2:00 is the time, then they work through that. But I do support it from the standpoint that it is back at local control if it's going to be everything move to 2:00. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Johnson. Senator Karpisek, you're recognized to close. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. And thank you for the kind words. You know, sometimes you just have to make a decision. And again I apologize for making the body stand at ease, but I saved about six hours in the long run. So please vote green on this amendment. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. You've heard the closing on AM2302. The question is the adoption. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 32 ayes, 0 nays on the adoption of the amendment, Mr.

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

Floor Debate  
March 11, 2014

---

President. [LB863]

SENATOR KRIST: The amendment is adopted. Next division. [LB863]

ASSISTANT CLERK: General Affairs would offer AM2303. (Legislative Journal page 836.) [LB863]

SENATOR KRIST: Senator Karpisek. [LB863]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. If my counting is right, this is the last division of this bill. This was LB1052, and it appears on pages 23 and 24 in Section 31. LB1052 would allow any licensed retailer engaged in the sale of distilled spirits to issue tasting cards to customers. Current law only allows for prepaid wine tasting cards. LB1052 would allow licensed retailers to do the same with prepaid distilled spirits. I would say that the committee amendment also contains a severability clause on page 24 in Section 34 and an E clause on page 25 in Section 37. So this bill would allow people to go into an establishment who already does this, probably most what we see with is wine. You prepay for a card and you can go to a machine and decide to get maybe half a shot, a shot, maybe even a shot and a half to taste. Right now it's not allowed because of passbooking. What Hobie Rupe tells me in some of his historical lectures is that people used to go in and give the bar their whole paycheck and say, tell me when I'm broke, so that's why we don't allow prepay now. However, with this, you prepay a card, you put it in the machine, you dispense how much you would like to taste until you are done with your card. That's what this amendment would do and it would also be...was LB1052. I'd appreciate your green vote on this. Thank you, Mr. President. [LB863 LB1052]

SENATOR KRIST: Senator Lautenbaugh, you're recognized. [LB863]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I wonder if Senator Karpisek would yield to a question or two. [LB863]

SENATOR KRIST: Senator Karpisek, will you yield? [LB863]

SENATOR KARPISEK: Yes, I will. [LB863]

SENATOR LAUTENBAUGH: Now, Senator Karpisek, how does this change existing law exactly? [LB863]

SENATOR KARPISEK: It makes that you can prepay on a card for a taste, a tasting. So you can prepay for alcohol. [LB863]

SENATOR LAUTENBAUGH: Of what though exactly, I mean? [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Oh, I'm sorry. This is distilled spirits. [LB863]

SENATOR LAUTENBAUGH: And that's... [LB863]

SENATOR KARPISEK: You can do wine now; this would change to also include distilled spirits. [LB863]

SENATOR LAUTENBAUGH: Does it extend beyond, under existing law, just wine, and this would add distilled spirits? Is there anything else added to it? [LB863]

SENATOR KARPISEK: That is all. [LB863]

SENATOR LAUTENBAUGH: And what is the need for this particular change? [LB863]

SENATOR KARPISEK: The need is that people who are doing the wine tasting would also like to do the same with distilled spirits. [LB863]

SENATOR LAUTENBAUGH: And I guess I wasn't aware there was really a market for either one of these things. Is there much call for, I guess, a distilled spirit tasting by the card? [LB863]

SENATOR KARPISEK: I think there is, Senator Lautenbaugh, and I'm trying to not use a...trying to not use anybody's name, but I don't know that I'm prohibited from doing that so I'm going to go for it. Brix is a couple places in Omaha that does this with wine. They have maybe 50 different bottles of wine. You can prepay a card. You put the card into the machine, hit a button, and it'll dispense a tasting of the wine. This would be the same concept but with distilled spirits. [LB863]

SENATOR LAUTENBAUGH: Now is this designed in some way to focus on Nebraska-distilled products or would it just apply regardless? [LB863]

SENATOR KARPISEK: It would have to be regardless because I think you would get into a commerce clause issue if it was just Nebraska product. [LB863]

SENATOR LAUTENBAUGH: Is it designed to promote, I guess, Nebraska-distilled products? Is that why we're pushing for it now? [LB863]

SENATOR KARPISEK: You know, I don't know that it would promote any Nebraska things, but it's a Nebraska business wanting to do so. [LB863]

SENATOR LAUTENBAUGH: And do you know, are there very many places that are availing themselves of, I guess, the existing law with wine distributed by the card?

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

Floor Debate  
March 11, 2014

---

[LB863]

SENATOR KARPISEK: Yes. I know of, gosh, at least four or five that are doing it now with...on wine, and that's just in a small area. [LB863]

SENATOR LAUTENBAUGH: Okay. Thank you, Senator Schilz (sic)...excuse me. Senator Karpisek. (Laughter) [LB863]

SENATOR KRIST: Thank you, Senator Lautenbaugh and Senator Karpisek. Senator Murante, you're recognized. [LB863]

SENATOR MURANTE: Thank you, Mr. President and members. I am fairly confident that this will be the last time I speak today. Senator Lautenbaugh used to say, after he would speak ad nauseam on the microphone, that perhaps everyone was getting "Lautenbaugh fatigue," so perhaps we're getting "Murante fatigue" today. But I do again want to stand up and applaud Senator Karpisek for what he is attempting to do here. Would Senator Karpisek yield to a question? [LB863]

SENATOR KRIST: Senator Karpisek, will you yield? [LB863]

SENATOR KARPISEK: Yes, I will. [LB863]

SENATOR MURANTE: Thank you, Senator Karpisek. Senator Lautenbaugh had gotten into a little bit of the questions for what exactly we're trying to do with these tasting cards, and I think you had mentioned an establishment in Omaha who was planning on using something. Can you talk to me a little bit about how these cards work? I mean, what's the business model they're going after here? [LB863]

SENATOR KARPISEK: The business model they...you go in. You pay up to, I don't know, how much ever, if it's a \$20 bill, and they preload a card. It looks like a debit card. You go over to a machine, you insert the card, and there are three different sizes of pour that you can get out of the machine. And there's, just roughly, 50 different wines at Brix. I've seen some smaller ones here in Lincoln. [LB863]

SENATOR MURANTE: Um-hum. [LB863]

SENATOR KARPISEK: So you hit what you want, if you want one that's worth \$5,... [LB863]

SENATOR MURANTE: Um-hum. [LB863]

SENATOR KARPISEK: ...\$6, \$2 for a very small, and you do that until your money is gone on that card. The reason that we do it this way, Senator Murante, rather than

Floor Debate  
March 11, 2014

---

putting the card in and charging it on there, it would be very easy for people then to leave with that card in their pocket and not pay their bill. This way they come in, put the money on a card, and can get tastings. When their money runs out they have to go back and put more on there, also another way that the workers there can make sure that the customer is not intoxicated and can drink more or not. [LB863]

SENATOR MURANTE: Thank you, Senator Karpisek. I'm...I've never been to an establishment who has anything like this. Is there some sort of technological difficulty with just swiping a credit card or what's the purpose for a statutory use of a tasting card? [LB863]

SENATOR KARPISEK: Again, you cannot...I don't know if you could use a debit card. I don't know that we want people to do that. But you go in and you put this in the machine and you can dispense out a drink of wine. The business model obviously is you can have more wines, people can pick their own, you don't have to have a bunch of wait staff to come wait on them to give them a very small amount. There's one in Senator Pirsch's district and he could probably take us there to show us. [LB863]

SENATOR MURANTE: Is Senator Pirsch on the floor? I could ask him. But so is there a prohibition against using a credit card now? [LB863]

SENATOR KARPISEK: I would have to talk to Hobie Rupe, but I don't think the machines are set up that way, Senator. You fill this card with some money; you take it off of that current card...off that card. [LB863]

SENATOR KRIST: One minute. [LB863]

SENATOR MURANTE: So... [LB863]

SENATOR KARPISEK: Then you'd have a transaction fee for each time that you used a credit or debit card probably. [LB863]

SENATOR MURANTE: Okay, so is...and you can defer to Mr. Rupe if you'd like. But so is the problem with the credit card a technology-based problem or is it a statutory problem? [LB863]

SENATOR KARPISEK: I would...well, the technology could probably work. But having people put their debit or credit card into a machine over and over and over could probably lead to some stealing of numbers or something like that. This way it's swiped once with everything else that you do, if you buy food there and... [LB863]

SENATOR KRIST: Time, Senators. Thank you, Senator Murante and Senator Karpisek. Senator Karpisek, you're recognized to close. [LB863]

Floor Debate  
March 11, 2014

---

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I think that this is a very good business model. I'm not real sure why we don't have beer in on this, but maybe next year we can do that or maybe on Select File if maybe I can talk to some of my colleagues. I'd appreciate a red...green, sorry, green vote on this amendment. Thank you, Mr. President. [LB863]

SENATOR KRIST: Thank you, Senator Karpisek. The question is the adoption of AM2303. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 38 ayes, 0 nays on the adoption of the amendment, Mr. President. [LB863]

SENATOR KRIST: The amendment is adopted. Senator Karpisek, you're recognized to close on LB863. [LB863]

SENATOR KARPISEK: Thank you, Mr. President and members of the body. I again want to thank Senator Harms for being genuine and working with me through this process. It was not an easy process but we both did give. I feel like I gave more, but I'm going to tell you why I gave. We could have taken this thing to cloture, and I had the votes for cloture. And what would that have gained us? It would have gained nothing because if I had the votes for cloture, every one of these amendments would have come back into this bill. And so then what would have happened on Select? We would have had another filibuster and we would have gone through the same thing again and probably on Final Reading. Would I have won every one of those rounds? Probably but maybe not. Senator Wallman's cemetery bill is very important for me. The reason that it is in here was a way to get it out on the floor. My e-cig bill is very important to me. The cider bill was very, very important to me and the growler bill was very important to a lot of other people. I shot a shot across the bough this morning when I said, if somebody wants a fight they've got it. I just put my chips on the table, came in here, and did what I said that I would do, try to do what's best for the people of Nebraska and try to compromise and move bills. Now I absolutely promise you, the next time someone doesn't want to move, wants to stand up and make a big deal of something that doesn't, I've put my money where my mouth is. The next time somebody wants to pull something cute on me at the last second, I will not give. This body again is very near and dear to my heart. I am not here to make a...to try to out-gamesmanship someone, out-games them, but try to do what I can. I know this falls on a lot of deaf ears, but I'll say it again and again. I thank the people for working with me on this bill. For those that I could not or did not pull through to the finish line, I apologize; however, I think there's other people that did this. They're the ones that put this in jeopardy, not me. I would appreciate a green vote on the entire bill, Mr. President. Thank you. [LB863]

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

Floor Debate  
March 11, 2014

---

SENATOR KRIST: You've heard the closing. The question is the advancement of LB863 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB863]

ASSISTANT CLERK: 38 ayes, 0 nays on the advancement of the bill, Mr. President. [LB863]

SENATOR KRIST: The bill advances. Items? [LB863]

ASSISTANT CLERK: Thank you, Mr. President. I do have some items. Your Committee on Judiciary reports LB999 to General File with committee amendments. New resolution, LR481, by Senator Brasch. That will be laid over. Amendments to be printed: Senator Wallman to LB1001; Senator Lathrop to LB1074. A notice of committee hearing from Natural Resources. Name adds: LB987, Senator Krist. (Legislative Journal pages 865-872.) [LB999 LR481 LB1001 LB1074 LB987]

Mr. President, the next bill, LB1012, introduced by Senator Schilz. (Read title.) The bill was read for the first time on January 21 of this year, referred to the Urban Affairs Committee. That committee placed the bill on General File with no committee amendments. [LB1012]

SENATOR KRIST: Senator Schilz, you're recognized to open on your bill. [LB1012]

SENATOR SCHILZ: Thank you, Mr. President and colleagues. Good afternoon and sorry to keep you all here so late this afternoon. But I guess it's my place in life, so here we go. LB1012 would exclude redevelopment projects involving a formerly used defense site as authorized in the Nebraska Revised Statute 18-2123 from counting towards the percentage of limitation from a city's blighted property. It was brought to my attention by the committee's legal counsel and individuals who are attempting to utilize this process that there was one possible limitation we did not catch last year under LB66. LB66 created the process for a city to use TIF outside the city boundaries only in the limited instance of a formerly used defense site inside of a sanitary improvement district. However, with the passage of LB66, it is currently unclear if one of these projects would count towards the percentage of limitations from a city's blighted property and possibly not allow a city to move forward with the process. I'd like to thank the folks that were involved, including Gary Person and Mike Bacon and Laurie from the committee's legal counsel for bringing this to our attention and helping us to further allow cities to take part in the process to redevelop formerly used defense sites. And with that I would close and ask for your support of LB1012. Thank you, Mr. President. [LB1012]

SENATOR KRIST: Thank you, Senator Schilz. Seeing no one wishing to speak, you're recognized to close on your bill, Senator Schilz. [LB1012]

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

Floor Debate  
March 11, 2014

---

SENATOR SCHILZ: I'll waive. [LB1012]

SENATOR KRIST: Senator Schilz waives closing. The question, colleagues, is the advancement of LB1012 to E&R Initial. All those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB1012]

ASSISTANT CLERK: 30 ayes, 0 nays on the motion to advance the bill. [LB1012]

SENATOR KRIST: The bill advances. Next item. [LB1012]

ASSISTANT CLERK: LB1103, Mr. President, introduced by the Education Committee. (Read title.) The bill was read for the first time on January 22, referred to the Education Committee. That committee reports the bill to General File with no committee amendments. [LB1103]

SENATOR KRIST: Senator Sullivan, you're recognized to open on the bill. [LB1103]

SENATOR SULLIVAN: Thank you, Mr. President. And, colleagues, just to put any fears aside that you might have, this is not an overhaul of TEEOSA, even though we've talked about it a great deal in the last two days. And I will certainly not try to stand in your way of further activities that you might be having later on this evening, but this is, nevertheless, an important bill for me. It's my priority bill and it was advanced heartily by the Education Committee. Admittedly, we spend a lot of time talking about education on this floor, particularly when it's all about money. It's either too little money for education, too much money for education, or certainly a lot of opinions on how those monies are distributed to our school districts. I'm asking you with LB1103 to stop that, to stop talking about the money. And what this bill proposes to do is to, via the leadership of the Education Committee, to embark on a strategic planning process for education. You might say, well, why do we need something like this? Well, I will tell you that because so many of the times our conversation revolve around money, let's first and foremost talk about what we want as far as a vision for education, what our goals and priorities are. And if we can do that in a collaborative fashion and, by the way, all the whole spectrum of education all the way from pre-K through higher education, and if we can do that in a cooperative fashion and identify that vision and those goals, then I think we can more strategically put resources behind those goals. And I will tell you, too, that as I have brought this up in a variety of different groups I've received very positive response. And furthermore, I've already seen that there are many groups already doing this, individual school districts. Chadron Public Schools has had what they call their dream sessions; OPS has embarked on a...for the first time in maybe ever, a strategic planning process for their district. Westside School District is doing it; Ralston. Higher education is doing it. I read recently that the Peter Kiewit Institute has embarked on a strategic planning process. Individual educator groups are doing it. I had lunch the other day with a family

Floor Debate  
March 11, 2014

---

consumer science teachers. Those...that association is embarking on a strategic planning process. The Nebraska Association of School Boards is responding very favorably to this idea and they, too, are involved in a strategic planning process. The new Commissioner of Education and the State Board of Education are eagerly awaiting being involved in this process. This is something that, while the Education Committee is going to lead the process, it will not be just us. We want to develop a framework and a structure that engages lots of different groups, organizations, and individuals statewide in conversations around education. I believe that we have a great educational system in this state but we can do better. We have to do better. And as we have heard the last several days, with limited resources, how are we going to do better? Well, as I said at the onset, before we start talking about the money or lack thereof, let's first identify our vision for it. The Education Committee will lead the process. We will develop a framework, hopefully before this session is even completed, and then we will engage the community statewide in these conversations. Ultimately, after those conversations bring forth some ideas, we'll try them out on the public via at least three public hearings which are identified in this legislation, and then ultimately we will give a report to you. What will be the outcome? Well, I hope it will be a working document, not something that just gathers dust on the shelf. Will it result in legislation? Possibly. Will it result in a new funding formula? Possibly. Will it mean one recommendation for how every 249 school districts looks like in this state? Absolutely not, because it will be a dynamic process that will engage lots of different opinions but, nevertheless, end up with some common goals and priorities. So there it is, LB1103, and you would...and I would note, too, that it contains no fiscal note because I think we can leverage the resources that we have within the Legislative Council and our Education Committee; and furthermore, all the groups that will be involved in these conversations, they can leverage the resources at their disposal as well. It's going to be a journey. It's a journey that I hope you will join me on because education does command so much of our budget. It commands a directive from our constitution that we provide the funding for it, but I think we should identify what our educational priorities are. Thank you, Mr. President, and I hope for a green vote on LB1103. Thank you. [LB1103]

SENATOR KRIST: Thank you, Senator Sullivan. You've heard the opening. Those wishing to speak: Senator Lautenbaugh. You are recognized. [LB1103]

SENATOR LAUTENBAUGH: Thank you, Madam President, and thank you, Chairwoman Sullivan. I'll be brief. I'll speak on this one time on General File. May your journey be short, may your groups be few, may your leaders be fewer. I think we know what we need to know. As I've said earlier, we don't find ourselves uniquely situated. We're a state with children that we need to educate. And I'll be blunt. We say we're blessed with a good education system in this state. I don't believe that's true anymore, and I keep standing up and saying that. Certainly in the places I'm familiar with it isn't true. And I don't want this bill to be the start of a long journey. The kids I see don't have time for a long journey. They're already on the journey and we're failing them along the

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

Floor Debate  
March 11, 2014

---

way. So please lead, please lead expeditiously, and please get us where we need to go and lead. Thank you, Mr. President. [LB1103]

SENATOR KRIST: Thank you, Senator Lautenbaugh. Seeing no one else in the queue, Senator Sullivan, you're recognized to close on your bill. Senator Sullivan waives closing. The question before us is the advancement of LB1103. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB1103]

ASSISTANT CLERK: 33 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB1103]

SENATOR KRIST: Any items for the record, Mr. Clerk?

ASSISTANT CLERK: Mr. President, one item, an explanation of vote from Senator Janssen (re LB905). (Legislative Journal page 873.) [LB905]

A priority motion, Senator Howard would move to adjourn until Wednesday, March 12, 2014, at 9:00 a.m.

SENATOR KRIST: You've heard the motion. All those in favor, aye. Opposed, nay. We are adjourned until tomorrow at 9:00.