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Floor Debate
March 13, 2014

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SENATOR GLOOR PRESIDING

SENATOR GLOOR: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the forty-third day of the One Hundred Third Legislature, Second Session. Our chaplain for today is Reverend Vern Olson of the TriValley Faith Alliance Church in Fullerton, Senator Dubas' district. Please rise.

REVEREND VERN OLSON: (Prayer offered.)

SENATOR GLOOR: Thank you, Reverend Olson; safe travels back to Fullerton, my hometown. I call to order the forty-third day of the One Hundred and Third Legislature, Second Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: There's a quorum present, Mr. President.

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

ASSISTANT CLERK: No corrections this morning.

SENATOR GLOOR: Are there any messages, reports, or announcements?

ASSISTANT CLERK: Two items, Mr. President; I have a list of registered lobbyists for the current week as required by statute; and an acknowledgement of various agency reports that have been filed electronically and are available through the Legislature's Web site. That's all I have. (Legislative Journal pages 895-896.)

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Harms, for what purpose do you rise?

SENATOR HARMS: Mr. President, I rise for a point of personal privilege today.

SENATOR GLOOR: Granted, Senator Harms. Please state your point.

SENATOR HARMS: Thank you very much. Colleagues, I want to take just a moment because this is the only time I'm going to probably have to do this. Before you, you have a book entitled The Legislature's Planning Committee Results. I hope you'll take just a few minutes to look at this; particularly for those of you who are going to be returning

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here. There's some phenomenal data in here that would help you a great deal with a kind of legislation you might like to introduce. There's a lot of research done here; it's great research, and you'll hear me quote often on the floor when we're dealing with certain issues that comes from this document. I want to take a moment to thank, first of all, the committee. I don't know if you realize it or not, but when we first started to put this together, it was a tough chore and a lot of hard work for the first committee that went through this, because we had to develop the benchmarks and we had to develop the goals. And Senator Gloor and myself went to every major chair when we got the goals and the benchmarks and said--are you okay with this? Does this fit what you think you need to have? And we agreed upon the kinds of things they wanted. And some of them wanted further research, which we felt we went ahead and pursue. So it's a document that we put together with a lot of effort. Now the committee today, as we've gone through this, has also worked hard and I want to thank them personally for all the efforts they've made. There is one group of individuals that we don't really probably see much or hear much about and that's the University of...the Center for Public Affairs, the University of Nebraska, Dr. John Bartle and Jerry Deichert. They have given their time to take the goals that we've wanted to accomplish and the benchmarks and they run all of the research for us. Up to this point they...we have had no money to give to them. They've done this on a...just a cooperative basis with the Legislature. The beautiful thing about working them is they give us the data that we ask them to do the research on; they don't influence the committee, they interpret the data, and they let the committee decide how they want to handle that particular issue. We're very fortunate that they are willing to do that and the University of Nebraska President has felt that it was a responsibility for the university to play a role in helping us find the research that helps us make good policy decisions. So I think we're very fortunate with that. Tyanne, in my office, takes a lot of hard work on her part to bring all this together, to coordinate between two different entities to make sure this is done appropriately. And I will tell you, this is up on the Web. You can pull it up on the Web and go to the Planning Committee side of it; you'll have all the information you have here. If you happen to be at home and you want to look up something and you don't have your document with you, you can go to the Web and get this. Two things I'd like to just bring to your attention, there's a lot of material in here and a lot of people will not want to go through a lot of this. If you go to what we call the Database at a Glance, it will show you under every benchmark, under every goal whether we're making progress, whether we're flat, and whether we're not making progress. So you can kind of see, we're managing...where we are with all the issues we have here on...of the database. The other thing I would like to bring to your attention, the only thing you look at, go to the back. What you have in this document is a macro view; we've taken it down to the micro view and that micro view is for you. Your district is identified in a whole series of categories. You can now go to your district and see how you rank in the state. When we did this, I was shocked at what I found out in my district, 48th. In fact, we started a task force to address the issues because a decade and a half from now, if we don't turn some of these issues around, where I live, it's going to be very difficult for that district to be able to progress and meet the future

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needs. Now I will tell you that if you have interest in doing this, which I hope you would, we had an open forum. Jerry Deichert from the university came out, helped us organize it; they've now created a task force with Jerry working with that...Jerry Deichert working with the task force to attack these issues. They have indicated that if you have an interest, as senators, they will come with you to your district, help you organize that, have public forums to answer the questions and walk you through all the data they have that deals with your district, colleagues, and then help you put this together. I don't think it can get any better than that. And I would just like to tell you that please use this document. The first year we did it, it was okay; second year it was good. This is really good. And I will tell you, you could take the data to the bank. And so it's for your use; it's your document. It's not the Planning Committee's document. And if there is research that you would like to have done as major chairs or as committee members or as just colleagues that you're thinking about next year and you don't see it here, you know, talk to Senator Cook, who is the Vice Chair; or talk to my office and Ty will make sure that we get this put together for you and we will run the research for you over the summer so that you have it when you come here in the fall or when we start the next year, when you start the next legislative session. So I just would thank you for giving me the privilege to do this and I hope you'll use this document because it's really good. Thank you, Mr. President.

SENATOR GLOOR: Thank you, Senator Harms. (Visitors and doctor of the day introduced.) Mr. Clerk, first item on the agenda.

ASSISTANT CLERK: Mr. President, first bill this morning, LB836, introduced by the Legislative Performance Audit Committee. (Read title.) The bill was read for the first time on January 13 of this year, referred to the Revenue Committee. That committee placed the bill on General File with no committee amendments. [LB836]

SENATOR GLOOR: Senator Watermeier, you're recognized to open on LB836. [LB836]

SENATOR WATERMEIER: Thank you, Mr. President and members of the body. Good morning, Nebraska. As Vice Chairman of the Performance Audit Committee, I'm pleased to open on LB836. The committee represents this bill as the first step in improving the evaluation of tax incentive programs. LB836 adds some very basic language in certain tax incentive acts that have limited or no-goal language. The need for such legislation arose from the Performance Audit Committee's three reports last year on tax incentives and the Nebraska...in our work with the Pew Center on the States on this issue. In our February 2013 report, we found that an absence of clear and measurable goals for each tax incentive program made it difficult to assess whether the programs are doing what the Legislature intended them to do. Our November 2013 report outlined a process for legislators to follow in improving the evaluation process for the state's tax incentive programs that was recommended by the Pew Center. According to the Pew Center, three program concepts are the core of this process. The

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first of the goals which are clear, measurable statements of what the program is intended to achieve. The second being the matrix, which are the quantifiable measures to be used to determine how well a program is achieving its goals. And the third being the benchmarks which are the thresholds policymakers should set that will determine the level of performance necessary on a given metric in order to consider that the related goal is being achieved, or at least that progress is being made towards the goal. Specifically, the bill will modify existing goal language in the Nebraska Advantage Act and would add goal language to the Nebraska Advantage Rural Development Act, the Nebraska Advantage Research and Development Act, and the Angel Investment Tax Credit Act. The proposed changes simply add to the statutes the goals stated by the members of this body during debate on the bills that created those acts. As you know, we will also have an interim study committee looking at this issue. Last week, we adopted LR444 which created a committee to develop an ongoing regular review of tax incentive programs. The LR444 Committee will work with interested individuals and stakeholders and we expect to have additional recommendations for you next year based on the results of that study. That committee may have additional recommendations regarding the goal language for these programs, but believe that...we believe that LB836 is an important first step in creating accountability in tax incentive programs. Thank you, Mr. President, and I'd be happy to try to answer any questions if there are some from the floor. [LB836 LR444]

SENATOR GLOOR: Thank you, Senator Watermeier. We now move to discussion. Senator Hadley, you're recognized. [LB836]

SENATOR HADLEY: Mr. President, members of the body, I certainly stand in full support of LB836. This is really part of a package. We had the earlier part earlier that Senator Harms brought this package. And later on you'll know on today's agenda, whether we get to it or not, that we have to extend the sunsets on our economic development acts because they're set to sunset on December 31 of this year and we certainly don't want that to happen because it would be a very difficult task to bring those back later. So I just wanted to make that point. Thank you, Senator Watermeier. [LB836]

SENATOR GLOOR: Thank you, Senator Hadley. Senator Harms, you're recognized. [LB836]

SENATOR HARMS: Thank you, Mr. President. I rise in support of this bill. Out of the last seven years, I don't think there's a year that has not gone by where the Performance Audit Committee did not get a request to go in and take a look at this. We have done, as Senator Watermeier has mentioned, we've done three reviews. Now we're at a point of going in in great depth, once we get input from the stakeholders, to actually do a complete analysis of this and to put measurable benchmarks and matrix into this program so we can measure it. And I'm hoping after next year, when you roll in

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here with new colleagues and those of you who are here now, you'll have a way to evaluate this, you'll have a way to determine whether or not this is being successful or not. We're putting millions and millions of dollars into a program that we have been unable to evaluate. We don't even know it is meeting the needs and whether or not we could do something better. So this is pretty important. This has come from a lot of you on this floor asking for a review of this. And so we now have it; we've got it put into a package, and next year when you come back, hopefully, you'll have a pretty good set of laws that will address the issue and will put this in a way that we can finally evaluate whether we're successful or not and each year goes by you can call for a review. So I'd ask you to support this and thank Senator Watermeier for helping us introduce this. Thank you, Mr. President. [LB836]

SENATOR GLOOR: Thank you, Senator Harms. Are there other senators wishing to be recognized? Seeing none, Senator Watermeier, you're recognized to close on the advancement of LB836. [LB836]

SENATOR WATERMEIER: Thank you, Mr. President. You know, I'm going to simplify it like this: When I think about performance and audit and the different things that we've done in this state, it's easy to audit something and to say we've either...a company has either invested so many millions of dollars in something or created so many jobs; but the hard work really lies ahead of us in the analysis work. That's why it's easy to audit something and just say black and white, we've invested this much or we've created that much. But the hard work is yet to come when we really do a hard analysis on what they've done and whether they've created something as value to the state. So I really think this is right where we need to be. This is just a first step, so I'd appreciate your green vote on this. [LB836]

SENATOR GLOOR: Thank you, Senator Watermeier. Members, the question is the advancement of LB836 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB836]

ASSISTANT CLERK: 32 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB836]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB836]

ASSISTANT CLERK: LB1114, introduced by Senator Mello. (Read title.) The bill was read for the first time on January 22, referred to the Appropriations Committee. That committee placed the bill on General File with no committee amendments. [LB1114]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Mello, you're recognized to open on LB1114. [LB1114]

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SENATOR MELLO: Thank you, Mr. President, members of the Legislature. In 2010, the Legislature created the Innovation and Entrepreneurship Task Force, of which I was a member. This task force, chaired by Senator Conrad, developed a statewide strategic plan designed to cultivate a climate of entrepreneurship in the state of Nebraska focusing on innovation and high-wage employment. The Business Innovation Act, which was passed in 2011 by Senator Hadley, was the result of the work of the task force as well by the Battelle Study prepared by the Department of Economic Development and Department of Labor in 2010. For the most part, traditional economic development policies in Nebraska have focused on attracting new businesses to the state through various incentive programs. In contrast, the Battelle Study called for a more strategic and comprehensive approach to economic development in part by focusing on technology-based innovation and high-skilled talent. Essentially, both the Battelle Study and the Innovation and Entrepreneurship Task Force called for a transition away from the economic hunting model and towards an economic gardening model. By way of background, the Business Innovation Act has four main components. The first, matching grants for Nebraska-based startups that have received federal small business innovation or SBIR grants; second, financial capital for prototypes and commercialization efforts by Nebraska-based high-growth startups; third, matching grants for Nebraska-based businesses that partner with Nebraska colleges and universities to fund research and development activities; and fourth, technical assistance for Nebraska micro-enterprises located in distressed rural and urban areas. LB1114 would move language from the pilot program and the Small Business Innovation Act under the umbrella of the Business Innovation Act itself providing technical resources for Nebraska-based high-growth businesses to foster growth and development. While this provision expands the range of projects and entities that could apply for funding under the Business Innovation Act, it would not increase the total cost of the program. LB1114 would also extend the sunset date of the Business Innovation Act for five years from October 1, 2016, to December 1, 2021. This change will provide certainty to startup businesses that utilize the act and the move from October to December will improve grant time lines in the future. Finally, LB1114 provides funding for a study to make recommendations on the ways to support and increase venture capital in Nebraska. The study would provide research, analyze best practices in other states, and present their findings and recommendations to the Legislature by December 1, 2014. While Nebraska has taken very positive strides to improve our entrepreneurial climate through both the Business Innovation Act and the Small Business Innovation Act, venture capital is an area where long-range planning will be critical in ensuring that we move forward in an effective and thoughtful manner. Recognizing that General Fund dollars are at a premium this session, funding for the venture capital study would be provided by temporarily reducing the total amount of tax credits under the Community Development Assistance Act by \$50,000 in fiscal year 2014-15 and transferring those funds to a new cash fund administered by the Department of Economic Development. Historically, tax credits under the Community Development Assistance Act have been underutilized and temporary reductions in these credits have been used to fund

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one-time economic development efforts in the past. LB1114 faced no opposition testimony at the Appropriations Committee hearing and was advanced by the committee on a 9-0 vote. I'd urge the body to adopt LB1114 and move it to Select File. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Mello. Mr. Clerk, for an amendment. [LB1114]

ASSISTANT CLERK: Mr. President, Senator Mello would offer AM2051. (Legislative Journal page 665.) [LB1114]

SENATOR GLOOR: Senator Mello, you're recognized to open on AM2051. [LB1114]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM2051 is a technical amendment that was brought to my office by the Department of Economic Development after the bill had already been advanced by the Appropriations Committee. The amendment simply clarifies language regarding the nonprofit organization that would be commissioned by the department to conduct the venture capital study in the bill. I'd urge the body to adopt AM2051. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Mello. Members, you've heard the opening on LB1114 and AM2051. We now move to floor debate. Senator Hadley, you're recognized. [LB1114]

SENATOR HADLEY: Mr. President, members of the body, I stand in full support of AM2051 and LB1114. So often in economic development we get accused of just trying to lure businesses from other states and not doing enough for our Nebraska-based businesses. And I think LB1114, as amended by AM2051, basically goes to the concept of helping Nebraska businesses. I just want to read real quick from page 3, a couple of lines: Provides support for locally owned and operated Nebraska-based high-growth businesses by providing technical resources to foster development, growth, and high-wage creation for purposes of this subdivision. I just want to point out that it's important that we help grow Nebraska businesses. And we have a number of incubators starting across the state that are trying to help these Nebraska businesses grow. So I think this is a critical part that we make this a permanent appropriation and a permanent effort by the Department of Economic Development. I would certainly support a green vote on both the amendment and LB1114. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Hadley. The Chair recognizes Senator Conrad. [LB1114]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I rise in full support of the pending amendment and the underlying legislation. Friends, this

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legislation represents part of the evolution of the policy progress that we made in response to the 2010 task force on entrepreneurial and innovation public policy in the state of Nebraska that I chaired. I can tell you in sitting through the public hearing on this topic, it was, by far, one of the most powerful and interesting line up of testifiers that we had the privilege to learn from. And they detailed the incredible success in the private sector that these programs have helped to foster. I think that it's important to note that that's not just anecdotal either; it wasn't just the folks who showed up at the hearings that we have to take their word for. In fact, we've seen continued improvement and progression in a variety of competitiveness rankings due to this paradigm shift and this policy shift that we entered into to evolve our economic development tools from 2010 forward, particularly those targeted to small businesses, innovators, entrepreneurs, and startups. So I think that's very exciting. The other piece I want to mention is that that effort, while initiated by the Legislature, happened in strong partnership with Governor Heineman's administration. There is no doubt that we have a disagreement of opinions on a variety of topics that come before the Nebraska Legislature, but when it comes to ensuring that we are constantly evaluating and involving our public policies to ensure a strong economic development climate in Nebraska, there's a lot of common ground there that we can all come together on, that we can seek consensus, and that we can continue to work towards improving high-quality jobs for our citizens, and a strong business climate for small and large businesses alike. The final piece I do want to note is that one area where Nebraska consistently is ranked in terms of needing to make improvement is in the area of venture capital. And while we have seen measured progress in that regard, there are a lot of exciting models that exist in other states that we should be taking a look at. I actually had an interim study on this very topic in 2013 that was referenced to the Revenue Committee, but as you can imagine, they were a little bit busy with the Tax Modernization hearings that they conducted across the state, so we didn't have a lot of opportunity to delve into that deeply. But just the initial research that my office has conducted demonstrates that while there are a lot of good and exciting models on the state level out there, it's also an issue that you don't want to delve into too quickly, that you want to ensure careful and appropriate evaluation so that you can indeed do good and no harm in the private market. So I think that the model identified of working with a private partner to research these issues who has considerable expertise in this area worked very well for our task force in 2010. It gives us another opportunity to do so in this legislation and I think we'll really put Nebraska on a continued evolution and progression of modernizing our economic development tools for small businesses and entrepreneurs. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Conrad. Are there other senators wishing to be recognized? Seeing none, Senator Mello, you're recognized to close on your amendment. [LB1114]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. AM2051

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is simply a technical amendment brought to my office by the Department of Economic Development to clarify language in regards to how they would go about the venture capital study with a nonprofit organization. With that I would urge the body to adopt AM2051. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Mello. The question is, shall the amendment to LB1114 be adopted? Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB1114]

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of Senator Mello's amendment. [LB1114]

SENATOR GLOOR: The amendment is adopted. We return to discussion on LB1114. Seeing no senators wishing to be recognized, Senator Mello, you're recognized to close. [LB1114]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I'd like to thank Senator Hadley and Senator Conrad for their leadership on this issue that started back in 2010, as I said, through the Innovation and Entrepreneurship Task Force that then transpired it to the Business Innovation Act and the Small Business Innovation Act which we are today extending those sunsets for another five years and looking to focus our energies and efforts into the future on evaluating what the state can do to improve our climate when it comes to venture capital for high-growth startup businesses. With that I'd urge the body to adopt LB1114. Thank you, Mr. President. [LB1114]

SENATOR GLOOR: Thank you, Senator Mello. Members, you've heard the closing on LB1114. The question is the advancement of LB1114 to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB1114]

ASSISTANT CLERK: 31 ayes, 0 nays on the advancement of the bill. [LB1114]

SENATOR GLOOR: The bill advances. Mr. Clerk. [LB1114]

ASSISTANT CLERK: Mr. President, LB1114A was introduced by Senator Mello. (Read title.) [LB1114A]

SENATOR GLOOR: Senator Mello, you're recognized to open on LB1114A. [LB1114A]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. LB1114A is the A bill for the underlying bill the body just passed. As I mentioned in my opening on the previous bill, funding for the venture capital study would be provided by temporarily reducing the total amount of tax credits available under the Community

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Development Assistance Act by \$50,000 in fiscal years 2014-15 and transferring those funds to the High Growth Business Development Cash Fund. LB1114A simply provides the necessary appropriation language for that specific transfer. With that, I would urge the body to move LB1114A to Select File. Thank you, Mr. President. [LB1114A]

SENATOR GLOOR: Thank you, Senator Mello. Are there senators wishing to speak? Seeing none, Senator Mello waives closing. The question is the advancement of LB1114A to E&R Initial. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB1114A]

ASSISTANT CLERK: 30 ayes, 0 nays on the advancement of the A bill, Mr. President. [LB1114A]

SENATOR GLOOR: The bill advances. We return to the agenda, General File. [LB1114A]

ASSISTANT CLERK: Next bill, Mr. President, is LB967 introduced by the Education Committee. (Read title.) The bill was read for the first time on January 16 of this year; it was referred to the Education Committee. That committee placed the bill on General File with committee amendments attached. (AM2199, Legislative Journal page 847.) [LB967]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Sullivan, you're recognized to open on LB967. [LB967]

SENATOR SULLIVAN: Thank you, Mr. President. Good morning, colleagues. LB967, in its original provisions, represents the work of the Education Committee last summer on our interim study on school finance. But you may have noted that there is a whole lot more in it. It is a committee priority; it advanced out of committee on an 8 to 0 vote. But as I said, an eight-page committee statement tells you that there is a lot of detail in that and I am prepared to walk you through all of the details and the bills that we have put in and amended LB967. I will tell you though in terms of organizing them, they fall into three large categories. One, there is a small TEEOSA component changing one small component of the...one portion of the TEEOSA formula. A lot of the amendment deals with current uses of the Education Innovation Fund, lottery dollars. And a third one is what I call the annual cleanup technical bill for the Department of Education. So as I said, I will go through all of those details with you to hopefully make you feel comfortable about what the committee is attempting to do here and to make you feel comfortable about casting your green vote. But to begin with, the provisions from the green copy of LB967 essentially do four things. I said that there was a change to the TEEOSA formula, well, that's one of the components of LB967. It proposes to phase out the teacher education and instructional time allowances. If you remember, those two allowances comprised a very contentious debate in the state aid debate last year. In the

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bill that we propose to you, we suggested phasing those out...or not phasing them out, eliminating them which we did not do last session. We continue to hear about those allowances as we conducted the interim study this last summer. And by and large we heard that they...the school districts wanted to see those allowances go away. But also during debate last year, we heard from school districts saying--don't just cut that...cut the tie immediately, phase those out. So that's what we're proposing to do with LB967, to phase out both of those allowances, teacher education and instructional time; 50 percent phase out for the '15-16 school year and then they go away completely for the '16-17 school year. A second thing that LB967, in its original form does, is that it state intent, and this is a goal of the Education Committee, that we see 100 percent access to a quality early childhood education for children before they reach the kindergarten door. This is not saying that we are requiring any child to attend a pre-K program, it's just that we have as a goal 100 percent access to early childhood education in the year prior to kindergarten. A third component is that we are identifying \$2 million out of the Education Innovation Fund, these are lottery dollars, \$2 million to be designated for reorganization grants. And by that I mean when school districts are involved in mergers or consolidations, we are saying that you can apply for, each district that is involved in this, \$125,000 grant to help you with the extra costs that are involved in going through a consolidation. A third component...or a fourth component rather is, and again, to exempt the lottery funds that are allocated for these reorganizations support grants and to early childhood education from the requirement that they be spent by June 30, 2016. Now a little background on that. We have mentioned this several times that all the current uses for the lottery dollars and the Education Innovation Fund sunset in 2016. So the Education Committee over the next year will be studying the current uses and looking at how we want to going forward use those dollars that come into the Education Innovation Fund. So that's why we have to put a time line on the current uses of this fund because we know that they are going away in 2016. The committee amendment, as I said, and I'll be talking about that in my introduction on the committee amendment, but just to remind you that we are melding into LB967 a lot of other bills, but they fall into three general categories. Those that pertain to the use of the lottery dollars; secondly, I mention the school finance, the change on the allowances; and then the annual technical cleanup bill for the Department of Education. With respect to the other bills that we are incorporating into LB967, I'll just go mention those briefly, but intend to go into more detail in my committee amendment. We're incorporating LB754, which was introduced by Senator Smith. It has lottery dollars being used for career education alignment. We're incorporating LB835, which was introduced by Senator Avery, which extends the ACT Pilot Project for another two years. We're incorporating LB842 by Senator Davis which puts additional lottery dollars into the Excellence in Teaching Program. We're also incorporating LB958 which was introduced by Senator Cook and puts in statute the reinstatement of the student achievement coordinator position in the Department of Education. Also I've mentioned several times that we're incorporating LB1069 which was the annual technical bill for the Department of Education. And finally, it incorporates LB984 which was my bill that dealt with early childhood education

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funding, and again the lottery funds. Most of these bills were attempting to access, as I said, new or additional lottery fund dollars for the next two years and are incorporated into the amendment to follow. So that concludes my opening on LB967 and I, as I said, will continue to explain the additional components in my opening on the committee amendment. Thank you, Mr. President. [LB967 LB754 LB835 LB842 LB958 LB1069 LB984]

SENATOR GLOOR: Thank you, Senator Sullivan. As the Clerk stated, as did you Senator Sullivan, there are amendments from your Education Committee. As Chair of that committee, you're recognized to open on those committee amendments. [LB967]

SENATOR SULLIVAN: Thank you, Mr. President. The committee amendment brings together in one place the Education Committee's recommendations on proposals to spend lottery dollars for the next two years. And I should mention that I think you have all received a handout that identifies, because it does get a little confusing, that the current uses and the proposed new uses for the Education Innovation Fund. One of the things that, I think, gets, as I said, a little confusing, the lottery dollars are specified in our constitution that a certain percentage of them, a certain portion of them are to be used for education. So hence the Education Innovation Fund was created and that's how the lottery dollars flow into this fund and then flow out of them for the particular uses that we identify. The uses sunset in 2016. And so the Education Committee, more than likely, next year will be bringing to you some suggested new uses. It could include the current uses, but at the very least all of these uses sunset in 2016 and we will be reevaluating their uses. So anything that we were referring to with respect to new and existing uses of lottery dollars in this amendment have a time line attached because we know...we recognize the sunset. So, for 2014-15 and '15-16 the amendments would make the following changes to allocations and transfers from the Education Innovation Fund. First of all, it adds \$200,000 per year to the existing transfers to the Enhancing Excellence in Teaching Cash Fund. As I mentioned in my opening on LB967, that was a bill that was introduced by Senator Davis, LB842. Furthermore, it limits distance education equipment and incentives to \$2 million for 2014-15 and \$2.5 million for the 2015-16 school year. These amounts are based on the estimates for the program. And then another transfer is \$1 million per year for those reorganization grants that are in the original provisions of LB967, the reorganization grants to help school districts who are involved in mergers or consolidations. And then it also allocates \$145,000 per year to continue the college admission test pilot project that Senator Avery's bill, LB835, to continue the ACT pilot project for the eight schools that are currently involved. And then it gives them additional two years to continue to collect data and give us their report. Also, it allocates \$335,000 for 2014-15, and an estimated \$344,000 for 2015-16 for evaluating and improving career education programs to align with economic and work force needs. And that is Senator Smith's LB754. Now in addition to the uses, new uses of the lottery dollars, this amendment, AM2199, includes additional details. Again, we're dealing with time lines here because of some of the sunsets. It transfers the remaining

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funds in the Excellence in Teaching Cash Fund to the Nebraska Education Improvement Fund on August 1, 2016. That was legislation that we passed last year, because of the sunset we're saying any remaining funds go out of the Education Innovation Fund into a new fund that we're calling the Nebraska Education Improvement Fund. There has to be a balance that remains in this fund so that when we do create new uses for it, there's money there. And so it retains \$3 million so that we have a balance to work with once we have new uses. And then it further clarifies the final deadlines for distance education incentives. The amendment also provides provisions for...again I mentioned several times the goal of the Education Committee to have 100 percent access to early childhood experience before a child reaches kindergarten. I had introduced LB984, which in its original form had designated an additional \$4.6 million from the General Fund for early childhood grant programming. In conversation with the Appropriations Committee, I backed off that, and if you will note that in the budget that we advanced Tuesday, LB905, it contained in there approximately \$3.5 million one-time funding for those early childhood grants. Again, it's a note to remember that when districts distribute those early childhood grants, those are three-year grants that a district has, and so there has to be money appropriated and distributed accordingly so that those grants can last the three years. In addition, in that component of the budget, it designated \$95,000 for the three years to technical assistance from the Department of Education for the administering of those grants. Another component of AM2199, I mentioned earlier, is LB958 which reinstates in statute the position of student achievement coordinator in the Department of Education. This was a bill brought forward by Senator Cook, but again, in the budget bill that you advanced on Tuesday, it includes the provision for funding that position. But under Senator Cook's legislation, we flesh out a little bit more of that coordinator position. We task that position with a few more responsibilities, not just rubber stamping the poverty and limited English proficiency plans that school districts have to submit. But this coordinator will evaluate those plans, hold up best practices, and then go the next step of actually helping school districts to improve on those plans and sharing best practices with other districts as well. And finally the other component of AM2199 is that annual technical cleanup bill. I know that these are somewhat laborious and, maybe, even boring details, but nevertheless they are important because, first of all, it replaces outdated references to the North Central Association; new language references; regional accrediting agencies recognized by the U.S. Department of Education rather than a specific entity. It harmonizes requirements regarding submission of copies to the Nebraska Publication Clearinghouse, with the actual clearinghouse requirements. In other words, it reduces the requirement from eight copies to four. It authorizes school districts to make expenditure related to programs and activities. And it requires the early childhood training center to approve training for the Step Up to Quality Child Care Act that we passed last session and it updates special education definitions. And finally, it includes private postsecondary career schools in any inner-state reciprocity agreements for postsecondary distance education. We passed the reciprocity agreement legislation last year under Senator Avery's legislation. We inadvertently left off the private

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postsecondary career schools, so they will be included in this legislation under AM2199. And because there is a time line there, and also the time line that I've mentioned several times with the lottery provisions, this amendment does also include an emergency clause. So there, Mr. President, is the nuts and bolts of AM2199. As I indicated, there is a lot, but with good reason and rhyme and I'm more than willing to answer any questions or concerns that the body may have. Thank you very much. [LB967 LB754 LB835 LB842 LB958 LB984 LB905]

SENATOR GLOOR: Thank you, Senator Sullivan. Members, you've heard the opening on LB967 and the committee amendment, AM2199. There are senators wishing to be recognized. Senator Avery, you are recognized. [LB967]

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. I want to call your attention to page 14 in the amendment, AM2199, Section 6. This is the language that Senator Sullivan was talking about that deals with the ACT program. What we're doing here is very important. We're reauthorizing a bill that we passed in 2011, I believe it was. And in that bill, or actually it was an amendment to a larger bill, we authorized a pilot program that would provide financial subsidies to a group of schools to pay for the ACT program, the ACT testing program. The ACT costs about \$36 per exam per student; so we thought that if we could figure out a way to help students afford this exam we might be able to show these students, many of these students on free and reduced lunch, we might be able to demonstrate that they actually can qualify for college because they have the ability. The ACT is a very reliable testing instrument. So what we did was, we allocated money to pay for that, and I think it was about \$145,000, and I believe that is the amount that is in this bill today. The ACT has been a testing program for high schoolers for about 40 years. The test includes competency in English, math, reading and science. A perfect score is 36. And students often take prep courses through their schools and independent entities. They retake the test as often as they like. As a matter of reference, the University of Nebraska and Nebraska Wesleyan require a minimum composite score of 20 for admission. Creighton's median ACT is 27. Last year, 1.8 million graduating seniors had taken the test; that's 54 percent of all seniors nationwide. A lot of students in Nebraska feel that, one, maybe they cannot do well on these tests, and that's a disincentive. Many of them may feel, well, I really don't have that much money, I can't afford to pay for the test. Obviously, that's a disincentive. So we thought this pilot program might be a way that we could demonstrate to these students--you are capable. And this score that you have proves you can get into the University of Nebraska; you can get into Wesleyan; you can get admitted to Creighton. And what we have found is that it has been a tremendous success; and that is why I brought this bill and the committee agreed to put it on as an amendment to LB967. I brought this bill because I knew that it was working... [LB967]

SENATOR GLOOR: One minute. [LB967]

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SENATOR AVERY: ...and that we needed to continue it. And here's one reason why we need to do this, if you look at the amount of earning power from just a high school degree or a GED, it's \$29,000 potential a year. When you get a bachelor's degree, that jumps up to \$54,700; master's degree--\$67,900; doctorate--\$92,900; professional degree--\$119,000. This is a confidence builder for so many students. And I think it's an important program and I really am grateful to the committee for including this in their amendment and I urge you to support AM2199. Thank you, Mr. President. [LB967]

SENATOR GLOOR: Thank you, Senator Avery. Senators in the queue: Harms, Wallman, Mello, and Cook. Senator Harms, you're recognized. [LB967]

SENATOR HARMS: Thank you, Mr. President. I rise in support of the amendment and the underlying bill. Senator, would you please yield for me, please, Senator Sullivan. [LB967]

SENATOR GLOOR: Senator Sullivan. [LB967]

SENATOR SULLIVAN: Yes, I will. [LB967]

SENATOR HARMS: Senator Sullivan, on page 1 of the amendment to LB967, line item 15 and 16, and actually 17, where we change the accreditation from North Central, could you maybe talk a little bit about the purpose of that and what this actually does, does it open the doors for the colleges or...could you maybe help explain that to me? [LB967]

SENATOR SULLIVAN: I think, Senator Harms, it's more technical in nature just in terms of...I don't...well, first of all an answer to the larger question, I don't think it really does anything. I think it's mostly just terminology. I'm double checking with legal counsel, just a minute though. [LB967]

SENATOR HARMS: Well, it talks about... [LB967]

SENATOR SULLIVAN: It's...the legal counsel tells me it's a subset of the...North Central...can you get me a copy of the... [LB967]

SENATOR HARMS: Well, let me carry it on so...while you look for the information. [LB967]

SENATOR SULLIVAN: Okay. [LB967]

SENATOR HARMS: Okay. I guess the thing that I'm wanting to know is that, you know, of course, North Central is the basic center for all accreditation of most colleges and universities and my question then is--what are the other agencies that we're willing to

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take a look at and is acceptable by the board? [LB967]

SENATOR SULLIVAN: Senator Harms, as I mentioned earlier, I think it's more of a technical cleanup because North Central is no longer the one that does the accreditation. So we are just simply...the new language references the regional accrediting agencies recognized by the U.S. Department of Education rather than the specific entity. [LB967]

SENATOR HARMS: Okay, it doesn't do the accreditation for... [LB967]

SENATOR SULLIVAN: No. No. [LB967]

SENATOR HARMS: ...for the public schools any longer or for the colleges and universities or...I guess I don't understand that, because... [LB967]

SENATOR SULLIVAN: It's not...it's not the correct reference. I mean I don't think it changes anything that's being done. I think it's just changes the references, if that makes any sense. [LB967]

SENATOR HARMS: Well, I guess I'm kind of from the old school and North Central is always the base. But that's okay as long as...I'm just curious about that. And it also then talks about..."or similar agencies as determined by...to be accepted by the board" is that the board of education? Is that the public school board? Is that State Department of Education? I'm not sure I understand that. [LB967]

SENATOR SULLIVAN: Well, again as I understand it, where we are making sure that all references to this are the same in the statutes. So we're not really changing anything that is being done, we're just simply harmonizing different parts of the statute so that they say the same thing. [LB967]

SENATOR HARMS: Okay, that might be still a little confusing. Maybe I'm a little slow this morning, but I...that's fine. Let me ask you another question. On the sheet that you handed out on the educational innovation fund. Do you have that in front of you, Senator? [LB967]

SENATOR SULLIVAN: Yes. [LB967]

SENATOR HARMS: The high ability learners aid, LB333, could you talk to me a little bit about what that does and what happens in that particular program. [LB967]

SENATOR SULLIVAN: It can be handled a lot of different ways. As far as the high ability learning, let's see, this was not new legislation from this last year. [LB967]

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SENATOR HARMS: I understand. [LB967]

SENATOR SULLIVAN: And so the...it applies to gifted programs that school districts might implement. So it's not really one-stock program. [LB967]

SENATOR GLOOR: One minute. [LB967]

SENATOR SULLIVAN: School districts can apply for those grants and use them in a high...in a variety of different ways, as long as it pertains to children who have been identified as gifted and high ability learners. [LB967]

SENATOR HARMS: Yeah, I think that...you know, as I look at our public school system, one of the things that I've been kind of alarmed about over the years, is that I don't think we do quite enough for the very gifted child, a child who has all of the capabilities, has a high IQ. And when I look across Nebraska, I don't know if we have very good programs in that particular area, and I don't know if there is any kind of an evaluation system we're looking at. Do we have goals established, what we want them to accomplish in these program, or is that just kind of up to the public schools? [LB967]

SENATOR SULLIVAN: I have to tend to agree with you. I think that, as I said, and you indicated just now that it's pretty much left up to individual school districts and from some personal experience... [LB967]

SENATOR GLOOR: Time, Senators. Thank you, Senator Harms and Senator Sullivan. (Visitors introduced.) Continuing with discussion, Senator Wallman, you're recognized. [LB967]

SENATOR WALLMAN: Thank you, Mr. President. Would Senator Sullivan yield to a question? [LB967]

SENATOR GLOOR: Senator Sullivan, would you yield? [LB967]

SENATOR SULLIVAN: Yes, I would. [LB967]

SENATOR WALLMAN: Thank you, thank you. In regards to second language issues, how does that work on your assessments? Do you figure that into the whole program for the school, you know, the total amount, as assessment on the grades? English as a second language or... [LB967]

SENATOR SULLIVAN: Well, I mean, the...the children take the test just as anyone else does, any other student. [LB967]

SENATOR WALLMAN: See, I think there's part of the problem here, because if you

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don't...you aren't proficient in the language, it's very, very hard to compete with somebody else. And...so I looked at that, and I looked at some other things and I talked to teachers and various...across the state, and I think we have to modify our assessment program. And I absolutely agree with Senator Harms; our brightest and best students, a lot of them are home schooled, in my district even as well. And so I'm proud of the home schoolers; I'm proud of public schoolers and private school. I just like kids. And it's our duty to educate them the best we can. Are we doing that now with assessments and assessments and assessments? I think we have to be a leader instead of assess then we follow the dog, the tail follows the dog and wags. And so I'm listening to this very carefully. And thank you, Senator Sullivan. [LB967]

SENATOR GLOOR: Thank you, Senator Wallman and Senator Sullivan. Senator Mello, you're recognized. [LB967]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I rise in support of the underlying components that Senator Sullivan and the Education Committee put into the committee amendment, AM2199, primarily drawn to two important components. The first one, Senator Smith who brought a bill, LB754, which provided some lottery funding for career and vocational programs within K-12 school districts. I know it was a larger amount that he'd requested, but in talking with Senator Sullivan and members of the committee, they wanted to ensure to help school districts right now who are starting to revamp their existing career and vocational technical programs, provide them some preliminary assistance as they do that in which I think is more than critical in respects to the changing work force and the changing economy that will require more and more students, and more and more people in our work force to have career and technical focus degrees and certificates instead of bachelor's or higher...or postsecondary degrees outside of a bachelor's. I just want to make sure, I hadn't seen Senator Smith on the floor so far today, and I want to make sure that that's an important component that I know myself and a number of other senators cosponsored his bill and it was incorporated into AM2199 and I think it's a positive first step, as Senator Sullivan and the Education Committee embark on their envisioning process over the interim to look at our education system as a whole, that this, hopefully, will be a significant piece as we look forward at our entire school and education system because it plays such a vital role to the future of our work force and our economy. The second component, colleagues, I just want to draw everyone's attention to page 51 of the committee amendment. Really, to me, this is, I think, really a big step forward when it comes to the intent language. I know we had talked about it at our legislative council retreat prior to the beginning of session; I know there's been numerous discussions with senators outside of the Education Committee and with members of the committee which draws attention of creating and stating in statute legislative intent for the state to enact a goal of assuring, as you read here on line 15, the goal of assuring that every family in Nebraska has access to early childhood education when it relates to pre-K programs for four-year-olds. I think this is a very, very positive, forward-thinking approach and

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perspective that the Education Committee has presented us of realizing that pre-K, having access to pre-K, not guaranteeing everyone will get to be in a pre-K program, but moving towards a stated goal that we will ensure access to pre-K for all Nebraska children is a very, very forward-thinking, thoughtful approach to what we know where we have to go as a state when it comes to our education system. I understand and know that early childhood education has been a priority to a number of senators in this body, in and outside of the Education Committee. And Senator Sullivan did a very, very great job during our legislative council retreat explaining this was an approach and a process and a place where she was going to present to the Legislature where we need to go. And that's right in the bill in page 51 that starts us down that process. And I want to thank Senator Sullivan and the Education Committee for bringing this forward. Yes, while it is only intent language, it is a goal, a stated goal. For those of you who may not be as familiar with the Planning Committee, goals and benchmarks do matter when it comes to identifying where the state needs to go. And as Senator Harms mentioned at today's Planning Committee Report, where we are currently moving with this committee amendment, colleagues, is into the future. And I think it will lend all of us who care about our education system and care about early childhood education... [LB967 LB754]

SENATOR GLOOR: One minute. [LB967]

SENATOR MELLO: ...a very positive step forward as we embark on that future and as the Education Committee and others embark on this envisioning process for the future. I just want to thank the committee and Senator Sullivan for bringing this component of the legislation in, as well as the components of LB754, and urge the body to adopt AM2199. Thank you, Mr. President. [LB967 LB754]

SENATOR GLOOR: Thank you, Senator Mello. Senators remaining in the queue: Cook, Scheer, Karpisek, and Hadley. Senator Cook, you're recognized. [LB967]

SENATOR COOK: Thank you, Mr. President, and good morning, colleagues. I rise in support of AM2199 and the underlying bill, LB967. I'm very proud of the product as a member of the Education Committee. Particularly because as we went into the interim study, we were able to come together on a few things. There's some things that are still in the winds and that will continue to be discussed in the committee, in the envisioning process, and with the members of the body, but I think we have reflected in this proposal a lot of ideas that we were on the same page with that work across the state and across different school district sizes for the students of Nebraska. I also wanted to shed additional light on my thinking behind the proposal LB958, which is included in AM2199. It actually restores a position that previously existed within the Department of Education to review poverty plans. What I envisioned and my expectation is for this person in this position is that not that she or he merely review poverty plans or LEP plans or mobility plans and do post...to ensure postcard compliance, but really offer an analysis and work with other team members within the Department of Education to

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identify best practices that can be used across the state and across different sizes of school districts. The issue of children in poverty is one that when you get a chance to review your Legislature's Planning Committee book is, unfortunately, an issue that is increasing in the state of Nebraska; in a state where a lot of prosperity exists among the most prosperous and pockets of it, the number of children in poverty is increasing across this state. It has increased within the last ten years. And if we want to ensure that these children have an opportunity to participate fully in the educational system and in their lives and in their careers beyond their education, we need to invest in the kinds of programming that will ensure their success. There is no one on the Education Committee, and I am certain there is no one in this body, that believes that simply because a child lives in poverty that she or he cannot achieve and even excel. In fact, I almost make the assumption that a child living in poverty is almost more high functioning because of the things they have to face on a day-to-day basis just to get themselves to school and to participate in classroom work. The work of the Education Committee is particularly as it might be reflected in the bill, LB958, which is part of the amendment, is to ensure that those best practices for programming that helps students do their best, and by the way, when those programs are implemented in those classrooms, every child in that classroom, whether it's the gifted child, the child that...every child in the classroom has an opportunity to achieve at a higher level when these best practices are shared. I would also like to add to what Senator Mello mentioned in terms of early childhood education. The committee, and I think many other members of the body, are very interested in expanding access to pre-K education to families and students across the state. We in the state of Nebraska, with the work of the policymakers and with work among nonprofits and universities have a real opportunity to be national leaders in innovation as it relates to early childhood education. [LB967 LB958]

SENATOR GLOOR: One minute. [LB967]

SENATOR COOK: And I would like to commend the committee and other members of the body for continuing to put this forward as a priority for our state. Thank you, Mr. President. [LB967]

SENATOR GLOOR: Thank you, Senator Cook. Senator Scheer, you're recognized. [LB967]

SENATOR SCHEER: Thank you, Mr. President. I rise in support of AM2199 and LB967. I first like to thank Chairperson Sullivan for her hard work, dedication to the committee, and bringing the right things forward, and facilitating the right kind of talks that we've had in the committee level. I'd like to thank the rest of the committee, as well, for their hard work in trying to determine what is the best course for education in Nebraska and moving the policies and the funding in that direction. It proves that even though we are from various parts of the state, that the common goal of educating our youth in the state

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of Nebraska transcends all differences in relationship to what the ultimate goal is. We may have some differences in how we may want to achieve that, but I appreciate the fact that as a committee we were able to work together and not get bogged down by the things that we, perhaps, could not agree upon, but work on the things that we could agree upon and moving them forward. And just as an aside, it does look like there were a number of things that were brought forward in the innovation fund, but as Senator Sullivan pointed out, this really is the last point of where we'll have an opportunity to utilize those funds before they are sunsetted. And so it was just the intent of the committee to try to utilize those funds in the best practical manner that we could on an educational basis. So I thank the committee and the chairperson and would urge your support. Thank you. [LB967]

SENATOR GLOOR: Thank you, Senator Scheer. The Chair recognizes Senator Karpisek. [LB967]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. Would Senator Sullivan yield, please? [LB967]

SENATOR GLOOR: Senator Sullivan, would you yield? [LB967]

SENATOR SULLIVAN: Yes, I would. [LB967]

SENATOR KARPISEK: Thank you, Senator Sullivan, and I just want to thank you for moving these...working on this. I think it's all good and a great idea. I just can't pass up an opportunity to ask one more time--where do these funds come from? [LB967]

SENATOR SULLIVAN: They come from taxes. You're talking about the specific bills? [LB967]

SENATOR KARPISEK: Well... [LB967]

SENATOR SULLIVAN: The lottery dollars? [LB967]

SENATOR KARPISEK: Oh, there you go, the lottery dollars. [LB967]

SENATOR SULLIVAN: The lottery dollars, yes, okay. (Laughter) [LB967]

SENATOR KARPISEK: Thank you. So (laughter) did you say that it was about \$2 million in lottery dollars that we're moving in one of the bills? [LB967]

SENATOR SULLIVAN: In one of them, yes. [LB967]

SENATOR KARPISEK: And is there more on top of that? [LB967]

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SENATOR SULLIVAN: Oh, yes. [LB967]

SENATOR KARPISEK: Oh, so there's a lot of lottery dollars in here. (Laughter) I'm not trying to put you on the spot, Senator. I just thought I'd make sure that I'm not just fabricating something. [LB967]

SENATOR SULLIVAN: Well, and actually we bring in about, I think, \$7 million comes into the Education Innovation Fund via lottery dollars. [LB967]

SENATOR KARPISEK: Okay, thank you, Senator Sullivan. Again, I'm sorry I put you on the spot. [LB967]

SENATOR SULLIVAN: No, that's all right. Thank you. [LB967]

SENATOR KARPISEK: I just wanted to rise, and when we talk about the evils of gambling and how it's no good for anyone and such a bad thing, we have about \$7 million coming in a year to use for these programs. We hear that the voters have voted numerous times against expanded gambling. Not always true. This was voted in by the people and it's being used for a very, very good purpose. I don't want to belabor the point. I just always like to point out when we use these dollars and we take them very graciously and use them for good, but when we talk about anything else and the amount of money that we're losing to our surrounding states, to casinos, all of a sudden it all changes. So thank you for letting me get my 2 cents in, and thank you for the very good work on the Education Committee. Thank you, Mr. President. [LB967]

SENATOR GLOOR: Thank you, Senator Sullivan and Senator Karpisek. Senator Hadley, you're recognized. [LB967]

SENATOR HADLEY: Mr. President, members of the body, would Senator Sullivan yield to a question? [LB967]

SENATOR GLOOR: Senator Sullivan, would you yield? [LB967]

SENATOR SULLIVAN: Yes, I will. [LB967]

SENATOR HADLEY: You know, I'm so tempted when I stand up to this mike to remember Mike Friend back in the days when he'd say, we'll done with this lovefest, now let's find out what's really going on. No, I noticed the dollars are there for the early childhood grants and the early childhood endowment. You know, there seems to be a lot of early childhood programs now, or a lot of people, different areas interested in early childhood. Would you just take a minute or two and help me understand, is there coordination between, you know, the Department of Education, the universities, the

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private foundations, and such as that when it comes to early childhood education in the state of Nebraska? And I'll yield you the rest of my time. [LB967]

SENATOR SULLIVAN: Thank you, Senator Hadley. [LB967]

SENATOR GLOOR: Four minutes, Senator Sullivan. [LB967]

SENATOR SULLIVAN: Thank you. First of all, when we talk about the early childhood grants that go to public schools, they have to meet standards that are identified in the Department of Education with respect to quality. And I think that's really important. Any time that we are granting out money, particularly through the Education Innovation Fund to early childhood education programs in public schools, we can be assured they have to meet a certain level of quality, as does the programming that goes through the education...Early Childhood Endowment Fund that was created, and that particular program focuses on Sixpence, birth-to-three programs. That has a board of trustees. If you remember, that Early Childhood Endowment Fund was created as a combination of private dollars and interest that was derived from school land leases and rental income. And the interest off of that fund is able to fund grants...I think we've got about 25 of them going on now, that, again, have to rise to a certain level of quality. So I believe that in any of these programs that we've mentioned today, and also the Sixpence program, which I would remind the body, too, that we gave additional dollars to last session, that there is a maintenance of...level...a certain level of quality that we can be assured of. We have the Buffett Early Childhood Institute that's been created at the University of Nebraska that is being led by Dr. Sam Meisels. We've been...that's sort of a separate entity, but I think there too there is a level of quality that we can be assured of in the programs that will emanate from them. Is there enough coordination among all of these? Probably not. And I will tell you again that under LB1103, the visioning bill that you advanced earlier this week, that's one of the things that we're going to do is that we're going to look at the coordination and collaboration on education all the way from pre-K through higher education because that's the other thing, when you think about early childhood education and a lot of the things that we've jumped on board with and put more dollars behind and put more emphasis on, we've got to make sure that we've got a pipeline of early childhood educators that are ready to provide that kind of quality education. So it really cuts across a wide spectrum when we talk about early childhood. It's not just talking about the development of preschool programs, it cuts across the whole spectrum of education and making sure that we've got teachers, quality teachers that are providing that. So your point is well taken, Senator Hadley. [LB967 LB1103]

SENATOR GLOOR: One minute. [LB967]

SENATOR SULLIVAN: I think that coordination is key. I think that the Education Committee and its goal of wanting to have more participation in the part of four-year-olds. I think quality is of a concern, but I think coordination will be one of our

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concerns as well. So, thank you. [LB967]

SENATOR GLOOR: Thank you Senator Hadley and Senator Sullivan. Senator Ken Haar, you're recognized. [LB967]

SENATOR HAAR: Mr. President, members of the body, first of all, I'd like to thank Senator Sullivan for her leadership in the Education Committee and putting a lot of this together and also to the other members of the Education Committee. We don't always agree on everything, but we agreed on all of this. So I want to put those thank-yous in place. I am particularly pleased that we're spending more money on preschool. And it's been mentioned before but I want to mention it again that science tells us very clearly that so much of the development in children happens in those first years. And my goal, and I've stated this before, would...and I'm not probably going to be here to do this eventually, but would be to...someday we should be spending more on preschools than we spend on prisons. The investment early on in preschool pays off many, many times. There are a couple items in here...and we are phasing out the teacher education allowance has been talked about. It was too broad. There's no question about that. I'm hoping that we can work some kind of teacher education allowance back into the funding, a more specific, more targeted kind of allowance, because in certain areas there is the research showing that teachers with master's degrees are better teachers. And then we have the fact that AP courses...it's my understanding that AP courses, advanced placement courses, need to be taught by master's degree teachers and so on. So even though we're phasing out this broad funding for anyone who gets a master's degree, I hope we can come back and work on a more targeted funding for that. Of course, not everybody is happy the teacher...the extended time allowance will be going away, but I feel comfortable with that. So once again, we had a lot of meetings this summer. We got to travel a lot of the state and I really enjoyed doing that. And we're looking forward to a lot more travel this summer as we do a visioning process to see what we really want for our schools. So with that, of course, I stand in support of AM2199 and LB967. And, again, I want to end by thanking Senator Sullivan for the work that she has done and is doing. Thank you very much. [LB967]

SENATOR GLOOR: Thank you, Senator Haar. Senator Smith, you're recognized. [LB967]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I would just like to stand in support of AM2199 and the underlying bill of LB967. I appreciate the Education Committee incorporating a bill that I had in front of their committee earlier this year into this amendment. The bill that I had was LB754, which provided funds for career education programs. Children in our state have broad interest in their careers, but we often limit training and exposure in our school systems for these diverse interests. And I'm particularly talking about heavy trades. And with my original bill, LB754, I do appreciate some of the senators that signed onto that bill with me. Senator

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Lathrop, Senator Ashford, Senator Ken Haar, who just spoke before me, Senator Mello, I appreciate their support and their interest in providing funds for career education as well. This amendment and what was integrated into this amendment does support career education and trade education through something called the reVISION program. ReVISION is a two-year-old project started by the Department of Education. The program helps school districts evaluate their current career education programs, partner with community businesses, and come up with action plans. The intent of the program is to introduce students to an array of available career paths, including the trades, and to train a future work force that is relevant and economically beneficial to Nebraska. Grants are then awarded to schools...school districts to assist in carrying out the action plan. And again, I do appreciate the Education Committee listening. We did not get all of the funding for this program that I would have wanted, but we made a great first step. And I hope that in subsequent years we can come back to this issue. The trades are a tremendously valuable career to choose. And the children that are in our school systems that have an interest in that we want to provide an opportunity for them to get the training that they need to help those schools provide the training that is needed. Whenever these kids come out of high school with a limited amount of additional training, they can be making a significant amount of money that they may otherwise not been able to have made. So this is a great program for our future families in Nebraska. It's a great program for businesses. It helps with economic growth in our state by providing a skilled work force. So again, thank you, Education Committee. Thank you, Senator Sullivan. Thank you, Mr. President. [LB967 LB754]

SENATOR GLOOR: Thank you, Senator Smith. Senator Lathrop, you're recognized. [LB967]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I want to express my appreciation for all the hard work that went into this bill and...but I do have a couple...or a question for Senator Sullivan if she'll yield. [LB967]

SENATOR GLOOR: Senator Sullivan, will you yield? [LB967]

SENATOR SULLIVAN: Yes, I will. [LB967]

SENATOR LATHROP: Senator Sullivan, this bill, among other things, removes the teacher education allowance and the instructional time allowance. Can you give us the rationale for that or maybe walk me through that, why we're doing it now instead of looking at it as we look at TEEOSA more comprehensively and waiting until that point in time? [LB967]

SENATOR SULLIVAN: All right. Well, thank you, Senator Lathrop, for that question. We have been looking at both of those allowances for what seems like pretty much my whole time down here. But, specifically, last year there was a proposal in the state aid

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bill to eliminate both of those allowances. We weren't successful in doing that. We brought forth that idea mainly because we had heard in conversations and meetings with school administrators across the state that they believe that those two allowances were, under current circumstances and for a variety of reasons, no longer needed. Specifically, the teacher education allowance was put in place originally when there were school districts that perhaps were closer to an educational institution, a higher ed institution, and teachers were going there and getting their higher degrees. That's not the case anymore. I mean, you can access a higher degree on-line. And we certainly are recognizing the importance of having teachers having advanced degrees, but it's no longer a unique cost for districts. It's pretty much an across-the-board cost of doing business for a lot of school districts as they not only promote teachers with advanced degrees but see their teaching staff get advanced degrees. So that's...that was the rationale for removing that allowance. The instructional time allowance we heard that there was inconsistent use of that, that it was accessed in different ways among different school districts, so there was a lack of consistency. So as I said, last year we proposed to eliminate them. But we heard from districts, don't just cut the tie in one year, give us some advance notice. So this year, when we had...continued to have the interim study on school finance, again, we continued to hear from superintendents, let's not have these allowances anymore but let's phase them out. So that's what we're proposing to do, phasing it out. The current funding for the allowance on both the teacher ed and instructional time would go down 50 percent for the '15-16 school year and then go away for '16-17. So in doing this it recognizes the majority of the feelings that we heard, but it gives time for districts to prepare for this allowance no longer being there. The money doesn't necessarily go away; it goes back into basic funding. It just comes back in a different way and is still recognized in the needs of districts but through basic funding rather than a particular allowance. [LB967]

SENATOR GLOOR: Thank you, Senator Sullivan. Senator Wallman, you're recognized. [LB967]

SENATOR WALLMAN: Thank you, Mr. President, members. Would Senator Sullivan yield to a question? [LB967]

SENATOR GLOOR: Senator Sullivan, will you yield? [LB967]

SENATOR SULLIVAN: Yes, I will. [LB967]

SENATOR WALLMAN: And you answered Senator Lathrop's question quite well, I thought. I have the same concerns as well. And I think it's a carrot out there, it's an incentive, to make teachers get a little better or much better, whichever. But also, the School Reorganization Fund, has that got a lot of money in there? [LB967]

SENATOR SULLIVAN: The School Reorganization Fund, well, that's the \$2 million that

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I'm identifying to use for lottery...using those lottery dollars to help school districts apply for grants if they're reorganizing. It will be there as long as the money lasts. And so school districts can apply for those grants. If there's money still there in the second year, they can continue to apply for them. [LB967]

SENATOR WALLMAN: Two or three years is it for that incentive? How many years does that last? [LB967]

SENATOR SULLIVAN: Well, it will sunset...the...that fund, in '16, 2016, so they've just got two years to use it, those dollars. [LB967]

SENATOR WALLMAN: Okay. Thank you. Thank you. [LB967]

SENATOR GLOOR: Thank you, Senator Wallman and Senator Sullivan. Seeing no senators remaining in the queue, Senator Sullivan, you're recognized to close on the committee amendments. [LB967]

SENATOR SULLIVAN: Thank you, Mr. President. Wanted to clarify first of all what I had said to Senator Wallman, that we're putting \$2 million into that pot for reorganization and districts can access that as long as the money lasts. So it may technically extend beyond 2016, but that money will be available for those \$125,000 grants. In closing, I appreciate all of the conversation. I take to heart some of the concerns raised by Senator Hadley, for example, for coordination; Senator Haar for continuing focus on teacher education and development. And I will say that it's nice to know that we will include all of those concerns as we go forward on the visioning process. I don't know that we'll travel quite as extensively as we did this last summer, but our work will begin on the visioning very soon, even before the session is over. So again, AM2199 encapsulated a lot of different bills that...one component dealt with the allowances in TEEOSA, with respect to instructional time and teacher education; several lottery-related bills; and the technical cleanup bill with the Department of Education. I encourage your support for AM2199. Thank you. [LB967]

SENATOR GLOOR: Thank you, Senator Sullivan. The question is, shall the committee amendment to LB967 be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB967]

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB967]

SENATOR GLOOR: The committee amendments are adopted. We return to discussion on the underlying bill. [LB967]

ASSISTANT CLERK: Senator Sullivan, you had previously offered AM1712, but I have

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a note you wish you to withdraw that. [LB967]

SENATOR SULLIVAN: I would like to, please. [LB967]

SENATOR GLOOR: So ordered. Seeing no senators wishing to speak, Senator Sullivan, you're recognized to close on LB967. [LB967]

SENATOR SULLIVAN: Again, I just want to thank the body for their conversation this morning, and I expressly want to thank the Education Committee for their hard work in getting us to this point. And I encourage the advancement of LB967. Thank you. [LB967]

SENATOR GLOOR: Thank you, Senator Sullivan. The question is the advancement of LB967 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB967]

ASSISTANT CLERK: 31 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB967]

SENATOR GLOOR: The bill advances. (Visitors introduced.) We move to General File, senator priority bills. [LB967]

ASSISTANT CLERK: Mr. President, LB1087, introduced by Senator Pirsch. (Read title.) The bill was read for the first time on January 22, referred to the Revenue Committee. The Revenue Committee placed the bill on General File with no committee amendments. [LB1087]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Pirsch, you're recognized to open on LB1087. [LB1087]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. LB1087 amends Nebraska Revised Statutes dealing with the homestead exemption. The bill provides for a 100 percent property tax exemption for a veteran with an honorable or general, under honorable conditions, discharge who is drawing compensation for a 100 percent disability from the U.S. Department of Veterans Affairs and who is not eligible for the existing total homestead exemption. This provision would also apply to that veteran's unremarried widow or widower. LB1087 also gives a 100 percent property tax exemption to the unremarried widow or widower of any honorably discharged or general discharge, under honorable conditions, veteran who died because of a service-connected disability. Finally, the bill gives a 100 percent property tax exemption to the unremarried widow or widower of a serviceman or servicewoman, including a veteran other than a veteran described in Section 80, whose death on active duty was service connected. So in all cases these, with respect to the veterans, they are

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service-connected disabilities. The bill has an operative date of January 1, 2015. The bill does function to recognize the sacrifices that our 100 percent disabled veterans have made. And again, this is within the context of being service-related disabled. And so with that I would urge your green vote, yes, on the bill. Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Pirsch. Members, you've heard the opening on LB1087. We now move to discussion. Senator Bloomfield, you're recognized. [LB1087]

SENATOR BLOOMFIELD: Thank you, Mr. President. Would Senator Pirsch yield to a question? [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would. [LB1087]

SENATOR BLOOMFIELD: Thank you, Senator Pirsch. Your bill calls for some relief for the 100 percent disabled. Did you look at maybe going a little lower than that, 60-70 percent, or was that, do you think, just not in the budget this year? [LB1087]

SENATOR PIRSCH: Well, you know, the...this...certainly that is an approach that could be looked at expanding in future years. This is a...this particular bill, in terms of what we have had the committee hearing and testimony over, has focused on the 100 percent level. Obviously, we wanted to ensure that there is...you know, that it's quite clear these individuals have given with respect to the existing paradigm which now keys on 100 percent service disabled. So we wanted to keep it kind of in a parody with existing law just, I guess, for ease conceptually as we pass that. But I guess, with respect to your question, I certainly in the future would be favorable with going forward for some sort of an exemption of a lesser type of disability. Does that answer your question? [LB1087]

SENATOR BLOOMFIELD: It does. [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR BLOOMFIELD: Thank you, Senator Pirsch. Colleagues, I think, particularly for the 100 percent disabled, we need to do this. I'll be supporting this bill. Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Bloomfield and Senator Pirsch. Senator Nelson, you are recognized. [LB1087]

SENATOR NELSON: Thank you, Mr. President and members of the body. I want to state first that I spent three years in the Navy and am a veteran, so to speak, not...and have no service-connected disability or anything. And I certainly am supportive of

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veterans, but I do have some questions of Senator Pirsch if he would respond. [LB1087]

SENATOR PIRSCH: Yes, I would. [LB1087]

SENATOR NELSON: Thank you, Senator Pirsch. It just occurred to me in reading through your bill that not too long ago we were dealing with LB986, which was put out by the Revenue Committee, which increased the levels of homestead exemptions. And in there, in its...went through General File as it will be moving on. Section 77-3508 talks about veterans, as defined in another section, who are totally disabled by a non-service-connected accident or illness, and at that time we also added developmental disability. But those particular veterans received the increase there, mentioned in there, and...but more importantly, when we get on then to another section, the language is almost identical with what you have here. The veteran...these increased exemptions covering veterans with 100 percent disability and also the unremarried widow or widower of a veteran described as that and an unremarried...so here we are, and my question is this. [LB1087 LB986]

SENATOR PIRSCH: Um-hum. [LB1087]

SENATOR NELSON: Pretty much these veterans that you have...and their widows or widowers, as you describe in your bill, have been moved up to the point where they're exempt from zero through \$34,700 and move on up just like everyone else to a \$50,000 point where then they're only 10 percent exempt, and a lesser amount, of course, is applied to the single individual. Why are we doing this with your bill? Why are we going to 100 percent exemption across the board here for disabled veterans with 100 percent disability? [LB1087]

SENATOR PIRSCH: Yeah. And I thank you for that question. I think what you're talking about is a little bit apples to oranges in the sense that what...there are 100 percent disabled vets but who have become disabled not through their service, they're not service-connected disabled. And so this would not eliminate or change the paradigm, this bill, with respect to what benefits they would or would not receive. But this bill is specifically limited to the 2,500 approximately Nebraska citizens that the Department of Military (sic--Veterans) Affairs classifies as 100 percent service-connected disabled. And so with respect to that subcategory, then they would...this would float on top of the other, broader category which applies to individuals whether or not their disability took place with respect to their service in the military. [LB1087]

SENATOR NELSON: Well, why would we not do the same thing for veterans who have served honorably then but they have a non-service-connected disability. Why wouldn't we also be according them a 100 percent exemption? [LB1087]

SENATOR PIRSCH: Sure. And I don't have...as I talked... [LB1087]

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SENATOR GLOOR: One minute. [LB1087]

SENATOR PIRSCH: As I talked about the broader...you know, enlarging or broadening the scope of the bill, I...in...I don't have any objection to that. I would welcome that. I think that we have to start at some point and I...and this was the concept that I was approached with by a group and I had represented that I would go forward with it. But I think that this may be, you know, the beginning of...if we can get this passed this year, I think it may be the center focal point upon which, in future sessions, then we can look at enlarging the scope from individuals who are disabled due to their service to individuals who were... [LB1087]

SENATOR NELSON: Well, let me proceed here. You quoted the figure of \$2,500 (sic) or 25... [LB1087]

SENATOR PIRSCH: Or, no, 2,500 vets. [LB1087]

SENATOR NELSON: Veterans, veterans, yes. [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR NELSON: All right. [LB1087]

SENATOR GLOOR: Time, Senators. [LB1087]

SENATOR NELSON: Thank you, Senator Pirsch. [LB1087]

SENATOR GLOOR: Thank you, Senator Nelson and Senator Pirsch. (Visitors introduced.) Returning to discussion, Chair recognizes Senator Garrett. [LB1087]

SENATOR GARRETT: Thank you, Mr. President. Members of the Legislature, I rise in strong support of LB1087. I'd like to thank Senator Pirsch for bringing this. This is the least we can do for our 100 percent disabled veterans. And thank you again, Senator Pirsch. [LB1087]

SENATOR GLOOR: Thank you, Senator Garrett. Senator Johnson, you're recognized. [LB1087]

SENATOR JOHNSON: Thank you, Mr. President. I have a question for Senator Pirsch if he would yield. [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

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SENATOR PIRSCH: I would, yes. [LB1087]

SENATOR JOHNSON: It's more of a clarification and getting my mind... [LB1087]

SENATOR PIRSCH: Um-hum. [LB1087]

SENATOR JOHNSON: ...understanding the process for 100 percent disability for service related. Is that restricted to the time of discharge that they have to be 100 percent disabled, or can that change during the lifetime of that disabled veteran? [LB1087]

SENATOR PIRSCH: Yeah. I appreciate that. I will tell you what my understanding is. And so it's service connected. And does that mean at the time at discharge that you have a perfect understanding and a total knowledge of the nature of the injury? Say that it...as some of the testifiers to committee came down and they testified about their injuries, shrapnel in their skull. So you may...so the question is, are you locked into that disability rating when more and better and perfect, more perfect, knowledge may only come about a year later when you start to suffer type of...when it becomes clear that that shrapnel is having more effects. And so I think it is a fluid rating that what you can do is, as it becomes...as the injury's totality, the extent of those injuries, become known, that you can go in and utilize that medical evidence to show to the Veterans Affairs committee and they'll look at it and review it and make a determination of...as to whether in fact their conclusion is that that is a result of your service. And so it can change, is my understanding, over the years to reflect better information. [LB1087]

SENATOR JOHNSON: Okay, thank you. That helps my decision. At this point, I'm supportive of LB1087 and I would yield the rest of my time to Senator Nelson if he would wish. [LB1087]

SENATOR NELSON: (Recorder malfunction)...you very... [LB1087]

SENATOR GLOOR: Thank you...2 minutes 50 seconds, Senator Nelson. [LB1087]

SENATOR NELSON: Thank you very much, Senator Johnson. A couple of other questions, Senator Pirsch, if you are...would respond. [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would. [LB1087]

SENATOR NELSON: When we're talking here about the increased tables where there's 100 percent exemption at \$34,700 in value, you're a member of the Revenue Committee, what does that mean? What does that percentage apply to? [LB1087]

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SENATOR PIRSCH: Okay. Are you talking about the preexisting...what exists now if we didn't pass the bill? [LB1087]

SENATOR NELSON: No, no, what the...the increase that we...I would imagine that we're going to pass that on Final Reading and we're going to be up to the... [LB1087]

SENATOR PIRSCH: Oh. You're talking about the other bill. [LB1087]

SENATOR NELSON: Yeah. [LB1087]

SENATOR PIRSCH: What's the effect? Okay, and as I think you had described, that applies to non-service-connected individuals? [LB1087]

SENATOR NELSON: Yeah. But I'm talking about the figures here. I'm talking about...what's the \$34,700 figure? Is that the value...that's 100 percent exempt. Is that of tax or value on the homestead? [LB1087]

SENATOR PIRSCH: Okay, so I...that's not my bill, but I'll tell you what my understanding is,... [LB1087]

SENATOR NELSON: Yeah. [LB1087]

SENATOR PIRSCH: ...is that I think what they're talking about is income that those individuals bring in either as individuals or as a married couple. And where the...so as income goes up, under that paradigm, your...probably the percentage of relief under the homestead... [LB1087]

SENATOR NELSON: Um-hum. If you know,... [LB1087]

SENATOR PIRSCH: ...under that bill would go down. [LB1087]

SENATOR NELSON: If you know, what is the monthly disability for 100 percent disability, in dollars? [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR PIRSCH: If you can give me a "sec"? Is this...okay. So I'm using--and thanks for bearing with me--2013 VA disability compensation rates for veterans, the information that I have. So as the disability rating goes up, the monthly rate would also increase: a disability rating at 10 percent, \$129; 20 percent, \$225; 30 percent, \$395; and up and up until you get to 80 percent, \$1,503; 90 percent, \$1,689; and 100 percent, \$2,816. [LB1087]

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SENATOR NELSON: \$2,080, was that your 100 percent figure? [LB1087]

SENATOR PIRSCH: Yeah, 100 percent, \$2,800 approximately. [LB1087]

SENATOR NELSON: So there we have about \$24,000 in disability benefits. [LB1087]

SENATOR GLOOR: Time, Senators. [LB1087]

SENATOR NELSON: Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Nelson and Senator Pirsch. Senator Schumacher, you're recognized. [LB1087]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. A few moments ago, in questioning by Senator Nelson, Senator Pirsch said that this is specifically limited to 2,000-and-some number individually. Senator Pirsch, will you respond to a question? [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: Yes, I would. [LB1087]

SENATOR SCHUMACHER: Senator Pirsch, for the record, this bill does not specifically limit itself to 2,000-and-some individuals. [LB1087]

SENATOR PIRSCH: No, and... [LB1087]

SENATOR SCHUMACHER: This is not a closed class, is it? [LB1087]

SENATOR PIRSCH: No, no. Let me be clear. And I apologize. There's...my understanding is...and I'm trying to give aid for the understanding of who we're reaching in terms of benefit with that. There...my understanding, there are 2,563 Nebraska citizens classified by the U.S. Department of Veterans Affairs as 100 percent service-connected disabled veterans. This also has application to widows and widowers as well. Is...and I'm sorry. If you can clarify your question, are you...does that help clarify? What's your question in particular then? [LB1087]

SENATOR SCHUMACHER: Senator Pirsch, this is not a closed class, is it? I mean, those 2,000-and-whatever number of people are not the only people that can benefit. If tomorrow there is a new 100 percent disabled veteran, he or she is eligible for this, too, right? [LB1087]

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SENATOR PIRSCH: Oh, certainly. No, I don't say that for the purpose of saying that it's a closed class incapable of anyone joining or anyone being...who was previously classified as 100 percent service-connected disabled. In theory, they could, I guess, be reevaluated and receive a lesser (inaudible) in theory. But I say that for the purpose of giving knowledge of exactly how many individuals in Nebraska, roughly, we are currently dealing with, give or take, so. [LB1087]

SENATOR SCHUMACHER: But if two years from now there is another war someplace and there are more service-disabled, 100 percent disabled veterans, they, too, will be eligible under this, right? [LB1087]

SENATOR PIRSCH: Oh, absolutely. [LB1087]

SENATOR SCHUMACHER: Okay. [LB1087]

SENATOR PIRSCH: These figures are fluid, yeah, yeah. [LB1087]

SENATOR SCHUMACHER: Okay. I just wanted to classify...clarify the legislative record there so it's clear that this is not creating a closed class for 2,000 people. [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR SCHUMACHER: I support the homestead exemption for these veterans, but I will say so with a cautionary remark. It is only a matter of time that the line of people who are lining up before the Revenue Committee wanting to plead their cases for extra exemptions, homestead exemptions or whatnot, grows dramatically, and everybody has got a very good case why they should be exempted. So we can anticipate hearing from policemen who are disabled, from firemen who become disabled, from teachers who become disabled, from bus drivers who become disabled. And what is difficult about this and why we probably can draw a line here is because of the service-related respect is who and where do you start saying no. And the more of these exemptions we grant, the more of these mechanisms to separate some of the people away from the bulk of the paying taxpayers, the greater issues we have in saying no and that a future Legislature is going to have to deal with. And one thing that I think just emerges really, really strong through all this discussion is, when we do these special things, we are very slowly, very incrementally shifting the burden to the working families of 15 years from now. [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR SCHUMACHER: And that is something that's going to bite us at a certain point. Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Schumacher. Senator Nelson, you're

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recognized. [LB1087]

SENATOR NELSON: Thank you, Mr. President. If Senator Hadley is available, I would like to ask him a question or two. [LB1087]

SENATOR GLOOR: Senator Hadley, would you yield? [LB1087]

SENATOR HADLEY: Yes. [LB1087]

SENATOR NELSON: Thank you, Senator Hadley. The bill under discussion came out of your committee, is that correct, that...? [LB1087]

SENATOR HADLEY: That's correct. [LB1087]

SENATOR NELSON: All right. I think I read in the paper this morning that another one has been passed out of the committee with regard to exemption of the income of veterans. Am I correct in that? [LB1087]

SENATOR HADLEY: That's correct. We had...we "execed" yesterday and it is a start to exempting part of the retirement pay for exempt...veterans. [LB1087]

SENATOR NELSON: Did that come out with 100 percent support from the committee? [LB1087]

SENATOR HADLEY: It was 6-0-2. [LB1087]

SENATOR NELSON: All right. And so that's going to be...it will be on General File. Is it prioritized? [LB1087]

SENATOR HADLEY: No. It will be...I think it will be tagged onto another bill, Senator. [LB1087]

SENATOR NELSON: Oh. All right. All right. Thank you very much. Thank you, Senator Hadley. And now back to Senator Pirsch, if he will respond, and I... [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would. [LB1087]

SENATOR NELSON: We're...you are estimating through the fiscal note about 2,500 recipients who have 100 percent disability. Is that correct? [LB1087]

SENATOR PIRSCH: Yeah. And I say that not for the purpose of establishing that

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it...that that's a fixed number that will never change. I say that just for the...for that very purpose, to let everybody know what the...you know, it has some financial applicability, you're right, 2,500, roughly, at this point in time. [LB1087]

SENATOR NELSON: Well, just to pursue a little bit Senator Schumacher's line of questioning, this is likely to increase, is it not, in numbers, 100 percent disabilities? And if you...do you have any estimated figure on what point we might get to as far as how many disabled veterans would be eligible? [LB1087]

SENATOR PIRSCH: Well, I...we haven't done any distant projections. We just have the fiscal note. For 2014-2015, since it wouldn't be in applicability, there wouldn't be any fiscal note ramifications; for 2015-2016, it would be a hair over \$400,000; and then 2016-2017, it would be about \$10,000 more than that so, again, a hair over \$400,000 in... [LB1087]

SENATOR NELSON: Yeah, but I'm not talking about that. I'm talking about numbers of veterans. [LB1087]

SENATOR PIRSCH: Oh. Yeah. [LB1087]

SENATOR NELSON: I mean, are we going to increase to the point where we have perhaps 20,000 disabled veterans? [LB1087]

SENATOR PIRSCH: You know, I can't give you projections of... [LB1087]

SENATOR NELSON: All right. [LB1087]

SENATOR PIRSCH: You know, I think what your question may be, in 10, 15, 20 years from now,... [LB1087]

SENATOR NELSON: But... [LB1087]

SENATOR PIRSCH: ...are we going to have a burgeoning of...but I would say, even if the numbers...so I don't have any projections, any way to say that the numbers may not go down as... [LB1087]

SENATOR NELSON: Um-hum. [LB1087]

SENATOR PIRSCH: ...or up. But I would say that, given the modest cost of this, that it...you know, for these individuals, whether this particular type of beneficiary goes up or down, I don't think that it will have any material effect on our larger budget. [LB1087]

SENATOR NELSON: All right. Thank you, Senator Pirsch. Colleagues, again, I'm

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supportive of doing all that we can for veterans. But, again, a cautionary note: We're going to be talking about a reduction in military income. We've already increased the limits here. It would appear to me that most of our 100 percent disabled veterans are probably okay under the bill that I was discussing. I think it was LB986 that came out of Revenue Committee. And this, because of the fact that we've been basically at war overseas for a period of 10 or 11 years and... [LB1087 LB986]

SENATOR GLOOR: One minute. [LB1087]

SENATOR NELSON: ...may continue, we're going to have to continue I think, unfortunately, to see a number of 100 percent disabilities not only at the time that the veterans come home, but 10 or 15 years from now and beyond, as they age, a lot of other ailments are going to crop up that probably will be connected with their service, wartime service, and then be determined to be 100 percent disability. So I haven't decided where I will vote on this. I think I will continue to listen if there are others that have comments. And with that point I will conclude. And thank you very much, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Nelson and Senator Pirsch. Senator Hadley, you're recognized. [LB1087]

SENATOR HADLEY: Mr. President, members of the body, I voted this out of committee, but it was with some trepidation. You know, basically, the question is, do we want to honor the sacrifice of the veterans who have become disabled 100 percent by service-connected disabilities? And of course, I think people would say yes on that. The question becomes is, how much do you want to compensate them for doing this? And that's the question I wrestled with because it does make a difference as to what percentage. And I had originally thought that we ought to cap it somehow, but the veterans organizations were very adamant that they did not want it capped. And that was my...that was my basic...my primary concern. You could, you know, theoretically have a veteran with a \$100...with a million-dollar house and half a million dollars a year in income that gets this break. So that's what we're deciding is to what, you know, what do we want to do to honor the veterans. The deciding factor for me was the fact it's a \$400,000 fiscal note. So that at least says to me that there aren't any veterans out there with huge...or a great deal of them with huge houses or income that would be impacted with this. But I think Senator Nelson is right, it's possible this could continue to grow over in the future years. And it is a very, very good benefit for the 100 percent disabled. It's a 100 percent waiving of all property taxes and there are no income qualifications and there are no property value qualifications. Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Hadley. Senator Chambers, you're recognized. [LB1087]

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SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, there's a song, "Home, Home on the Range," and it says, "where seldom is heard a discouraging word." And it falls to me, usually, to bring the discouraging word. I'm going to ask Senator Pirsch a question or two. [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would. [LB1087]

SENATOR CHAMBERS: Senator Pirsch, I am a politician. I am cynical and I am skeptical. How long have you been in the Legislature? [LB1087]

SENATOR PIRSCH: This is my eighth session. [LB1087]

SENATOR CHAMBERS: Have you ever brought a bill to give exemptions or benefits to veterans? [LB1087]

SENATOR PIRSCH: Previous to this? [LB1087]

SENATOR CHAMBERS: Yes. [LB1087]

SENATOR PIRSCH: Yes. [LB1087]

SENATOR CHAMBERS: And when was that and what was the nature of the bill? [LB1087]

SENATOR PIRSCH: Oh. Well, it would...comes from, I think, with respect to license plates, I think that that was probably four years ago. And I think I prioritized a bill last year that would allow for veterans who are looking at...veterans in business looking at contracting to...and I get can get you the number of the bill. [LB1087]

SENATOR CHAMBERS: No, I don't need the number of the bill. [LB1087]

SENATOR PIRSCH: But it essentially... [LB1087]

SENATOR CHAMBERS: But you brought a bill for license plates. I don't consider that a benefit. I consider that a boondoggle. I'll just say it like it is. As far as that granting whatever it was on that other bill that you prioritized, you did not introduce that bill, did you? [LB1087]

SENATOR PIRSCH: No, just prioritized it. [LB1087]

SENATOR CHAMBERS: So did you bring a bill on the license plates or you supported

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it? [LB1087]

SENATOR PIRSCH: I would...my recollection, about five years ago I brought the bill, yeah, in response...I had been approached by a vets group and so I did, in fact, introduce it, yes. [LB1087]

SENATOR CHAMBERS: You did bring...you introduced the bill on the license plates. [LB1087]

SENATOR PIRSCH: Correct. [LB1087]

SENATOR CHAMBERS: Do you consider that in the realm of veterans benefits in the context of the discussion we're having here today? [LB1087]

SENATOR PIRSCH: Well, the veterans who asked me to introduce it viewed it as a benefit, yes. [LB1087]

SENATOR CHAMBERS: No, I'm asking you. You're the one I'm questioning. Did they...were they, under your bill, going to be allowed to get these license plates and not have to pay the cost of licensing their vehicles? [LB1087]

SENATOR PIRSCH: Well, I think the benefit derived that they would be able to display a certain type of license plate, so I don't know that it dealt with money. [LB1087]

SENATOR CHAMBERS: But here's the question that I'm asking: Under the bill that you brought, would veterans be allowed to license their cars without having to pay the licensing fee that the rest of us pay? [LB1087]

SENATOR PIRSCH: No, it's not a financial benefit. [LB1087]

SENATOR CHAMBERS: Okay. On the other bill, that had to do with some kind of preference where a certain number of points would be accorded a veteran who met certain criteria when...well, tell me what that bill was about because you prioritized it and I don't want to misstate what it was about. [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR CHAMBERS: What did it do? [LB1087]

SENATOR PIRSCH: Well, in essence...and this is my recollection and probably if you give me second, explain it with more detail when I look at it. But essentially, there...if you're contracting out and the...there's a tie, the same quality of service that can be provided by two vendors, the same, exact price for cost of those services that, if

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somebody is a veteran, then that they would be given the contract in that case so. [LB1087]

SENATOR CHAMBERS: So this was not...this could be called a preference in a sense because it gives a veteran a leg up, all other things being equal. [LB1087]

SENATOR PIRSCH: Yep, ceteris paribus, yep. [LB1087]

SENATOR CHAMBERS: On this...with this bill there is no requirement other than that a veteran be totally disabled. [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR CHAMBERS: Is that it? [LB1087]

SENATOR PIRSCH: One-hundred percent, yeah, disabled, yep. [LB1087]

SENATOR CHAMBERS: One-hundred percent disabled. [LB1087]

SENATOR PIRSCH: That's right. [LB1087]

SENATOR CHAMBERS: And how does that disability have to have occurred? [LB1087]

SENATOR PIRSCH: Service connected, so... [LB1087]

SENATOR CHAMBERS: And that simply means that the injury or the disability occurred while the person was in service, is that correct? [LB1087]

SENATOR PIRSCH: Yeah. The Department of Veterans Affairs sets the parameters of determining what is service connected, and it's a complex type of definition. [LB1087]

SENATOR CHAMBERS: Would the person have to have been on active duty at the time? [LB1087]

SENATOR PIRSCH: Would they have had to have been on active duty as opposed to stateside at the time? [LB1087]

SENATOR CHAMBERS: At the time that they...I...active duty... [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR CHAMBERS: ...here or anywhere else. [LB1087]

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SENATOR PIRSCH: Yeah. I don't believe...I mean, my understanding is that the...that that isn't an absolute... [LB1087]

SENATOR GLOOR: Time, Senators. [LB1087]

SENATOR CHAMBERS: Thank you. [LB1087]

SENATOR PIRSCH: ...absolute requirement. [LB1087]

SENATOR GLOOR: Thank you, Senator Chambers and Senator Pirsch. (Visitors introduced.) Senators wishing to be recognized: Bloomfield, Karpisek, Chambers, and Murante. Senator Bloomfield, you're recognized. [LB1087]

SENATOR BLOOMFIELD: Thank you, Mr. President. I wonder if Senator Hadley would yield for a question. [LB1087]

SENATOR GLOOR: Senator Hadley, would you yield? [LB1087]

SENATOR HADLEY: Yes. [LB1087]

SENATOR BLOOMFIELD: Thank you, Senator Hadley. I discussed this very briefly with you off the floor and I also talked to the Speaker about it a little bit, but I think it needs to be in the record so I'm going to ask you again. Can this exemption be used to write off property tax...if you live on and own a farm or if you live on and own an acreage, where is the cutoff where homestead exemption doesn't allow you to write off more than a certain amount? [LB1087]

SENATOR HADLEY: Senator Bloomfield, my understanding is, for the farm homestead, basically the home is basically taxed like any other home would be, and then the acre around the homeplace is also part of the homestead and is valued differently than the acreages or the land that is used for production. And I just checked with the Revenue staff and they said that if the person who owned the farmstead and the acreage, if it met the guidelines, they would be eligible for this program or the homestead exemption. [LB1087]

SENATOR BLOOMFIELD: So if I had a five-acre acreage I could avoid the property tax on all of it if it wasn't income tax producing or income producing? [LB1087]

SENATOR HADLEY: I believe it's the one acre, but I will check on that for sure, Senator Bloomfield. [LB1087]

SENATOR BLOOMFIELD: Okay. Thank you. Mr. President, I'd like to yield the rest of my time to Senator Kintner. [LB1087]

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SENATOR GLOOR: Senator Kintner, 3 minutes. [LB1087]

SENATOR KINTNER: Thank you, Mr. President. You know, I really wonder why people go into battle, why young men go into battle, why they put their lives in harm's way on a volunteer basis, why they will throw themselves on a hand grenade to protect their fellow soldiers; why they will charge over a hill not knowing what's on the other side. And when these guys get wounded, you know, I look at them and I just don't understand why they would do that, but they do it so we can be here, so we can debate these issues, so we can go to our baseball games, so we can watch football, so we can take care of our families. And we owe these guys a debt of gratitude. So if you have someone who is 100 percent disabled in defending his country, we owe him a debt of gratitude that we can never repay. There's nothing that we can do to give him his limbs back and his life back and make it the way it was before. Now we tax at a pretty high rate in this state. That's not debated by anybody. And if we can keep a soldier that gave his all, everything up to his life, for his country, and we can keep him in our state and we can keep them in their home, I think that's the least we can do. And I think this is a great bill and I think it's what we should do. It's just a very small step towards saying thank you for these great young men and what they've done for our country. Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Bloomfield and Senator Kintner. Senator Karpisek, you're recognized. [LB1087]

SENATOR KARPISEK: Thank you, Mr. President and members of the body. I, too, think that this is a good bill to try to help some of our seriously wounded or disabled veterans. I know that it does sometimes get a little dicey on exactly how that happened, how they got disabled, and I think that we see that a lot. I would rather see us not tax military retirement in this state, but that would probably cost a lot more money. I haven't looked at the fiscal notes on the two bills. But I do think that we need to do something for the vets in the state to try to help them stay here. With Offutt Air Force Base, we have a lot of people who come here and probably retire from the military from there, maybe in their 40s, and they could still go out and get another job, or do, pay taxes on that job, which are probably really good jobs because they've been in a long time, they are probably experts in their field, and stay here. But instead, many maybe just move across the border into Iowa and live there and spend their money there. Their families are there. I just...if it's not even a patriotic thing to do, I think it's just a smart thing for the state to do to try to keep these people in our state. I have a very good friend that was in the Navy for 22.5 years and did move back home, but he very much considered moving to Kansas so he wouldn't have to pay that tax on his retirement income. The whole time he was in the military, he kept his home residence in Nebraska. He paid taxes that whole time he was gone here because he wanted to come back here. It makes a big difference on that military pension what he gets for take home and what he doesn't.

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Now that's a homegrown Nebraska boy that thought about going to Kansas because he had family there. What about these other people that are stationed here that aren't from here but really like it here but it just doesn't make sense financially for them to stay? I was very impressed this interim when we went up to Offutt, had some meetings there. I was very impressed with all of the good words I heard about Nebraska and the base and people who grew up all over that would love being there and would like to stay. But they were very honest and said, well, when I retire, I really will have to look at going other places because of that military taxation. I know it would cost a lot of money, but we spend a lot of money in tax breaks to businesses to bring them here. We spend a lot of money in a lot of other places to try to bring or keep people here. I really wish that we would look...we do look at...I really wish we would try to do more for them to stay here. [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR KARPISEK: Again, I think that this is a step to help that out, especially if some of those people are homegrown Nebraska people who decided to come back home and make our state their home to stay. They're good members of society; they contribute a lot; they've done a lot for our country. I understand not wanting to always give a tax break. I understand that maybe the circumstances behind their disability may be in question a little by some. But I do think that we owe the state to do this. [LB1087]

SENATOR GLOOR: Time, Senator. [LB1087]

SENATOR KARPISEK: Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Karpisek. Senators in the queue: Chambers, Murante, Avery, Schumacher, Brasch, and Dubas. Senator Chambers, you're recognized. [LB1087]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I'd like to ask Senator Pirsch a few more questions. [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: Yes, I would. [LB1087]

SENATOR CHAMBERS: Senator Pirsch, is it required that a person have gotten totally disabled as a result of a combat injury? [LB1087]

SENATOR PIRSCH: No, just service connected. [LB1087]

SENATOR CHAMBERS: So that person...if a person is driving a car on base and gets

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in an accident and is totally disabled,... [LB1087]

SENATOR PIRSCH: Um-hum. [LB1087]

SENATOR CHAMBERS: ...would that person qualify? [LB1087]

SENATOR PIRSCH: Look, I can only tell you what my best understanding is. But my understanding is that would not qualify as service disabled if you were in such an accident on base. [LB1087]

SENATOR CHAMBERS: If a person is driving an Army truck on the base and in that Army truck there is an accident of some kind, that would not be considered service connected? [LB1087]

SENATOR PIRSCH: And again,... [LB1087]

SENATOR CHAMBERS: You don't really know, do you? [LB1087]

SENATOR PIRSCH: Well, the individuals petition... [LB1087]

SENATOR CHAMBERS: You...the answer is... [LB1087]

SENATOR PIRSCH: I would say probably, if he's performing his job at the time, yeah. [LB1087]

SENATOR CHAMBERS: Now when I was in the Army, I was on KP, kitchen police. Suppose I cut an artery. [LB1087]

SENATOR PIRSCH: Yeah. [LB1087]

SENATOR CHAMBERS: And in trying to do something about that, I slipped on some grease and I injured my spine and I'm totally disabled. [LB1087]

SENATOR PIRSCH: Yes. I mean, my belief is that, yes, that would be. [LB1087]

SENATOR CHAMBERS: Okay. So contrary to what people like to create, this is not everybody running over a hill into gunfire and throwing himself over a hand grenade. And if you read the paper, you saw where a guy was going to be given an award for that, the whole thing was a lie. He...it never happened and when he was shot they thought he could have been shot by one of his own men in the tent, so they put this story together to cover for everybody. This idea of spreading the word "veteran" over every group that's to get a benefit, especially when you're running for office, it makes me skeptical. There have been disabled veterans since all of us have been in this

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Legislature. These bills come at a time when there's political advantage, and I will not be one of those who looks away from reality. Many people join the military and they're enticed into the military by being told the benefits you'll get when you're out of here, how much you're going to be paid, school benefits, train for a job when you get out, not running over a hill to shoot at somebody. Even those in combat are not thinking about, I'm shooting at this guy over here so that people in the Legislature can vote. You're shooting at him to keep him from shooting at you, or you were ordered to shoot so you shoot. There are too many times when stuff that happens in movies will come on this floor. And I'm not saying there are not people who do heroic things. But there are people not in the military who do heroic things too. Senator Pirsch, here's my question. [LB1087]

SENATOR PIRSCH: Yes, sir. [LB1087]

SENATOR CHAMBERS: Would you be in favor of allowing a total exemption in exactly the same way for a person who was injured in the line of whatever his or her duty was? So if you are...if you're a teacher and somehow you get injured and you're totally disabled, would you be in favor of including teachers for this exemption? [LB1087]

SENATOR PIRSCH: Well, I'd be open to taking a look at what other...as I kind of mentioned before, very enlarged type of... [LB1087]

SENATOR CHAMBERS: But here...you're taking my time. Would you be willing to include teachers? [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR PIRSCH: Within this bill today? [LB1087]

SENATOR CHAMBERS: For this exemption. [LB1087]

SENATOR PIRSCH: Well, since we only had a hearing...I wouldn't be open to enlarging or doing anything different from what this bill... [LB1087]

SENATOR CHAMBERS: It can have another hearing. But you really...speaking...you haven't even thought about including teachers or any other group, have you? [LB1087]

SENATOR PIRSCH: Right, not in this bill, no, huh-uh. [LB1087]

SENATOR CHAMBERS: And isn't there some advantage to be gained by showing a great concern for disabled veterans? You've never brought a bill like this before. Why now? You don't even have to answer it, and that's all I'll ask you. Members of the Legislature, you can vote for this if you want to, but there are serious questions that

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need to be answered. And this idea of people being in the military and retiring and staying in Nebraska is not a basis for us to create tax exemptions, tax breaks, and all of these things. They made a choice to stay here because it's easier here than anywhere else and they know what the taxing system is. [LB1087]

SENATOR GLOOR: Time, Senators. Thank you, Senator Chambers and Senator Pirsch. Senator Avery, you're recognized. [LB1087]

SENATOR AVERY: Thank you, Mr. President. This bill is one that I've thought about for some time, actually was considering something similar to this myself. The kind of activity that the military veteran engages in is different from the kind of activity teachers engage in. They put their lives on the line. Maybe they volunteer to do this--for what purposes or what motivates them I cannot pretend to know. I believe it was Senator Kintner that was bringing up that issue. What makes a young person throw themselves on a hand grenade to save their buddies? I don't know the answer to that. But I do know that they are engaging in activity that is very dangerous and that leads to a lot of injuries and a lot of disability. To clarify an issue that has come up, and Senator Chambers was just addressing, regarding how one qualifies for a disability, unless the military has changed the way they do business since I served, it is my understanding that to qualify for a disability the veteran must have incurred the disability while engaging in activities in the line of duty. Now that did not necessarily mean that they had to have been engaged in combat. If a soldier has a car accident even off base in a civilian vehicle and they are totally disabled by that, that is...will probably be subject first to a line-of-duty determination, and that involves an investigation to take into account all of the circumstances involved in the accident. And if the line-of-duty determination, if that investigation concludes, yes, this was in the line of duty, then they get the disability and the payments that go with it and other benefits. So it doesn't always have to involve combat; it doesn't have to involve injuries incurred on the job. It can actually be off the job. It is also worth pointing out in the context of Senator Chambers saying, are we going to do this for every occupation where you have danger from people who or involving people who may be serving the public, such as firefighters, policemen, there...it is worth pointing out that, in the case of military disabled veterans, they also receive disability pay. I believe Senator Pirsch actually indicated how much. I think at 100 percent it's around \$2,000 per month. That money is completely tax exempt. It's exempt from the federal...at the federal level and at the state level. So the question of whether the veteran is getting any benefits because of the disability, separate from what we're discussing here with this homestead exemption, certainly they do get benefits. They are allowed not only the VA compensation, but if they have any medical needs that are related to that injury, they get free care at the VA hospitals; and if they are indigent, they can also get additional care that's not related to their disability. [LB1087]

SENATOR GLOOR: One minute. [LB1087]

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SENATOR AVERY: I don't pretend to know all of the benefits that are available to veterans, but certainly we do try hard in this country to take care of our veterans. I would...I will tell you that I think this is something worth doing. It'd not an especially large fiscal note and it will probably help some of our veterans who are particularly disabled. One hundred-percent disability may not completely mean that you cannot hold a job or you can't do anything at all in order to earn income, but it certainly does limit the amount of money that you can make and the kind of work you can do. What does it take to get 100 percent disability? It may not take the complete paralysis... [LB1087]

SENATOR GLOOR: Time, Senator Avery. [LB1087]

SENATOR AVERY: Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Avery. Senator Schumacher, you're recognized. [LB1087]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. Would Senator Pirsch yield to a question? [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: Yes, I will. [LB1087]

SENATOR SCHUMACHER: Senator Pirsch, Senator Avery was just making a point with regard to 100 percent disability not being totally really disabled. But there's a difference between that and being so impaired that you can't work. Could you explain that difference? [LB1087]

SENATOR PIRSCH: Well, so the Department of Veterans Affairs has a formula. We don't implement it here. We piggyback on the Department of Veterans Affairs. They investigate that. They have...it's a complex, very nuanced formula. I don't think that it is very generous or magnanimous. I think that when you get to the level of 100 percent service-connected disabled that you have material impairments. A lot of the individuals who testified at committee talked about being...you know, experiencing pain and circumstances such as... [LB1087]

SENATOR SCHUMACHER: Okay. So bottom line on that is, when you say 100 percent disabled, it is not so disabled that you can't do any other work, yes or no? [LB1087]

SENATOR PIRSCH: In all cases it's not dispositive that they could do some work of some extent, yeah. [LB1087]

SENATOR SCHUMACHER: Okay. Okay. So just so everyone is perfectly clear,

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because there was discussion about falling on bombs and things like that, this exception would apply to a veteran who volunteered for duty in peacetime, between 1975 to '88, for example, and volunteered because there was a recruiter talking to him about the college benefits that come after you would separate from the services, who never left the shores of the United States, never went overseas, never saw combat, never was in danger from any combatant activity, but who fell on the ice walking between his duty station and the lunchroom and hit his head and somehow became...met the qualifications of 100 percent disabled. It would apply to that person, is that correct? [LB1087]

SENATOR PIRSCH: Yeah, whether... [LB1087]

SENATOR SCHUMACHER: Is that a yes? Was that a yes? [LB1087]

SENATOR PIRSCH: They may not have lost the shore...yeah, yep, yes. [LB1087]

SENATOR SCHUMACHER: Okay. Is it also your intention it would apply even though this particular veteran now has a \$2 million home and happened to stumble onto a patent for something and he makes \$10 million a year? [LB1087]

SENATOR PIRSCH: Well, is it my intent? That's what...the bill would allow for that though we don't have any kind of indication so that such a beneficiary exists in Nebraska. [LB1087]

SENATOR SCHUMACHER: Right. But as you said earlier, Senator Pirsch, this is not a closed class. Tomorrow that person could show up and claim benefits. [LB1087]

SENATOR PIRSCH: Right, as we discussed in committee,... [LB1087]

SENATOR SCHUMACHER: Okay. [LB1087]

SENATOR PIRSCH: ...that's true. [LB1087]

SENATOR SCHUMACHER: Thank you. Just wanted to point out that this is an absolute exemption without regard to combat duty, without regard to asset valuation, without regard to how the injury occurred or under what circumstance or motivation, because this is absolute. I just wanted to make that clear for the body. Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Schumacher. Senators in the queue: Brasch, Dubas, Chambers, Garrett, Nelson, Bloomfield, and Wightman. Senator Brasch, you are recognized. [LB1087]

SENATOR BRASCH: Thank you, Mr. President, and thank you, colleagues. I stand in

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support of LB1087. I had served on the Government and Military Affairs Committee as a new senator, and the individuals that contacted our office, constituents and statewide, often spoke of what other states will do for their veterans. And Senator Kintner did make note that there are men and there are also women who have taken extreme risks with their life and limb and they have not come home as we had sent them--whole. This is an attempt to help make those individuals stay in Nebraska, well-earned, well-deserved. They are neighbors who I would be honored to have in our district and across the state. I also was speaking with Senator Avery where I had traveled on a business trip on my occupation, standing next to a young man, 40 years old, who was a lifetime military member who had decided to live and remain in the state of Texas because of the many things that Texas does to protect and honor the veterans, from voting privileges to retirement benefits. And he listed on, saying that he was coming home to visit his mother in a rest home, which he does often, but he said, to look at the long picture, the long run, there were so many more things in Texas that show respect and gratitude to our veterans. I'm hoping that our state does move forward in showing our appreciation. These are good individuals to keep in our state. I would like to give the remaining of my time to Senator Avery. Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Senator Avery, 2 minutes 50 seconds. [LB1087]

SENATOR AVERY: Thank you, Mr. President. Thank you, Senator Brasch. I wonder if Senator Pirsch would yield to a question. [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would, yes. [LB1087]

SENATOR AVERY: Senator Pirsch, apparently one of the issues raised by Senator Schumacher was that there seemed to be no caps on this, and I think that's true. Is that correct? [LB1087]

SENATOR PIRSCH: Yeah, it's a homestead exemption, yes, pure and simple. [LB1087]

SENATOR AVERY: Right, complete homestead. How about...have you looked at other ideas? For example, what about the...take the average value of residential properties in the county and give 100 percent service-connected veterans a 50 percent homestead exemption based upon that average? Have you thought about things like that? That would be, in effect, putting a cap on it. [LB1087]

SENATOR PIRSCH: Um-hum. Thank you. We...I can tell you...I appreciate your question. Have we thought about the concept of caps? Certainly that was a topic, an issue that was brought up in committee. I might point out that this bill came out of committee with an 8 to 0 vote after we've had that discussion. The concept was this:

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Given the fiscal note, which has very modest amounts, given the limited...currently, and again, it's not a closed class but it does give an indication of approximately how many 100 percent service-connected disabled veterans we're dealing with approximately in any given year, 2,500, that to require our agencies... [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR PIRSCH: ...to develop a dual... [LB1087]

SENATOR AVERY: One minute left, Senator Pirsch, I'm sorry. (Laugh) [LB1087]

SENATOR PIRSCH: Oh, I'll yield back the time, but I guess...your question is, did we talk about it? Yes, we did, caps, and we...in my opinion, we made a meaningful decision that they were not...they would not be helpful. [LB1087]

SENATOR AVERY: Well, here's one of the advantages of the idea I just tossed out there,... [LB1087]

SENATOR PIRSCH: Sure. [LB1087]

SENATOR AVERY: ...is that it has an element of progressivity in it because, you know, not every disabled veteran is in great need of a homestead exemption. If you have a house worth more than \$500,000 and the average value of homes in your county is \$200,000, maybe you don't need that. And if you have a \$500,000 home and you've got a 50 percent qualification here, then the person that has a million dollar home is going to get the same thing as somebody who's got a home valued at \$100,000. [LB1087]

SENATOR GLOOR: Time, Senators. [LB1087]

SENATOR AVERY: Good idea. [LB1087]

SENATOR GLOOR: Thank you, Senator Brasch, Senator Avery, Senator Pirsch. Senator Dubas, you're recognized. [LB1087]

SENATOR DUBAS: Thank you, Mr. President. This bill is definitely worthy of our consideration and support. I think there has been some legitimate concerns raised that I know they were probably talked about in the committee but I think they're being raised again in here on the floor. And I think there may be some possibility on working some things between now and Select File that would help this bill address some of those questions. I mean, I was raised to have nothing but the utmost respect for our veterans and those who have chosen to serve our country. And so anything that we can do in that respect I'm going to be supportive of. And I guess I had, had my light on, but Senator Brasch beat me to the punch. I just want to second what she said. And I know it

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wasn't an intentional oversight, but we have many, many servicewomen who serve this country very proudly as well. They've served us at all levels and we need to thank and recognize their sacrifice and their leadership as well, past, present, and future, and thank all of our service people who are willing to make this sacrifice. But I just wanted to go on the record, along with Senator Brasch, to thank our servicewomen as well. Thank you, Mr. President. [LB1087]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Dubas. Senator Chambers, you're recognized, and this is your third time, sir. [LB1087]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. And I may offer a motion--not to slow up the bill, but some things need to be said when we're talking about things like this. If you're talking about people running over hills and dales, facing fire, say, "injured in combat," but don't use that to justify everybody who was a veteran and somehow was determined to be disabled totally. And as has been pointed out, that doesn't mean you cannot work. It does not put a limitation on how much you can earn in that work. You may be a computer programmer. You could be making \$500,000 a year and be totally disabled based on something that the federal government has said. So if you mean those who were in combat, limit to them, but don't wave that bloody shirt of those who were injured in combat to cover everybody. You all won't say it but you know it. I'd like to ask Senator Garrett a question or two. [LB1087]

SENATOR KRIST: Senator Garrett, will you yield? [LB1087]

SENATOR GARRETT: Gladly. [LB1087]

SENATOR CHAMBERS: Now, Senator Garrett, I know things have changed from the time people are in the service, but I don't think it has changed this much. There are...are there violations that can get a person put in the brig for a period of time without being kicked out of the military and given a bad...a conduct discharge? [LB1087]

SENATOR GARRETT: Yes, normally, if someone is actually locked up, they're normally going to get discharged. [LB1087]

SENATOR CHAMBERS: And if while in that capacity or in that status that person got hurt, that person perhaps could qualify as being disabled in the line of duty. Is that right or is that wrong? [LB1087]

SENATOR GARRETT: Got hurt during the process of committing a felony? [LB1087]

SENATOR CHAMBERS: Well, let's say he was put someplace, or she, and got injured

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at that location where he or she was as a result of having misbehaved someplace else on base. [LB1087]

SENATOR GARRETT: If I'm not mistaken, I'm not an expert on the VA rules, but I think you have to be honorably discharged. [LB1087]

SENATOR CHAMBERS: You said what? [LB1087]

SENATOR GARRETT: I think...I believe you have to be honorably discharged. [LB1087]

SENATOR CHAMBERS: Okay, but not every offense that will get you locked up will lead to a dishonorable discharge, will it? [LB1087]

SENATOR GARRETT: No. You can have an administrative discharge or a discharge under...other than honorable conditions. [LB1087]

SENATOR CHAMBERS: Thank you. And that wasn't to be a trick question, but the "General" retired. What I'm trying to get across is just because somebody is a veteran, that just means you were in the military and it doesn't mean you got an honorable discharge. None of that is here. Senator Pirsch is running for office and I'm going to say it like it is because I see too many people riding on the backs of these veterans. Not once has he come to a committee hearing to talk about the vets who are locked up in the penitentiary with mental illness and they do not get treatment in the penitentiary. Nobody on this floor, other than me, will say that. I get the phone calls. I get the letters. And if you get them, you don't share that information with your brothers and sisters here. There are veterans who are homeless. Why don't we talk about them? And a bill was brought to pay businesspeople \$15,000 or whatever it was to give a veteran training. And if this guy wants to get credit for helping veterans, why do you have to pay him to train him? But they get credit, and that's a chamber of commerce program, and they all get credit for being interested in the veterans and yet they're getting more than their pound of flesh. I don't believe this bill would have been brought if the one who brought it wasn't running for office and I'll tell you why I say it. We've had disabled veterans and some service connected as a result of combat, and the bills of this kind have not come. There is not even enough research done to determine the circumstances under which a prisoner can be injured and be considered to have been injured and rendered totally disabled in the line of duty. I'm going to vote...no, I'm... [LB1087]

SENATOR KRIST: One minute. [LB1087]

SENATOR CHAMBERS: I probably won't vote for the bill at all because it'd be an act of hypocrisy on my part. I don't believe this is aimed at helping veterans. I think it's aimed at helping political careers, campaigns. Why don't we put the limitations that have been

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discussed on this floor? To be honorably discharged, you just stay there your time and get out, and it doesn't have to be an honorable discharge. It's a popular horse to ride. And if half the number of people who are out there on Memorial Day or Decoration Day would show concern for the veterans who are alive...they're out there at the cemetery where they cannot help anybody. And when they leave that cemetery, veterans don't exist, politicians right on down. [LB1087]

SENATOR KRIST: Time, Senator. [LB1087]

SENATOR CHAMBERS: Thank you, Mr. President. [LB1087]

SENATOR KRIST: Thank you, Senator Chambers. Senator Garrett, you're next. [LB1087]

SENATOR GARRETT: Thank you, Mr. President. Members of the body, I am, you know, the freshman guy here. I'm amazed at the cynicism of this body sometimes. I'd like to correct a point I made earlier with Senator Chambers. In order for you to be eligible for a disability compensation, you have to...it has to be anything other than a dishonorable discharge. So if you're locked up in...at Leavenworth or one of the other federal penitentiaries, I guarantee you, you're not getting anything but a dishonorable discharge. So I don't know where to start, to tell you the truth. I'm very much in support of what Senator Pirsch is doing here for veterans. I do not know of any...been around...I had 26 years in the Air Force. I've got a lot of friends who are retired general officers. I just went to a retirement ceremony this last fall of a friend of mine who is a three-star general, decided to stay in Texas--no state income tax in Texas. I don't know of any of my retired general friends...Nebraska is a great place. Anyone who has lived here will tell you what a great place this is, and I don't know of any retired generals living here. I don't know of any retired military people living in \$500,000 homes. There may be some out there. I'm not aware of them. I'm not opposed to, you know, if we put some cap or some limit on Senator Pirsch's bill. You know, I got an e-mail from a constituent this morning that talked about the exemption for military retirement that just came out of committee yesterday. And this particular individual, who is an officer, said, hey, this is exempting too much of officers' pay and it's...it doesn't do enough for the guys, the enlisted guys, in their retirement. He suggested that, you know, there should be a...the first \$10,000 should be exempt from state income tax. You know, there are a lot of us that are really concerned about, you know, equity and fairness. Senator Chambers, I have a question for you if you would yield. [LB1087]

SENATOR KRIST: Senator Chambers, will you yield? [LB1087]

SENATOR CHAMBERS: Yes, I will. [LB1087]

SENATOR GARRETT: You served in the Army. Why did you decide to join the Army?

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[LB1087]

SENATOR CHAMBERS: I wanted to get out of...there was a draft then. I didn't seek a deferment. I wanted to get in and get out so I could go on into law school. [LB1087]

SENATOR GARRETT: So how long did you serve? [LB1087]

SENATOR CHAMBERS: A total of five years. Part of it was active duty, part of it was reserves so that I could continue my education. [LB1087]

SENATOR GARRETT: And... [LB1087]

SENATOR CHAMBERS: I always pointed out I never shot at anybody; nobody shot at me; I was not overseas; I was not at risk of going into combat. [LB1087]

SENATOR GARRETT: And what years did you serve? [LB1087]

SENATOR CHAMBERS: I'd have to go get my...it was during the '60s probably, maybe the latter part of...I'd have to look to be sure because that was some time ago. [LB1087]

SENATOR GARRETT: Well, my father was enlisted. He got drafted into the Army in World War II and joined the Air Force in 1947. I remember growing up in the '60s in Texas. He was a staff sergeant in the Air Force. We ate beans three or four times, five times a week. Times were pretty hard. Enlisted guys didn't make a lot of money. When I was a first lieutenant, I got commissioned in 1976, came on active duty in '77, every two weeks, I think, my paycheck was something on the order of about \$600 maybe. Maybe it was more like \$300. I was getting \$600 a month. Pay for military people is pretty low. I was fortunate. I advanced through the ranks in 26 years. I retired as a colonel. I'm very happy with how far I got. I'm very blessed. I've got a good retirement. It's not a great retirement but, I'll tell you, I'm not asking for an exemption for my military retirement. I lead a very comfortable life, been very blessed. But one of the things Senator Chambers was talking about was... [LB1087]

SENATOR KRIST: One minute. [LB1087]

SENATOR GARRETT: ...this having to be--thank you, Mr. President--combat related. There are so many soldiers, sailors, airmen, Marines, Coast Guardsmen, that die or get injured in the normal course of events on a daily basis. Our training is very realistic. We lose aircraft. We lose guys at sea all the time. You never hear about it. But there are a lot of guys that get injured. Our training is very realistic. And there are a lot of service-connected disabilities. We're...Senator Pirsch's bill is talking about people who are 100 percent disabled. I'm a disabled vet. I've got a small disability. But 100 percent disabled, that's pretty huge. If the body wants to put a limit on, you know, a \$500,000

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homestead or a million dollar homestead, again, I defy you to show me someone who's got that. But let's put that on there. But let's...the vast majority of the guys who are 100 percent disabled, they're pretty needy and/or their widow or widowers of... [LB1087]

SENATOR KRIST: Time, Senator. [LB1087]

SENATOR GARRETT: So thank you, Mr. President. [LB1087]

SENATOR KRIST: Thank you, Senator Garrett and Senator Chambers. Senator Nelson, you're recognized and...I'm sorry. Could you stand by for one second? Mr. Clerk for an amendment. [LB1087]

ASSISTANT CLERK: Mr. President, Senator Chambers would offer FA256. (Legislative Journal page 897.) [LB1087]

SENATOR KRIST: Senator Chambers, you are recognized. [LB1087]

SENATOR CHAMBERS: Thank you. Members of the Legislature, this amendment says, "Strike Section 1." It's not going to be voted on. But there are things that do need to be said. I didn't mean to indicate that Senator Garrett had suggested that a person could be locked up in Leavenworth. Senator Garrett, when I was at Leonard Wood, there were guys who'd get locked up at Leonard Wood and not discharged. They served whatever time it was, then they came back and they stayed at Fort Leonard Wood. I'm not talking about somebody with a dishonorable discharge. I had said your discharge doesn't have to be honorable. And this says, general under honorable conditions or something. But it's not an honorable discharge, because if it was, it would just say, honorable discharge. Members of the Legislature, I think most of you know what I'm getting at. And you might want to dance around it. But not everybody gets a Congressional Medal of Honor, right or wrong. Yet all of them were in the military. Not everybody who gets injured in combat gets a Congressional Medal of Honor. The Army, every branch of the service, even recognizes gradations, classifications, or differences in the status of all these people. They could be in the same battle, and somebody could lose a leg and not get a Congressional Medal of Honor. Somebody else may not even get injured and get one. It's a political decision like almost everything connected with the granting or withholding of what are called "honors." Not everybody gets the highest medal that is given out by the Navy. What I'm saying is, tell the truth about these bills. They are not designed to reward heroism, because not everybody in the military is a hero. So don't stand up here and justify a bill like this by talking about people who were running over hills and being shot at and falling on hand grenades. That's not what this bill is about. That is not what this bill is about. And what you want to do is take a topic that everybody is afraid to touch because it's a sacred cow and hide every manner of inappropriate action behind that because nobody dares to jerk the cover and show what's really behind it. There have been veterans from Vietnam, Iraq, Afghanistan who have

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murdered people when they came back here, murdered family members. And it can be shown that those crimes had something to do with what they experienced in combat and things that happened to them in combat. And this country will accept people for military duty who have mental illnesses at the time they go in. And they are given psychoactive drugs, and they are given these drugs in combat and allowed to self-administer them. If you don't know that, you don't read. And what this military will do when there are men and women whose minds will be affected by what they do and what they see will not seek mental counseling...mental health counseling, because there are commanding officers who make negative and derogatory statements about them. I'm not making this up. These things have reached such a turn that they are looked at by congresspersons, to find out why so many people are coming out of the military with diagnosable mental illnesses that were detectable while they were in the military. And some of these people have testified at hearings and talked about how they're looked down upon, they're made to feel like they're less than men and women. This is not what people in the military do. But if they don't seek that help, then they are not entitled to certain benefits that cost money. That's what I look at in terms of what you think of veterans. Anybody can say good things about somebody called "a hero." If I'm a lawyer and I represent Martin Luther King, I'm heroic. If I represent Mother Teresa, I'm heroic. If I represent any of these people who are considered the upper crust, I'm heroic. They don't need a lawyer. But let me be the one who will represent Jack the Ripper. Let me be the one who will represent Adolf Eichmann, or Adolf Hitler if he had lived and stood trial. That is when courage will manifest itself. And, to me, courage is present only when the person being considered is afraid, is fearful, and overcomes that fear to the extent that what is the right thing to do will be done. If a person has no fear, there is no courage. You can be foolhardy, you can be brave, you can be bold, you can be devil-may-care; but courage exists only when you overcome your personal fear and do what is the right thing to do despite it. So I want to make it clear that, in my view, not everybody who served in the military is a hero. But what would be more noteworthy, in my opinion, and worthy of being labeled "virtuous" would be to look at all these nameless, anonymous people who are on these streets with no place to go, no place to live, they are mentally ill, they are dirty, they are smelly, they haven't shaved. Who would invite them into their home and say, "You're hungry; come sit with me and my family"? No. "But if you want me to get a license plate for you so that you can put an emblem on the license plate, by God, I'll do that because I respect veterans. If you want me to go out there on Memorial Day and be one who shoots a rifle in the 21-gun salute, by God, I love the veterans, and I'll do that." But how about when you're going back home from all your display, you pass somebody in a tattered military outfit, and he indeed, or she, is a veteran? There is a certain status and appearance you have to have before you're given any consideration in this society, and I don't care what you may have done. And I'll continue to talk about these things, and whatever that makes me, that's what I'll be. Nobody can call my office and say anything worse than I've had said to me on a regular basis in Nebraska. They cannot come up with a racial slur that I don't hear on a weekly basis. They cannot come up with a threat that hasn't already been

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made. And I don't run to the police when I get them. I come here and I function every day. So you think if somebody is displeased with what I say on this floor it's going to stop me from saying it? Never. And it doesn't take courage, because I'm not afraid. It takes nothing, except what my brain tells me. And my brain tells me that when I voluntarily put myself in a position to come down here...and I knew that coming down here, based on my understanding, was that I should do what can be done, that is necessary to be done, to benefit people who cannot help themselves. That's the guiding principle for me, and that's why I say "defender of the downtrodden." The "up-trodders," who trod on the downtrodden, they don't need me; they need you all. The people who need me are the ones who have got nobody out behind that glass. They...you all...they need you all...send messages in here, having you running like water boys and messenger boys, running in here telling us what to do. And the people who really need us are the ones we have contempt for. But if you read your "Bibble," they're the ones that Jesus was with. And when people condemned him, he said: Oh, those who wear fine purples, they're in the palaces. And maybe that's what Francis, the pope, had in mind when he said: I don't want to live in the gold-lined palace that popes have lived in; I'll take an apartment; I'll drive a car; I'll pay my hotel bill; I'll call people on the telephone; a little boy will come up and take my funny little hat off my head... [LB1087]

SENATOR KRIST: One minute. [LB1087]

SENATOR CHAMBERS: ...and I'm not going to slap his hand. Did you say time? [LB1087]

SENATOR KRIST: One minute. [LB1087]

SENATOR CHAMBERS: The time to show what you are is when the challenging circumstances confront you. And I use the Jesus that you all pray to, he said: If you do good to those who do good to you, you're not worthy of any thanks; the worst people do that. That is nothing. Who do you all do good to, and for? Those who can benefit you, or those who can help your campaign? Those are the ones who get the benefits here, and you all know it. And it's why my job is so hard and my work is so difficult. But that ensures that there's no heaven for me. You know why? "Parson" is not here. But it says the way of the transgressor is hard. And since nobody has a harder path to walk than I, I must be the greatest transgressor. [LB1087]

SENATOR KRIST: Time, Senator. [LB1087]

SENATOR CHAMBERS: And transgressors certainly are not going to heaven. Thank you, Mr. President. [LB1087]

SENATOR KRIST: Thank you, Senator Chambers. (Visitors introduced.) Senator Bloomfield, you're recognized. [LB1087]

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SENATOR BLOOMFIELD: Thank you, Mr. President. Senator Pirsch, thank you for bringing this bill. We are having a discussion about a tax relief for some deserving people. We're throwing fodder up all over it. But thank you again for bringing this bill. Do we need to give this to bus drivers and schoolteachers? I have 50,000 brothers that have their names carved on a wall in Washington, D.C. How many teachers have given their life in the line of duty? How many bus drivers have given their life in the line of duty? How many, when they become a teacher, think, "I will probably die in this process," "I could well die in this process," or even, "The possibility exists that I might be killed in this process"? Colleagues, the smokescreen that is being thrown up around this is ridiculous. If we decide we should put a limit on this, that won't bother me. But the idea that we should open this up to everybody that does any little piece of public service, versus the military that, when they join, they are well aware of the fact that they may be killed; they're not well aware of the fact they may be killed in combat, they may well be killed in training. Just before the helicopter that cost us a bunch of Navy SEALs last fall, or two years ago now, was shot down, which included one of my constituents, two weeks before that we buried another one of my constituents that was...died in a training process. I get a little testy when we start talking about veterans and we want to compare them to teachers or we want to compare them to bus drivers or anybody else. Senator Chambers is absolutely right when he says there are veterans out there who are suffering. We have some programs, not nearly enough, to help them. But we're asking for a little tax break here for someone who has been declared 100 percent disabled. Good God, people, what are we thinking? Thank you. [LB1087]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Thank you, Senator Bloomfield. And Senator Wightman, you're recognized. [LB1087]

SENATOR WIGHTMAN: Thank you, Mr. President and members of the body. If Senator Pirsch would yield, I have some questions that I would like to ask him that I... [LB1087]

SENATOR GLOOR: Senator Pirsch, would you yield? [LB1087]

SENATOR PIRSCH: I would, yes. [LB1087]

SENATOR WIGHTMAN: Senator Pirsch, I visited with you off the mike earlier with regard to this question. Let's say that someone has been in the service, and while in the service he received a 20 percent disability to his back. And so when he was discharged honorably he was entitled to 20 percent disability. [LB1087]

SENATOR PIRSCH: Yes. [LB1087]

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SENATOR WIGHTMAN: And let's say that 20 years later he's working at another job, he does some other injuries to his back, and after that injury he is 100 percent disabled, and it's a combination of the two. Would he qualify for benefits under your LB1087? [LB1087]

SENATOR PIRSCH: Um-hum, thanks for the question. So 20 percent disability service-connected and then went out and was working a nonmilitary-related job later and received a nonservice-related additional disability, under the scenario, is that right? [LB1087]

SENATOR WIGHTMAN: Yes. [LB1087]

SENATOR PIRSCH: I don't think that he would be thus eligible. It would have to be 100 percent service-connected to be eligible, was what my understanding of how the Veterans Affairs works. [LB1087]

SENATOR WIGHTMAN: The question I have, does the "100 percent" only refer to the disability or does it require to the "100 percent service-connected," because I thought, off the mike, you told me that you thought he would be qualified? [LB1087]

SENATOR PIRSCH: Oh, and I'm sorry, maybe I didn't understand your question off the mike; I apologize, if that's your question. I can tell you, my understanding is that it has to be service-connected in all percentages. So if you went out and were 20 percent injured while working in the military, service-connected, and then received an unrelated injury while you're in the private sector 20 years later that made you, in the eyes of whatever defining entity, 100 percent disabled but not 100 percent service-connected disabled, you would not be eligible for such a homestead, is my understanding. [LB1087]

SENATOR WIGHTMAN: Let me put the question a different way. If you were disabled, let's say it was a 40 percent disability to the back, and then as a result of the other injury and between the two it became 100 percent, the last one being while you're not in the service, do you think he would be entitled to it? [LB1087]

SENATOR PIRSCH: Yeah, so the question...and let me make sure I just understand it. Upon discharge from the military, you were disabled, something to the effect, say, for a hypothetical, 40-60 percent disabled; however, time passes and the bullet in your skull causes...starts--for whatever reason, it's moving around--and starts to, ten years later, cause additional type of disability such that, per the Department of Veterans Affairs' definition, you are now 100 service-connected disabled, would you be...can it happen over a period of years or decades? And the answer is yes, as long as it...the original, I guess, injury that led to continuing injuries were service-connected. [LB1087]

SENATOR WIGHTMAN: And I think it gets down to whether the "100 percent" refers to

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the service-connected disability or whether it's 100 percent disability... [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR WIGHTMAN: ...that is service-connected. [LB1087]

SENATOR PIRSCH: And so it would have to stem and arise from your service-connected incident. So sometimes they manifest themselves right away, for 100 percent, but sometimes the manifestation may only become clear after a passage of a significant period of time, years or even decades, that that thing that happened to you in 1983, the bullet in the skull, is, in fact, the cause of continuing damage that has worsened over the decades. And so...so it would have to stem back to a service-related disability. [LB1087]

SENATOR WIGHTMAN: I'm not...I'm not totally certain that the one that I bring up couldn't be included under this, but I...because it depends on whether the 100 percent refers only to the service-connected or whether it refers to the total disability... [LB1087]

SENATOR GLOOR: Time, Senators. [LB1087]

SENATOR WIGHTMAN: Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Wightman and Senator Pirsch. Senator Garrett, you're recognized. [LB1087]

SENATOR GARRETT: Thank you, Mr. President. Members of the body, I tell you, I've got the greatest respect, I always have, for anyone who's willing to take a step forward and raise their right hand and swear an oath to support and defend the Constitution of the United States. And something I neglected to say earlier and...I'd like to thank Senator Chambers for his service. I thank all veterans for their service. This bill is not talking about granting benefits to...a tax exemption to heroes. It's veterans. You don't have to be a guy charging over the hill, throwing yourself on a hand grenade or anything else. Senator Bloomfield had some great words. There are guys that die every day, there will be people die today in military training accidents, not just training accidents but just in the normal course of duty. There are guys who get blown overboard off aircraft carriers. Navy SEALs or Special Forces, they have some very rigorous training kinds of things that they go through, guys getting killed in parachuting accidents, all manner of things. Are they combat heroes? No. They're...you know, they die in the normal course of action. This bill is not designed to solve all issues, but it's a first step. Yeah, we've got a lot of veterans with PTSD, post traumatic stress syndrome; we've got an unbelievably high suicide rate amongst not just veterans but active-duty people; all kinds of problems. And I'm reminded of the old saying, you know, how do you eat an elephant, you know? One bite at a time. So what we do here is we...this bill is not

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designed to solve all the myriad problems associated with veterans, but it's a first step. We're talking about a 100 percent disabled veteran, you know, a service-connected disability, or their widow or widower. If we want to put a limitation on the size of the homestead, I don't think anyone is opposed that. And we can certainly do that. And again, don't know a whole lot of veterans that are making big bucks, but if we want to put a limit on that, put an amendment on there, I don't think any veteran would be opposed to that. You know, Senator Chambers mentioned about the veterans who are out on the street, that are homeless, that are...that have mental health problems. You know, there's great organizations like the Open Door Mission that...my company, my small business, had the blessed opportunity to help equip some of the rooms...the Open Door Mission opened an entire floor of their facility for homeless veterans. Again, I fully support what Senator Pirsch is trying to do here, and I encourage the body to vote for LB1087. Thank you. [LB1087]

SENATOR GLOOR: Thank you, Senator Garrett. Senator Chambers, you're recognized. [LB1087]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, as I said, I'm not going to try to delay this bill--it's going to pass, and we know it--but I want some things in the record along the way. Now, I don't...these days--Veterans Day, Memorial Day, Decoration Day--I don't keep the names straight, but Nebraska veterans wanted to keep whichever day it was--maybe it was Veterans Day--on the original day instead of having it lumped with others. And do you know who led the effort in achieving that? I was Chairperson of the Government, Military and Veterans Affairs Committee, and that bill was brought to the committee. I was the Chairperson. There were a lot of people, and they, the veterans, you know, all come in those funny little hats, and they were all in the room, and they were wondering what is going to happen with this bill, because old Chambers there is the Chairperson. I did not even ask, is there opposition? After those who presented their side had gotten through, we just sat there in silence awhile. And then I told them we are going to vote on this bill now; we're not going into Executive Session. And that's why Decoration Day or Veterans Day, whatever it is, is still celebrated in Nebraska on the original day, because of what I did, and I did it out of respect for those people for whom the day existed. If that's what the day was for, let it be for that, and don't lump it with something else so that you could say you're putting all these things together and doing it together. You all don't know what I've done. You know why you don't? Because you don't pay attention. You read what the newspapers might put out there that will inflame you. And that's how you judge me. But do you think I don't know that's what's going to happen? If I were not strong, Senator Garrett, I wouldn't have lasted all these years. Look at me, I'm almost...I'm closer to being 100 years old than I am to being 50. And I bet I'm in better shape than most people here; I won't say everybody, because I'm not trying to put people down. But I have to stay here a long time. Maybe I wanted to retire to the crematorium before now, but there's work that has to be done, and I'm the only one who'll do it. The bill is going to pass, but I'm

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making it clear the political ramifications. There are times when it's appropriate to talk about veterans and do things for veterans. What I'm talking about is doing it all the time, on all of the issues, and not when it doesn't cost you anything, it doesn't take any effort on your part, and you can put it in a campaign brochure. That's nothing. If a veteran is hungry and hasn't got a home, is this going to help that homeless veteran? Is it going to help the one who will go to the VA and be treated like a subhuman being, and don't tell me that doesn't happen at these Veterans Hospitals, because I get the complaints from family members. That ought to be something in the way of an indictment of the rest of you, because you'll be saying, well, I never hear that. They go where they think they can get some help. Whether I can give it or not, they know that I will try. And I tell people who bring me those impossible situations that the only thing I can promise you is that I'll do the best that I can. And that doesn't mean it'll come out the way you want it to come out. And that's all I can say about anything. But when these bills come, I'm not going to let everybody put on all this overlay of being concerned about veterans and we're talking about heroes and all the rest of it. If the military wanted you to think that heroism was why you joined the military, they wouldn't have said: Come in here and get this money; come in here and you'll get these benefits when you go to school... [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR CHAMBERS: ...you'll get this medical treatment. They would have said: Come in here and be shot at; come in here and run across one of these roadside explosive devices and get your legs blown off; come in here when you're mentally ill and we will send you out totally stark, raving mad, and you may kill your family; that's why we tell you, come to the military. You're not going to say that. And "General" Garrett knows it. Everybody knows it. Everybody knows it. And one thing you can't say when you stand up and you tell how you don't like what I say and you get miffed, do you think that means anything to me at all? Stand up and say I'm a liar; stand up and tell me something I've said and show me where it's not true. You can't do that. I will face the issue head-on, but you won't. Thank you, Mr. President. [LB1087]

SENATOR GLOOR: Thank you, Senator Chambers. Chair recognizes Senator Krist. [LB1087]

SENATOR KRIST: Thank you, Mr. President. Good afternoon, colleagues; and good afternoon, Nebraska. Senator Chambers is always very good in making sure things are put on the record as they need to be, and I appreciate that. I was asked not too long ago how many veterans are actually serving in the Legislature. And I said, more than are in Congress, actually. And they said, well, who are they? And I said, well...I started down the list and I came to Senator Chambers; and I kind of got a half-cocked look, and I said, yes, sir, he is a veteran. And then I said Senator Avery, and that look was even worse than Senator Chambers. (Laughter) And he said, are you kidding me? I said, no, he's...he is a veteran. A veteran is the person who sticks their hand up in the air and

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says: Give me the mission; I'll do it; I'll do it at my own risk, at the risk of never seeing my family again. And I think we sometimes go a little overboard in making statements about veterans. And I do agree with Senator Chambers, sometimes we try to ride that political wave, because we're always doing things for veterans. I was at the chamber across the hall here, and I heard the Governor say, the most important thing this year is a tax break for veterans--that was last year--the most important thing is how we take care of our veterans. And I know Governor Heineman meant every word of that. So as we move down the road and we look at the things that we afford to our veterans, I want you to know that you...if you've never been in a place where they tell a room of 20 people that probably half of you won't make it through this, it's a unique experience. Google, if you will, the statistics on those that lost their lives in World War II that never saw combat. You would be amazed at the people who died in training and never made it to the theater. I don't know how we differentiate a good veteran from a bad veteran, I really don't. But I'm going to give you something to think about. Right down here off 13th, 14th Street, we have the Nebraska penal system...the Nebraska State Penitentiary. I've made it a point to visit there and to confirm what I heard. We have a good percentage of those inmates that are veterans in one way or another. And for that reason and that reason alone, I will bring something to your attention today; and when we talk about corrections in the next week or so, I want you to think about this. The way to get a roll of toilet paper when there isn't any in the rest room is to take the empty roll and be issued another roll of toilet paper. For five days last month that place down on the end of 14th Street, different cellblocks, ran out of toilet paper. I want you to think about that for a minute. So Senator Chambers is absolutely right. It's not just the veteran that might have a \$500,000 homestead. It's the veteran who's in the corrections system. It's the veteran who is homeless. It's any humanity, any humanity, that falls in that position. But we're talking today about veterans. Now if this piece of legislation was politically motivated in any way, Senator Pirsch will have to look himself in the mirror in the morning and deal with that. But the subject matter... [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR KRIST: ...is worth dealing with, it's worth thinking about, and at some point we may have to come back, between General and Select, and change a dollar value, but this is a worthwhile bill concept and we need to move forward. Thank you, colleagues. [LB1087]

SENATOR GLOOR: Thank you, Senator Krist. There are no senators remaining to be recognized. Senator Chambers, you're recognized to close on your amendment. [LB1087]

SENATOR CHAMBERS: Mr. President, members of the Legislature, as I stated, I'm going to pull this amendment. I had some things that I wanted in the record. And I don't want anybody to say, well, Senator Pirsch is in the Legislature, why are you going to

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wade out here and talk about people using veterans for political purposes? I said what I had to say here. I've been here a long, long time. And I haven't seen one bill that said, let's give veterans something above and beyond what they get through the G.I. Bill, or let us look at what happens to veterans in the VA hospital. Now you all think that I lie, but you know that I don't. This happened to have been a young black guy, and he came to the barbershop, and I didn't even know he had been in the military, but he started acting in a way that some people thought was a little strange, so he was taken out to the veterans hospital. And his family contacted me and said that they were going to take him to someplace over in Iowa. It wasn't Riverview (phonetic), but it was...or someplace where they take veterans who are beyond help. I don't even know if they still have the place. So what I was going to do is visit the VA and talk to whoever was the administrator. There happened to have been a man who went to Creighton--and I did too--he was a research chemist at the VA, and he talked to me the day after I went to the VA. He said, "Ernie, you were at the VA yesterday." I said, "Yeah, how did you know?" He said, "Well, when you came to the VA, they took that man to the highest floor in the hospital and locked all the other doors." I was just going. I wasn't bringing an army. But that's the kind of reputation that I had. But if what they're doing is right, they shouldn't care if I did bring an army. Oh, and by the way, he wasn't sent over to this place in Iowa. There's a difference between our coming here--even when we get worthwhile bills passed--and being out there, where people are who have problems. Intractable, insoluble, unsolvable problems. And they bring them to you. I read where the people who suffer the greatest stress are dentists, not only because what they do will inflict pain on occasion, maybe most occasions, but that's what people expect every time they come to the dentist's office. And they said these dentists suffer more stress than people in any other line of work. And I think what might contribute to that is having so many people come to you after their condition has reached a point where maybe nobody can actually restore health; you can only slow down or diminish the amount of harm that's being done, when you get the kind of problems that I get every day. And I'm not whining; I just want you to think how lucky you are. You know what people tell me when I answer the phone? "Senator, this is you?" I say, "Well, yeah, isn't that the office you called?" "Yeah, but you answered your phone." I said, "Well, I'm 'no tech,' but I still remember how to answer a telephone." They say, "I call other senators' offices and they don't answer the phone, and they don't even talk to me; I talk to staff, and the staff often is impatient." That's what they tell me, when they call senators down here in this Legislature. And you know what I'll draw out of them as we talk? Because, believe it or not--I guess because there are more white people in Nebraska--I get more of those calls from white people than black people. [LB1087]

SENATOR GLOOR: One minute. [LB1087]

SENATOR CHAMBERS: They say, "Well, I know you'll try to help people." Then they'll tell me how little they thought of me. And I say, "Well, I know it; that's the way most of you all are. But then when you need help, you go wherever you can to get help. And

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you know good and well the kind of man that I am, because if you didn't, you wouldn't even come to me as a last hope. You hope that can get somebody to rescue you before you have to come to me." So I'm saying that to let you all know, nothing that happens on this floor can deter me from doing anything that I make up my mind I'm going to do. Don't judge my manhood by the manhood you wish that you had, because there's no comparison. Between things disparate in nature, there can be no comparison; I'm incomparable. And I'm not going to apologize, and I'm not going to be humble. And Senator Pirsch had every opportunity to tell me to my face and all of you: Senator Chambers, this has nothing to do with politics. And he'll get a chance to say it. At this point I pull that... [LB1087]

SENATOR GLOOR: Time. [LB1087]

SENATOR CHAMBERS: ...amendment. [LB1087]

SENATOR GLOOR: Thank you, Senator Chambers. Seeing no objection, so ordered. Seeing no senators wishing to speak, Senator Pirsch, you're recognized to close on your bill. [LB1087]

SENATOR PIRSCH: Thank you, Mr. President, members of the body. And I do appreciate a lot of the comments that Senator Chambers, who...and I do value his service in the military, as I do all veterans', whether they served on the front line or they supported the front line. And you...you...you know, you can't run a military without everyone pitching in and making it possible. Not everybody can be on the front line, but they're all...their service is valuable, and it is absolutely critical to having a military. And so I do appreciate his comments with respect to the challenges that vets face. And this does have nothing to do with politics. I...so consider the bill on its merits. And I think when you do, you'll look at the individuals whose lives have been affected and whose service needs to be recognized, for what they've done for the community, the state, and the nation. And so in this particular approach that's fashioned in LB1087, it makes sense on a lot of levels. And so I would urge you to vote green, "yes," to advance LB1087. [LB1087]

SENATOR GLOOR: Thank you, Senator Pirsch. The question is the advancement of LB1087 to E&R Initial. Those in favor vote aye; those opposed vote nay. Have all voted who care to? Record, Mr. Clerk. [LB1087]

ASSISTANT CLERK: 28 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB1087]

SENATOR GLOOR: The bill advances. (Visitors introduced.) Continuing with the agenda, Mr. Clerk. [LB1087]

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ASSISTANT CLERK: Mr. President, the next bill is LB682, introduced by Senator Scheer. (Read title.) Bill was read for the first time on January 8, referred to the Education Committee. That committee placed the bill on General File with committee amendments. (AM1888, Legislative Journal page 515.) [LB682]

SENATOR GLOOR: Thank you, Mr. Clerk. Senator Scheer, you're recognized to open on LB682. [LB682]

SENATOR SCHEER: Thank you, Mr. President. I'm happy to introduce LB682 but with some regrets that I will discuss later. It's a good bill. As I've looked at education and as I've talked to educators around the state over the last number of years, the premise behind this bill...I guess I should backtrack. In talking to those educators in smaller rural districts, that are continuing to become unequalized, they would always present to me that, you know, we maybe have valuation, we can't get at the valuation, but we'd love to have the educational opportunities that the schools in the larger metropolitan areas offer their kids. We'd love to have three or four different foreign languages being offered in our schools. We'd like to have 15 or 20 different mathematic classes that would be available to our students, but we don't. And unfortunately, I took them seriously. I thought they were interested in trying to improve the education in Nebraska, so I went about trying to determine a way that we could improve education and maintain districts, because school districts are important in the state of Nebraska. Small communities, they are the largest employer. It's important to keep them open. And this bill does really two things specifically. It asks school districts of 650 K-12 enrollment to join in an allied group with three other districts, total of four districts. In those districts, their superintendents and their boards would do two things. One, they'd pick their three partners that they would like to be affiliated with or allied with. And nowhere in this bill does it talk about being contiguous or that they have to be in close proximity. It just talks about finding three districts that you would like to align yourself with. And after doing that, the second year of implementation you would come up with a common daily schedule and a calendar. Purpose behind this: If you have the same schedule as three or four other school districts then it gives them, doesn't require, again, that's all it does is just ask them to come up with a calendar and a schedule. But what it gives them the flexibility to do, for example, is most districts, perhaps not all in the smaller schools, will offer Spanish. That's it. That's the only language. But what it could do is say, for example, one of those four districts, their Spanish teacher decided to resign, retire, whatever the case might be. At that point in time those four superintendents could sit down and say, well, does it make sense for us to have four Spanish teachers all teaching the same thing to those four allied school districts? Or but would it make sense if one of the districts we have a void in foreign language, would it make sense perhaps for us to hire a French teacher so that we can offer French to those four school districts instead of just one school district? Our students can still take Spanish from a Web-based teacher in any of those other three school districts, and our French teacher can teach French to any one of those three school districts utilizing a Web-based

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system. We aren't asking students to give up part of a class period in order to take a class long distance from another district because the schedule permits it to be at an identical point in time. A child can take that French class from my teacher in one of the other districts, and when that class gets over, when the bell rings, he simply steps up, walks across the hall, and he walks into his English class and takes English in his home school. Haven't lost anything; haven't gained anything. It's cost neutral. It didn't cost the school districts one dime. It's utilizing staff in a more efficient manner. There are so many benefits. It also allows for in-service for their staff. A lot of these districts may only have, for example, one 2nd grade teacher. I would imagine they have...would love to have the opportunity perhaps on every Tuesday of the first Tuesday of each month at 4:00 to click on and so those four 2nd grade teachers now can have a conversation about what's going on in their classrooms and how they can improve those. Talk about school improvement, well here's an opportunity to really do it, not just among yourself but collaboratively. In education we talk a lot about best practices. Well, we know a best practice is trying to get the broadest, best form of education available to students in Nebraska. That's a best practice. What I'm suggesting is exactly that. This process is alive and well in Nebraska. There are districts that are doing this. There are some districts, I will give you, in the state of Nebraska that are providing some long distance opportunities to their students, some more so than others. And those that are doing a really good job, I'd like three other districts to join them and try to emulate them so that the rest of those students in the other districts get the same opportunity that is available to that one that's doing a great job. But unfortunately, there's been a well-directed campaign against this type of education because we fear a loss of control, loss of local control. Well, I don't know where that might be, because your local school board and your local administration right now do develop and vote on their calendar and schedule. This doesn't change. Does it ask them to collaborate with other districts for the benefit of students? Yes, it does. But the last time I knew, we were trying to get the best education available for the students of Nebraska and it shouldn't make a difference if it's a little inconvenient for an administrator to have to work on a new schedule or have to work with other superintendents to come up with something that is worthwhile, practical, efficient, and broad. It really is puzzling to me that we have those that would almost cut their nose off despite themselves, because the broader picture, the broader concern among school districts is truly, from what I understand, because I haven't had the conversation with any superintendents, is that of merger or consolidation. And perhaps just for the record I'd like to backtrack a little bit. When I thought about trying to provide this to the state of Nebraska, I brought the state school board association representatives into my office more than once. We discussed this. I asked for their input, which they gave. They gave me some good ideas. I met with a representative from the NRCSA, the small school districts in the state of Nebraska, on more than one occasion and asked for their input. I met with administrators' association representative and asked on more than one occasion for their input. And I met with the teachers association on more than one occasion asking them for their input, because I thought, from my vantage point, if there was an association that could see the benefit it certainly

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had to be the teachers association. Because when we start talking about merger and consolidations,... [LB682]

SENATOR GLOOR: One minute. [LB682]

SENATOR SCHEER: ...what happens is you do lose teachers, you do lose staffing. This is a way to keep that for those districts to stay alive. I do have an amendment that I have introduced. There is a committee amendment. I will let Senator Sullivan introduce that, and then I will follow with my opening on my amendment. Thank you, Mr. President. [LB682]

SENATOR GLOOR: Thank you, Senator Scheer. As Senator Scheer and the Clerk stated, there are amendments from the Education Committee. Senator Sullivan, you're recognized to open on the committee amendments. [LB682]

SENATOR SULLIVAN: Thank you, Mr. President. The committee amendment would replace the original provisions but would continue to require school districts with less than 650 students to join allied systems. The allied system would have to have at least four member school districts. The representative superintendents would have one year after formation of an allied system to meet and create a common calendar and schedule. Extracurricular activities would not be included in this. The systems would be allowed to continue with a minimum of three member districts if one of them happened to leave for whatever reason. Districts would not be allowed to transfer to another allied system if it would reduce the membership to fewer than three unless the remaining districts agree to dissolve the allied system and join another. If districts within the allied system choose to merge at a later date and the reorganized district joins the system, each of the original districts would continue to count as a separate district for the purpose of meeting the three-district minimum. Allied systems that no longer meet the three-district minimum due to a reorganization would be dissolved and the remaining member districts would join other allied systems. If any districts have not complied with the requirement by July...to align by July 1, 2015, the Commissioner of Education would then be required to form the allied systems to include such districts or direct the district to join an existing allied system. The Commissioner would be required to provide an opportunity, though, to be heard for each such district, the member school districts of any affected allied system, and any other interested party. The superintendent of each member school district would be deemed the representative to an allied system and would be required to file notice of the district's membership and a list of the other member school districts with the Department of Education. Joining an allied system would be optional for districts with more than 650 students. School districts in an allied system wishing to cooperate beyond the uniform yearly calendar and daily schedule requirements could form an interlocal agreement. Employment and contract negotiations would remain with the districts. There would also not be any requirements to combine or coordinate revenue, spending, taxation, state aid, or any other elements

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to district finances. I believe that the components of AM1888 makes LB682 a better bill, so I urge the adoption of this amendment. Thank you, Mr. President. [LB682]

SENATOR GLOOR: Thank you, Senator Sullivan. Mr. Clerk. [LB682]

ASSISTANT CLERK: Mr. President, Senator Scheer would offer AM2260 to the committee amendments. (Legislative Journal pages 897-898.) [LB682]

SENATOR GLOOR: Senator Scheer, you're recognized to open on your amendment to the committee amendments. [LB682]

SENATOR SCHEER: Thank you, Mr. President. The amendment tried to facilitate the few things that I heard from people that were concerns, and the first and the foremost concern was that of a merger or consolidation. So let me read from the amendment so there's no misunderstanding in relationship to a merger or consolidation of this. On line 22, on page 2 of the amendment, it reads: Nothing in Sections 1 through 4 of this act shall be construed to require some or all of the member school districts of an allied system to consolidate or merge. Don't know how much more distinct I could make it. It also would provide a reimbursement for additional expenses, because there will be some as far as equipment and software and labor in order to do this. It also would make this a voluntary process through the year 2020. Gives them six years to facilitate learning how to work together or not working together, for that vantage point, if they wanted to wait another six years. And it also, because there were several people that had contacted me that thought they would rather align themselves with a larger school district than necessarily three smaller school districts, so this would also allow a district that, for example, just this week I had some people in from Chadron and they thought there was a small district by Chadron that would rather align itself with them rather than with other smaller school districts. I had someone contact me from a small district up by South Sioux City that said, you know, we'd rather maybe be associated with South Sioux rather than try to find three other districts to align ourselves with. I met with the State Board of...or the state school board association last fall. There was a person from a small school around North Platte and said, gee, I think we'd rather facilitate an alignment with North Platte. Well, this permits it. But now to the real crux of the situation. Because there is such discontent on the part of small school districts, I find myself in a position where my good friend, Senator Davis, who we share an office with, has continued to try to persuade me to do a study in the interim to see what is available and what's not. But I do have to say through this process how disappointed I am in the lobby in relationship to education. I wanted to go on record that we have 249 school districts in the state of Nebraska and, Senators, I will let you know how many superintendents of school districts that contacted myself in relationship to this bill because they were so concerned or they wanted to maybe clarify what it was going to do. The answer to that question is zero. Not one superintendent in the state of Nebraska took the time to call my office and speak with me in relationship to this bill that

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was supposed to devastate small school districts in the state of Nebraska. I took the time to meet with the lobby. I took the time to meet with Jon Habben from NRCSA twice in my office. After he testified at the hearing, I went out in the hallway and I asked him what I could do to help improve this bill, what would make it better. His response to me is, you know what, I send out a memo every Friday; I'll ask for input; I'll let you know. The following Tuesday I saw Jon in the hall and I said, Jon, what do you have for me, what are you getting? Well, we aren't done tabulating the things, I'll get back to you. Okay, fine, please do. Following Friday I saw Jon again: Jon, I'm still waiting for the information. Oh, I'll get it to you. Fellow Senators, that was almost six weeks ago. The last time that...the next time that I talked to Jon Habben was in the Rotunda of this building an hour and a half ago. If we're trying to pass legislation and trying to work on legislation that would improve education, let's come to the table. And you know what? Even if it's a bad idea, then at least have the courtesy to tell me it's a bad idea and it's just beyond resurrection. You know, we can continue to do the same thing that we've continued to do and expect different results, and I can tell you that will not work. We are losing school districts in the state of Nebraska. Right now there are ten school districts that are actively talking about merger or consolidation. And when I have someone tell me that the big problem is local control, we want to be able to decide, well, you know what? What kind of decision do you get to make when you merge or consolidate? None. You're going to end up with one schedule, you're going to end up with one calendar. And why? Because you have less schools. I may be the long...I guess I'm the wrong person to be thinking about education in small schools. I'm from a larger district, but I was trying to make sure that we kept small schools alive and well in the state of Nebraska. Evidently that's not important. They'd rather die than be helped or communicate or try to work together. You know, I've got 150 letters from local board members or superintendents all saying how bad a bill it is, or that we could do that. That was another big one: We could do that right now. Well, my gosh, if we could do it why aren't we? If we know it improves education why don't we? But I've come to the conclusion, in talking with my good friend again, Senator Davis, that the best route might be to do just that, to see what's available. Because I want the conversation that we have, and believe me we will have the conversation again, to be factual, not what might be going on out there but what we are doing out there. And if we're doing a good job, I'll be the first to say that. But if we've got places for improvement and things that can be done that will improve it, you're going to see another bill next year. Senator Sullivan, are you...could you answer? Would you yield for a second? [LB682]

SENATOR GLOOR: Senator, would you yield? [LB682]

SENATOR SULLIVAN: Yes, I will. [LB682]

SENATOR SCHEER: Senator, do you think it would be important or would you support an interim study on the effects of education, especially in smaller communication...smaller communities that would look at how we share services, share

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and coordinate activities to broaden education in the state of Nebraska? [LB682]

SENATOR SULLIVAN: Well, I think it would be needed because, first of all, as you and I have talked numerous times, I think we are of the same opinion that what our goal is, is to enhance educational opportunities and achieve excellence in education. And if we can do that by having more shared resources beyond what is already taking place, then all the more reason to take a look at it. [LB682]

SENATOR SCHEER: Thank you, Senator Sullivan. You know, I'll close before...one last comment that I guess I would make. And if it sounds like I'm venting, perhaps I might be, because I just see such a waste of educational opportunities for the state of Nebraska. [LB682]

SENATOR GLOOR: One minute. [LB682]

SENATOR SCHEER: But it almost appears to me that some of our small school districts are saying don't innovate; let's consolidate. Really? Is that what education is about? Mr. President, I would move...I have a motion to bracket my bill and I would ask for unanimous consent of that, please. [LB682]

SENATOR GLOOR: Seeing no objections, so ordered. Mr. Clerk, for some items. [LB682]

ASSISTANT CLERK: Mr. President, new bills: (Read LB986A, LB987A, and LB1087A by title for the first time.) New resolutions: LR483, by Senator Karpisek; LR484, by Senator Karpisek; LR485, by Senator Karpisek; LR486, by Senator Karpisek. Those will be laid over. I have a Reference report referring LR482 to Natural Resources. Amendments to be printed: Senator Karpisek, to LB845. (Legislative Journal pages 898-900.) [LB986A LB987A LB1087A LR483 LR484 LR485 LR486 LB845]

SENATOR KRIST PRESIDING

SENATOR KRIST: Next item.

ASSISTANT CLERK: Mr. President, the next bill is LB946, introduced by Senator Murante. (Read title.) The bill was read for the first time on January 16 of this year; it was referred to the Government, Military and Veterans Affairs Committee. That committee placed the bill on General File, with committee amendments. (AM2047, Legislative Journal page 644.) [LB946]

SENATOR KRIST: Senator Murante, you are recognized to open. [LB946]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. I rise

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today to introduce LB946, which began as, essentially, a cleanup bill for several provisions in the Election Act and evolved into a very collaborative process with Chairman Avery and various members of the Government, Military and Veterans Affairs Committee as well as other members of this Legislature who had bills pertaining to the Election Act within the Government, Military and Veterans Affairs Committee. I will start off by introducing the provisions in the green copy of the bill. But, as you will find out when Senator Avery introduces the committee amendment, several other bills which were presented to the Government, Military and Veterans Affairs Committee are included in the committee amendment, and I support all of those. This was a very collaborative process insofar as the provisions in the green copy of the bill and the provisions which are included in the committee amendment all are rooted in bills which advanced from the Government Committee unanimously, which is why there are so few bills in the committee amendment, because that does not happen very often. And I want to thank the members of the Government Committee and particularly Senator Avery for his hard work and committee staff for their hard work on this bill, because it takes a lot to have so many parts come out of our committee unanimously. So I'll begin with the green copy of the bill. And you'll notice that a lot of these are fairly technical and cleanup in nature. So Section 1 deals with county canvassing board and how canvassing board members are paid. Current law says that they will receive wages at the minimum rate set in statute. In some counties, including my county, Sarpy County, we currently pay at an amount in excess of that number. So we are simply saying no less than that number. This won't change how election law is currently being practiced but will update state law to accurately reflect what our counties are currently doing. Section 2 pertains to how election commissioners can run for office. I won't get into a lot of detail, because the committee amendment strikes that section of the bill. Section 3 pertains to the office of chief deputy election commissioner, which has numerous duties and responsibilities under the Election Act but currently has no oath to take, and this simply prescribes that the chief deputy election commissioner will take an oath comparable to what the election commissioner...the oath the election commissioner him- or herself takes. The next section pertains to how the chief deputy is selected and the time line by which the chief deputy is selected. Right now, the process is, when the election commissioner is selected, the political parties who are not of that election commissioner's political party submit a list of potential candidates for the election commissioner to select to be their chief deputy. And the election commissioner has to make that selection within ten days. Unfortunately, it's not clear when that time line begins, because there are multiple political parties who send multiple lists; and so it's unclear as to when that ten-day window begins. And this basically says when they receive all of the...when the election commissioner receives all the lists from all the political parties, they have ten days after that to make their selection. Next, in Section 5 of the bill pertains to special elections under the Election Act, particularly pertaining to school districts. In the case of Omaha and Lincoln, there have been instances where there have been needed to conduct special elections which are in close proximity to their city elections, which are in April and May of off...that are not in the years of

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presidential or gubernatorial races; and this would allow the special elections to be conducted in conjunction with those city races. This will save some time, some money for the election offices, but it will also increase voter participation in the special elections for Class IV and Class V school districts. Section 6 pertains to filing fees. We all know that for a number of offices the filing fees is 1 percent of our salary. But in some instances, by the time a candidate files...after the time the candidate files for office, the salary for that position has been increased. So the effect of that is the county election commissioner clerk has to go back to the candidate who's seeking to run for office and collect the difference between what they initially paid and what the new filing fee has become due to the salary increase. What this provision of the bill basically says is, whatever the salary is as of November 30 of the year before the election, that's the salary that we're taking 1 percent, so everybody plays by the same set of rules and there's no changing of filing fees over the course of an election cycle. Section 7 pertains to elections by mail, which happen in some counties in this state and in some special elections. And as we saw in the Lincoln special election for their school district, which just happened in the past few months, there are a number of people, a significant number of people, on the voting lists who the election commissioners know have moved but they have not updated their voter registration. So it becomes very costly to send ballots to all of these people who we know have moved. So what we are permitting now is the election commissioner or a clerk to choose not to send a ballot to those people initially but to send a notice that: we know you've moved; we know you haven't updated your voter registration; if you still live at this address, this is just a safeguard; we are going to detail how to obtain your ballot and stating applicable deadlines. Section 8 pertains to when ballots which are sent by mail and have been spoiled or destroyed in some way can be returned. We are trying to open that up a little bit. The current standard is by noon on Election Day, and we're changing that to 5:00 p.m., which is in accordance with the remainder of when the ballots have to be returned. And also we are changing, in Section 9, that the lists of registered voters who have returned their ballots in special elections are open to the public. We already do that in early voting in regular elections, and this is just conforming the special election law, by mail, to that standard. And finally, I promise, Section 10 pertains to how overtime costs for the election...the employees of the election commissioner are paid. Right now, when a political subdivision has something on the ballot, they have to pay for the costs, and there is a number of instances where the statute explicitly details what needs to be paid for by the political subdivision, but the overtime costs of the permanent employees are not included in that at the moment. So that is what the bill does, in its totality. So I will let Senator Avery introduce what is being added in the committee amendments, and I would encourage your support of LB946 and the committee amendments. Thank you, Mr. President. [LB946]

SENATOR KRIST: Thank you, Senator Murante. As the Clerk stated, there are amendments from the Government Committee. Senator Avery, as the Chair, you're recognized to open. [LB946]

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SENATOR AVERY: Thank you, Mr. President. This amendment, AM2047, contains several provisions, including provisions of four legislative bills that the committee discussed and voted on unanimously on all four. And we tried not to put controversial bills in this amendment, but then I've learned around here that what you think is noncontroversial sometimes becomes quite heavy lifting. But let's proceed. First, the committee amendment reinstates language prohibiting an election commissioner from holding elective office or becoming a candidate for elective office within six months after leaving office. That was not in the green copy and we put it back in. Second, the amendment changes the time when a voter may receive a replacement early ballot. With the change, the voter will return the statement declaring the original early ballot was lost or destroyed to the office of the election commissioner or county clerk by 8:00 p.m. on the day of the election. The current time is noon. This particular provision seemed to make sense. The polls close at 8:00. There's no reason to make them do that eight hours earlier. The amendment also changes back reporting thresholds in the Nebraska Political Accountability and Disclosure Act. We had a bill last year, LB79, that included some language relating to reporting thresholds that the committee discovered that we didn't intend for the language to be so constructed. For example, the amendment changes reporting thresholds for contributions from "\$250 or more" to "more than \$250." That's...the change in wording makes a difference. Two hundred and fifty dollars or more means you report contributions of two hundred and fifty dollars and higher. The original language was "more than \$250" and the committee felt that the existing law was sufficient and wanted to go back to that. Other thresholds were changed from "or more" to "more than," including expenditures, loans, independent expenditures, out-of-state contributions, and when a committee is formed and subject to the Accountability and Disclosure Act. The...we also included in this bill LB726 that was brought to us by Senator Scheer. LB726 changes the number of school board members for Class II and Class III school districts. The school board of a Class II school district will have no fewer than five members and no more than nine members. Currently, Class II school districts have six members. The feeling was here that we wanted to give the board flexibility and that we wanted them to have uneven numbers of members. The number of members to be elected at the statewide general election and the terms for which they will be elected will be determined by the county election official with the aid of the secretary of the school board. Terms will be staggered so that approximately half the members are elected to the board at the general election for four-year terms. The school board of a Class II (sic) school district will have no fewer than five members and no more than nine. Currently Class III school districts have six or nine members. This is similar to the change we made or we are proposing in the Class II school districts. The school board of a Class II or a III school district may, by resolution adopted in an odd-numbered year, provide for a change in the number of members on the school board to a minimum of five and a maximum of nine. The change will be effective at the beginning of the term of office for school board members elected at the next statewide general election. LB726 outlines what needs to be included in the resolution, including

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the change in the number of members to be added or eliminated, when the changes take effect, and whether the members are nominated or elected by district or ward. LB726 was advanced from the committee on an 8-0 vote, and Senator Scheer will be addressing this when we get to that point and he will probably add a little bit more specificity to this. Then we also included the provisions of LB743 brought to the committee by Senator Murante. LB743 provides that the term of any person elected to serve a four-year term in a governmental body starts on the day of the meeting of the body at which the member is sworn into office. The second half of the term starts on the day of the meeting of the body at which the members are sworn into office in the second calendar year after the term begins. This essentially defines when a term ends and when a term begins. We have had some dispute among the Secretary of State and the Attorney General's Office as to when a term actually ends and when one starts. This will clarify that. The provisions do not apply to the State Board of Education and that is because they take office before they actually meet, I believe that's the case, and we decided not to get into that brier patch. LB743 was advanced from the committee on a 7-0 vote with 1 member absent. Again, the committee statement is available for additional information on this bill, if you want to look at it, and Senator Murante will also be addressing this in more detail. Then we come to the provisions of LB833 brought to us by Senator Dubas. Except when county offices are consolidated in each county having a population of less than 150,000 inhabitants, the question of electing a county surveyor in the county will be submitted to the voters of the county at the statewide general election in 2020. If a majority of votes cast are against the election of a county supervisor or, excuse me, a county surveyor, the office of county surveyor will cease to be an elected office. The office will be filled by the county board employing a surveyor on a part-time or a full-time basis. If a majority of the votes cast are in favor of the election of a county surveyor, the office will continue to be elected. If there is no county surveyor in the office, a county surveyor will be elected at the next general election. The provisions of LB833 also provide that if a county has an elected surveyor in office on January 1, 2020, the county board may, prior to February 1, 2020, following a public hearing, adopt a resolution to continue to elect the county surveyor and not to submit the question to the voters at the statewide general election in 2020. A county board beginning in 2021 may submit the question of electing a county surveyor to the registered voters if the county board adopts a resolution or a petition... [LB946 LB79 LB726 LB743 LB833]

SENATOR KRIST: One minute. [LB946]

SENATOR AVERY: ...is signed by at least 10 percent of the registered voters. The form of the submission upon the ballot will be the election of a county surveyor against election of a county surveyor--for or against. Senator Dubas will be commenting on this in more detail, and she also has an amendment that addresses some of the objections raised by the surveyors. This, too, was advanced 7 to 0 from the committee. Provisions of LB1084, these were brought to us by Senator Murante. This LB1084 adds cities to

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the Section 32-567 which deals with how we fill vacancies in elected positions, and I can explain that in detail if you ask me questions after my time runs out. This bill, LB1084, was advanced from the committee on a 7-0 vote. Finally, the amendment adds a severability clause and an operative date of January 1, 2015. We need the severability clause because if this gets challenged in the courts, we don't want the whole bill to go down but a section could be declared unconstitutional. With that, I will close. I think I'm out of time anyway. [LB946 LB1084]

SENATOR KRIST: Time, Senator. [LB946]

SENATOR AVERY: Thank you, Mr. President. [LB946]

SENATOR KRIST: You bet. Mr. Clerk for an amendment. [LB946]

ASSISTANT CLERK: Mr. President, I do have amendments to the committee amendments. The first, from Senator Avery, is AM2121. (Legislative Journal page 786.) [LB946]

SENATOR KRIST: Senator Avery, you're recognized to open. [LB946]

SENATOR AVERY: Thank you, Mr. President. AM2121 is...has an interesting history. We actually have dealt with this before. With this amendment, any registered voter, who was not a candidate in the primary election and who was not registered to vote with a party affiliation on or after March 1 and before the general election in the calendar year of the general election, may have his or her name placed on the general election ballot for a partisan race by petition or nomination by the political party. Basically, this amendment allows a person who is not registered with a political party during an election year to either petition on the general election ballot or to be nominated by a political party if there is a vacancy on the ballot. Let me give you some background on this amendment. This was actually...it was contained in a bill last year I believe, LB219. It's about increasing access to the ballot for candidates in partisan races. LB219 had language that was added in 2011 in a bill that had the number LB449. LB449 was an omnibus election bill. It was heard by the Government Committee. And this is important, folks. The Government Committee took out the provision that is now current law regarding how candidates petition on to general election ballots. On Select File, this provision that the committee had removed from the bill was put back into the bill one of those days when there were not a lot of people on the floor and people were called back on a call of the house and probably didn't hear the full debate on that. And it was put back in over the objection of me, the Chair of the committee that had taken it out, and other members of the committee. And the bill was passed. The argument for putting it back into the bill was that it prevented candidates from skipping the primary process. Now I argued from the beginning that prohibiting voters who are registered with a political party with...to petition on to the general election ballot raised constitutional

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concerns because it involves restricting ballot access. And the Supreme Court has been very clear that if you are going to have laws that restrict access to the ballot by candidates, you must have a compelling state interest in doing so. There were no arguments made on the floor that established a compelling state interest to do what we did, so this is a corrective. I would point out that Senator Wightman brought this bill last year and it did not advance on the floor because I think we ran out of time. I asked the question during debate on LB449 many times why...what was the compelling state interest; could not get a straight answer on that. During the hearing on Senator Wightman's bill, the committee heard testimony from a potential candidate for the United States Senate who had attempted to file to get on to the general election ballot. This person was told that he could not get on the ballot because he was a registered Democrat on January 1, even though he registered as a nonpartisan shortly after the beginning of the year. He was barred under this current law from being able to petition on to the ballot as an independent. My main purpose for introducing this amendment is to provide greater ballot access for people who want to petition on to a general election ballot for partisan races. The amendment will ensure that the situation with this Senate candidate described above will not happen again. This advanced from the committee on a vote of 8-0. I urge your adoption of this amendment. Thank you, Mr. President. [LB946 LB219]

SENATOR KRIST: Thank you, Senator Avery. You've heard the opening on the amendment to the committee amendment to the bill. In the queue: Senator Scheer, Senator Dubas, and Senator Burke Harr. Senator Scheer, you are recognized. [LB946]

SENATOR SCHEER: Thank you, Mr. President. You know, I was just taking a drink, my last of my sodas this morning, and I really appreciated the fact when I looked at my mug, it gave me a reason while I'm here and I think why we're all here is that's the future of the state of Nebraska. So I just thought it might add a little bit, something to your thought pattern. We're all going to be gone a lot sooner than these folks will be, so bear in mind what we're doing has a long-term, lasting effect. Having said that, more to the point, LB726 was my bill. A little historical data very quickly, I don't want to burn any more of your time, it's gotten late. The reason for that, when we started maneuvering school districts, consolidating, merging back in the '90s, school districts wanted to have as many people as possible on those new boards. Thus, we started having nine-member boards and now it's gotten to the point where it's a long enough period of time that they're wanting to have maybe a smaller number to facilitate easier and quicker decisions from that vantage point. And quite honestly, probably in some areas they might be having a difficulty finding nine people that are willing to take the time to serve on those boards, as they are on a lot of different boards in all areas. It doesn't have to be a small community. It could be a large community. But a simpler explanation than the one that was...that preceded me, very simply, a Class II school district, that's under 1,000 people as far as a community; Class II (sic) school district, those communities less than 100,000 people. So essentially, this would have an effect on

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every school district other than LPS and OPS. So simply put, this just allows those local communities to decide what size, between five and nine, that they would like to have represent them as a community. And very quickly on LB743 in relationship to the State Board of Education, just to clarify for Senator Avery, the reason that the State Board of Education was left out, this had to do with term limited positions and how long they could serve once they were brought into a specific term. The State Board of Education is not a term limited board so it really has no bearing at all when they may or may not take effect during someone's term. So it really became a moot point. So that's just a little clarification on LB743. I urge support on all the underlying motions as well as LB946, and would appreciate your support in that. Thank you very much, Mr. President. [LB946 LB726 LB743]

SENATOR KRIST: Thank you, Senator Scheer. Senator Dubas, you're recognized. [LB946]

SENATOR DUBAS: Thank you very much, Mr. President. I will speak to my portion of the committee amendment right now, and then I'll also have an amendment to make some further clarifications to that amendment at a later time that I'll speak to. But this bill is just kind of clarifying some residency requirements and it's also allowing counties to make the decision to put in front of the voters as to whether they want to continue to have the county surveyor as an elected position in their county or as someone that they shall appoint as a surveyor. If they're an elected official, the resident requirement does apply. If they are an appointed position they do not need to reside in the county. Or if the county has chosen to keep the election requirement in place but nobody ran and they ended up...and they end up having to appoint someone, the residency requirement again will not apply. This bill came to me, there were some issues in my district that were raising some questions as far as clarifications. I think it needs to be stated that counties are required to have a surveyor and we do need surveyors and their expertise and their understanding. When it comes to the ability to determine corners and property boundaries, I mean it's important for government officials as well as landowners. So counties do need to have a surveyor. We have counties who are sharing surveyors, counties who are not feeling the need to have a full-time surveyor. But at this point, counties are required to have surveyors. This will just give those counties flexibility. If they determine they don't feel the need to have this be a full-time position, they can eliminate it as an elected position, go to it as an appointed position. Gives them some flexibilities when it comes to determining budgets and sharing with other counties, etcetera. So again, this bill is just clarifying...this portion of the amendment is just clarifying residency requirements and giving voters in counties with a population of 150,000 people or less, and that's the majority of our counties, the ability to decide whether they want to continue to have this as an elected position or not. Again, I want to state counties must have a surveyor. This is just whether it will be elected or an appointed position. Thank you. [LB946]

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SENATOR KRIST: Thank you, Senator Dubas. Senator Burke Harr, you're recognized. [LB946]

SENATOR HARR: Thank you, Mr. Speaker. Members of the body, this is an omnibus bill. It has...you might call it omnibus; might call it Christmas tree. And elections are very personal to people. When you stand and run for election, you're putting yourself out to the public and it means a lot to you. And when you lose, you're awfully angry and you're bitter. And so this area of law is often litigated and I think we need to be very, very, very careful. There are some issues I have with this as it's currently written. And because it's a Christmas tree bill and there are a lot of original introducers who have certain selections, I'm going to be bouncing around a little bit. And I guess what I would do is I would start with Senator Dubas, if she would yield to a question, please. [LB946]

SENATOR KRIST: Senator Dubas, will you yield? [LB946]

SENATOR DUBAS: Yes, I will. [LB946]

SENATOR HARR: Thank you, Senator Dubas. And it's my understanding that you are most concerned in this bill or at least for part of Section 2, which has to do with county surveyors. [LB946]

SENATOR DUBAS: Correct. [LB946]

SENATOR HARR: Okay. The language says, "a person who is elected to be the county surveyor shall reside in the county for which he or she was elected to hold such office." Is that...and this is something I think I talked to you off mike, I think we can correct between General and Select but I just want to clarify, is that they have to be a resident. So they don't have to be at the time of filing. Do they have to be at the time of election or at the time of swearing in? [LB946]

SENATOR DUBAS: That's...and I thank you for bringing that to me. That's probably a point that needs to be clarified because they don't have to be a resident when they file. But stating that they do have to be a resident once they're elected, I think that does need to be cleared up, does that mean before the election or does that mean when they're sworn in. So I'd be happy to work with you... [LB946]

SENATOR HARR: Okay. [LB946]

SENATOR DUBAS: ...to make sure we get that clear in the way it needs to be stated. [LB946]

SENATOR HARR: All right. Thank you. And if I could, I'd like to state a preference. I think it should be at the time of election, just because we want someone who knows the

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area when they're elected and we want to be able to be sure they know that area. But I'll work with you between General and Select. Senator Murante. [LB946]

SENATOR KRIST: Senator Murante, will you yield? [LB946]

SENATOR MURANTE: I will. [LB946]

SENATOR HARR: Thank you. I have a question regarding what I refer to kindly as the Fulton amendment... [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: ...which is Section 11. [LB946]

SENATOR MURANTE: Of the committee amendment. [LB946]

SENATOR HARR: Of the committee amendment, yes. [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: It says, "The term of any person elected to serve a four-year term in a governmental body other than the State Board of Education." [LB946]

SENATOR MURANTE: Uh-huh. [LB946]

SENATOR HARR: First question is, why do we exclude the State Board of Education? [LB946]

SENATOR MURANTE: Because of the next portion of that which states that it "starts on the day of the meeting of the body at which the members are regularly sworn in." [LB946]

SENATOR HARR: Yeah. [LB946]

SENATOR MURANTE: Members of the State Board of Education are not sworn in on the meeting of the body of the first day. They're sworn in on the first day of the Legislature on the floor. So it wouldn't make sense to say everyone with four-year terms because the State Board of Education isn't sworn in when they...the first day they meet. They're sworn in on the first day of the Legislature. [LB946]

SENATOR HARR: I don't think I understand what you're saying. [LB946]

SENATOR MURANTE: Okay. So it says this standard is if we include the State Board of

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Education, what we're saying is... [LB946]

SENATOR HARR: Yeah. [LB946]

SENATOR MURANTE: ...the term of any person elected to serve a four-year term in a governmental body starts on the day of the meeting of the body at which members are regularly sworn in. Their term, the members of the State Board of Education, their term does not start the day of their first meeting... [LB946]

SENATOR KRIST: One minute. [LB946]

SENATOR MURANTE: ...because they're not sworn in the day of their first meeting. [LB946]

SENATOR HARR: Okay. So if they...let's say someone resigned today. [LB946]

SENATOR MURANTE: Uh-huh. What's that? [LB946]

SENATOR HARR: If someone resigned today,... [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: Governor appoint... [LB946]

SENATOR MURANTE: From the Legislature or the State Board? [LB946]

SENATOR HARR: We're on State Board right now. [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: Someone resigns from the State Board. [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: A new person is appointed in June. When would their term begin? [LB946]

SENATOR MURANTE: I see what you're saying. I see what you're saying. Their term would begin, I think on a constitutional basis, when they're sworn in. [LB946]

SENATOR HARR: Okay. You think. We'll work on that between General and Select. [LB946]

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SENATOR MURANTE: Okay. But I see where you're going with that. Yeah, okay. [LB946]

SENATOR HARR: Okay. [LB946]

SENATOR MURANTE: I'm not sure the statute would apply to anything because of...okay, but continue. [LB946]

SENATOR HARR: All right. And we have a less than a minute here. I will... [LB946]

SENATOR KRIST: You are now on your next 5 minutes. [LB946]

SENATOR HARR: Oh, thank you very much. All right, so we're past Board of Education. Now let's go to the Legislature. All right, it says starts on the day of the meeting of the body at which members are regularly sworn into office, so that's the first...I think we're regularly sworn in the first Tuesday of the odd year. Is that correct? Or something close to that. [LB946]

SENATOR MURANTE: Yeah, it's the first Wednesday after the first Tuesday or something like that. [LB946]

SENATOR HARR: Yeah, we're all in agreement on that, something like that. [LB946]

SENATOR MURANTE: Yeah. Uh-huh. [LB946]

SENATOR HARR: Okay. So let's say someone passes away in July. [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: A senator, a legislator passes away in July. Next session doesn't start till January. [LB946]

SENATOR MURANTE: Uh-huh. [LB946]

SENATOR HARR: In between does that district have a state senator because someone's term hasn't begun? [LB946]

SENATOR MURANTE: Repeat the question for me again. I'm sorry. [LB946]

SENATOR HARR: Okay. Person dies in July. New member is appointed in, let's say, October, but their term doesn't begin till January. Is that district represented between October and January? [LB946]

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SENATOR MURANTE: Yes. [LB946]

SENATOR HARR: By? [LB946]

SENATOR MURANTE: The person who was sworn in to represent the district. [LB946]

SENATOR HARR: Okay. But their term hasn't begun. [LB946]

SENATOR MURANTE: The term has begun, and that's an important note. Whether a person...the question on the table, at least from a constitutional perspective, is to whom does the term belong, because it sounds like we're having a disagreement as to who is the duly elected or appointed and sworn in representative versus the term. And just because a person is elected and sworn in doesn't necessarily mean that that is their term of office, because a person has a four-year term that begins... [LB946]

SENATOR HARR: Well, if you look at the language... [LB946]

SENATOR MURANTE: Uh-huh. [LB946]

SENATOR HARR: ...you know, of any person elected to, those are preposition, it says the term starts... [LB946]

SENATOR MURANTE: Right, that is when the... [LB946]

SENATOR HARR: ...on the day of the meeting of the body at which the members of are regularly sworn into office. [LB946]

SENATOR MURANTE: Correct. [LB946]

SENATOR HARR: That means the term begins then, so. [LB946]

SENATOR MURANTE: Correct. But I think maybe perhaps a...let me use specifics and get out of the abstractions. A good example is Senator Mick Mines resigns from the Legislature and Senator Lautenbaugh is appointed. Senator Lautenbaugh is filling the remainder of Senator Mines's term by being sworn in. It doesn't become Senator Lautenbaugh's term. It is...he is filling the remainder. And he will have...and he had to run for an election to fill the remainder of Mines's term, but it wasn't his, Lautenbaugh's, if that makes sense. [LB946]

SENATOR HARR: Except, except this doesn't say of a person appointed. It says, "The term of any person elected to serve," elected, not appointed, "elected to serve a four-year term." [LB946]

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SENATOR MURANTE: Because a term can only begin after an election and a person gets sworn in. [LB946]

SENATOR HARR: So the second half... [LB946]

SENATOR MURANTE: What happens after that doesn't change the four-year term. And who... [LB946]

SENATOR HARR: I guess I get what you're saying. I may want to work with you on this because I think what we want to clarify, we want to make sure that we don't have a situation where a senator is appointed in October... [LB946]

SENATOR MURANTE: Right. I see what you're saying,... [LB946]

SENATOR HARR: ...and... [LB946]

SENATOR MURANTE: ...but the problem isn't...if what you're saying, if your definition of a term was the constitutional definition, we have, state senators, have four-year terms. [LB946]

SENATOR HARR: Yeah. [LB946]

SENATOR MURANTE: If a person became, once they were sworn in, that term became theirs, then they would have a four-year term commencing at the point where they were sworn into office. That's not how it works. Their term elapses when the person who was elected at the election in which the term began got sworn into office irrespective... [LB946]

SENATOR KRIST: One minute. [LB946]

SENATOR MURANTE: ...of any appointments or... [LB946]

SENATOR HARR: Okay. I get it. Okay, thank you. I appreciate the time. I guess I have a little bit of concern. I want to make sure we're very clear. I don't want to make...I want to make sure this is about legislative terms and not legislators. I don't want to have a situation. I mean this is, we all know why this is here this year because of Tony Fulton and what happened to him, Senator Fulton, former Senator Fulton. But what I want to make sure we don't have happen is that someone gets appointed in October, special session in November, there isn't a senator there or, heaven forbid, that senator doesn't get paid for those couple of months because it's not their term. I see where Senator Fulton is going. Maybe I don't have a problem with that. And then I do have another question for clarification between General and Select, but I'll work with other senators on that. Thank you. [LB946]

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SENATOR KRIST: Thank you, Senator Harr and Senator Murante. Senator Bloomfield, you're recognized. [LB946]

SENATOR BLOOMFIELD: Thank you, Mr. President. Colleagues, I think I fall into the situation that Senator Harr is talking about. I was appointed in December after Bob Giese resigned. I will have served...well, I served two years and a short month of his term. I was reelected to a four-year term and at the end of that four-year term I am done. I can serve a total of six years and I don't believe, as we discussed in committee, that this changes that. If that would answer your question, Senator Harr, that's fine. Otherwise, I will yield you the remainder of my time so you can proceed. [LB946]

SENATOR KRIST: Senator Harr, you're yielded 4 minutes. [LB946]

SENATOR HARR: Thank you, and I appreciate that. The issue here is we are allowed to serve two terms, okay? And all we're doing is defining when halves of the terms exist. That's what this amendment does. So the question becomes, if you're elected in November or if you're appointed in November, the second half of the term begins in January. So if you're appointed in December, does that mean you're serving...is that part of the first term, which that means you can only run for reelection is how I interpret this, but I don't think that's what we...I'm not sure if that's what we want to do or not. And that's where I'm unclear. To Senator Bloomfield's point, does he, with this amendment, can he run for reelection again? It would appear to me he couldn't, and I'm not sure. If that's what we want to do, that's fine. But I think we need maybe one more sentence, and I'm not sure what that sentence is, that lays out a real-world example. Would Senator Murante yield to a question? [LB946]

SENATOR KRIST: Senator Murante, will you yield? [LB946]

SENATOR HARR: So let's talk about Senator Bloomfield for a second, since he's here. [LB946]

SENATOR MURANTE: Okay. [LB946]

SENATOR HARR: If this law were to pass, this, excuse me, this section, would Senator Bloomfield be able to run for reelection another time? [LB946]

SENATOR MURANTE: It is my understanding, no, because he was sworn in... [LB946]

SENATOR HARR: Prior to the start. [LB946]

SENATOR MURANTE: ...unquestionably with beyond more than half of a term. [LB946]

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SENATOR HARR: Okay. Okay. And that's your intent, right? [LB946]

SENATOR MURANTE: It is certainly not my intent to allow Senator Bloomfield to run for another election. (Laughter) [LB946]

SENATOR HARR: All right. All right, well, I appreciate that. Thank you, Senator Murante, and thank you, Senator Bloomfield, for the time to clarify that you have limited your time. [LB946]

SENATOR KRIST: Thank you, Senator Bloomfield, Senator Harr, and Senator Murante. Seeing no one else in the queue, Senator Avery, you're recognized to close on your amendment to the committee amendments. [LB946]

SENATOR AVERY: Well, my amendment is not really very technical. It has constitutional implications. We made a mistake in 2011 and I think that we should have corrected it already. Senator Wightman tried to do that and we didn't; we ran out of time. We have time to correct it now and I urge you to do that. Thank you, Mr. President. [LB946]

SENATOR KRIST: You've heard the closing on AM2121 to AM2047. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB946]

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of the amendment, Mr. President. [LB946]

SENATOR KRIST: Amendment is adopted. Mr. Clerk for an amendment. [LB946]

ASSISTANT CLERK: Next amendment is from Senator Murante. It's AM2120. (Legislative Journal page 786.) [LB946]

SENATOR KRIST: Senator Murante, you're recognized. [LB946]

SENATOR MURANTE: Thank you, Mr. President and members. I will keep this introduction brief. This is what has been lovingly referred to as the faithless elector bill, and this has a lot of history to it, a lot of philosophy to it. And I think Larry Ruth, who is in the Rotunda right now, has worked on this for a very long time and deserves quite a bit of appreciation and gratitude for his work on it. And I'll summarize very briefly by saying that what this amendment ensures is that whoever wins the popular vote in races for President in the state of Nebraska, the electors who go to the electoral college have to vote for that person. The two electors who represent Nebraska at large have to vote for that person and then the one elector from each Congressional district have to vote for the candidate who received the most amount of votes within the respective

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Congressional district. So this is a long time coming, but I'm happy to introduce it and encourage your support. Thank you, Mr. President. [LB946]

SENATOR KRIST: The floor is now open for debate. Seeing no one wishing...I'm sorry. Senator Karpisek, you are recognized. [LB946]

SENATOR KARPISEK: Thank you, Mr. President. Senator Murante yield, please? [LB946]

SENATOR KRIST: Senator Murante, will you yield? [LB946]

SENATOR MURANTE: Absolutely. [LB946]

SENATOR KARPISEK: Thank you, Senator Murante. I just thought that I...I'm not trying to hold things up. I want to make sure that we're not confusing...anyone is confusing this with the winner take all, not winner take all, I'm sorry, national popular vote bill. [LB946]

SENATOR MURANTE: This has nothing to do either with winner take all nor national popular vote. [LB946]

SENATOR KARPISEK: I just thought I wanted to get that in there. Thank you, Senator Murante. And thank you, Mr. President. [LB946]

SENATOR KRIST: Thank you, Senator Karpisek and Senator Murante. Seeing no one else wishing to speak, Senator Murante, you are recognized to close on your amendment. Senator Murante waives closing. Question is AM2120 to AM2047. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB946]

ASSISTANT CLERK: 27 ayes, 0 nays on the adoption of Senator Murante's amendment, Mr. President. [LB946]

SENATOR KRIST: AM2120 is adopted. Mr. Clerk for an amendment. [LB946]

ASSISTANT CLERK: Senator Dubas would offer AM2204. (Legislative Journal page 810.) [LB946]

SENATOR KRIST: Senator Dubas, you are recognized to open on AM2204. [LB946]

SENATOR DUBAS: Thank you, Mr. President. As I stated when I spoke earlier, I referenced my portion of the amendment but my amendment to the amendment just clarifies for certain that counties do not have the option whether they will or they won't have a county surveyor. Counties are required to have a county surveyor, so we have

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inserted the word "shall," we've used the word "appoint," and that's basically all this amendment is doing, is just making sure that there is not an option as to whether you do or you don't have a county surveyor. There may be an option on whether it's an elected or appointed person but that you shall have a county surveyor. That's the essence of this amendment. Thank you. [LB946]

SENATOR KRIST: Not seeing anyone wishing to speak, Senator Dubas waives closing. The question is the adoption of AM2204 to AM2047. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB946]

ASSISTANT CLERK: 29 ayes, 0 nays on the adoption of the amendment. [LB946]

SENATOR KRIST: The amendment is adopted. Back to discussion on the committee amendment. Seeing no one wishing to speak, Senator Avery, you're recognized to close on your committee amendment. [LB946]

SENATOR AVERY: Thank you, Mr. President. If you will permit me, I would like to clarify the last part of my opening on the amendment, because I ran out of time. But this deals with a bill, LB1084, that we added. This also had unanimous vote in the committee but it deals with adding cities to a section of current law that defines how we fill vacancies. And if you go to current law under Section 32-567, you'll see that cities are not mentioned in that list and the city of Bellevue interpreted that to mean that they did not have to abide by the intent of this section, which also includes: Unless otherwise provided by law, all vacancies shall be filled within 45 days after the vacancy occurs unless good cause is shown and the requirement imposes an undue burden. They interpreted that to mean they were not bound by that 45-day language, so we are making that clear in this part of the amendment. Otherwise, I believe the amendment was fully discussed. I thank the members of the body that helped explain it who have a stake in this amendment, and urge you all to vote for it so we can move this forward to Select File. Thank you, Mr. President. [LB946 LB1084]

SENATOR KRIST: Thank you, Senator Avery. You've heard the closing on AM2047 to LB946. Question is the adoption. All those in favor, aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB946]

ASSISTANT CLERK: 31 ayes, 0 nays on the adoption of committee amendments. [LB946]

SENATOR KRIST: Committee amendments are adopted. Back to discussion on LB946. Seeing no members wishing to speak, Senator Murante, you're recognized to close. [LB946]

SENATOR MURANTE: I'll simply again thank Senator Avery for his hard work on this.

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Thank you for and I would appreciate your green vote and have a nice weekend.
[LB946]

SENATOR KRIST: Question is the advancement of LB946 to E&R Initial. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB946]

ASSISTANT CLERK: 31 ayes, 0 nays on the motion to advance the bill, Mr. President.
[LB946]

SENATOR KRIST: Bill does advance. Any items, Mr. Clerk? [LB946]

ASSISTANT CLERK: Mr. President, Senator Coash has an amendment to LB853 to be printed. Name add: Senator Hadley to LB998. (Also, Senator Howard has an amendment to be printed to LB853, Legislative Journal pages 901-903.) [LB853 LB998]

SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LR469, LR470, LR471. Mr. Clerk.
[LR469 LR470 LR471]

ASSISTANT CLERK: Mr. President, I do have a priority motion. Senator Gloor would move to adjourn until Tuesday, March 18, 2014, at 10:00 a.m.

SPEAKER ADAMS: Members, you have heard the motion to adjourn. All in favor indicate with aye. Opposed? We are adjourned.