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Floor Debate
February 02, 2017

[LB22 LB89 LB137 LB148 LB161 LB187 LB210 LB215 LB230 LB231 LB233 LB239 LB241
LB264 LB273 LB301 LB306 LB438 LB464 LB519 LB528]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twenty-first day of the One Hundred Fifth Legislature, First Session. Our chaplain today is Senator Geist. Please rise.

SENATOR GEIST: (Prayer offered.)

SPEAKER SCHEER: Thank you, Senator Geist. I call to order the twenty-first day of the One Hundred Fifth Legislature, First Session. Senators, please record your presence. Roll call. Mr. Clerk, please record.

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

SPEAKER SCHEER: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections.

SPEAKER SCHEER: Thank you. Are there any messages or reports or announcements?

CLERK: Mr. President, your Committee on Banking, Commerce and Insurance reports LB137, LB148, LB187, LB231 to General File; LB239 to General File; LB241 to General File with amendments. (Also, LB306) Business and Labor Committee reports LB273, LB301, and LB519 to General File. Those are reports signed by their respective Chairs. Hearing notices from the Banking, Commerce and Insurance Committee and from the Business and Labor Committee. That's all that I have, Mr. President. (Legislative Journal Pages 397-398.) [LB137 LB148 LB187 LB231 LB239 LB241 LB306 LB273 LB301 LB519]

SPEAKER SCHEER: Thank you, Mr. Clerk. Senator Chambers, you're recognized for a point of personal privilege.

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, this point of personal privilege will be very brief. I want to make it crystal clear to everybody, those people who have been calling me and worried about me being hounded by the Legislature. Any person

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who wins an election can have that election challenged by the one who lost the election. Once that challenge is made and certain preliminaries are taken care of, there's machinery that automatically clicks and goes into action. A special committee...this is under the rules of the Legislature, must be formed. That committee must conduct an investigation. At this point, private counsel has been hired, a former judge of the Nebraska Supreme Court. They will do whatever it is that committee does, then they'll make a report to the Legislature to take whatever action the Legislature wants to take. I am not being singled out. I'm not being hounded and harassed by the Legislature. The committee is doing only what it is required to do under the rules. And I wish people, in the same way that I, who am the target of all of this, not targeted by the Legislature, am not concerned. All of those on the outside, I'm appreciative of the interest, but there's no need to call me, express your concern, your condolences, or anything else. This is done pursuant to the rules of the Legislature and just let it take its course. Thank you, Mr. President.

SPEAKER SCHEER: Thank you, Senator Chambers. Mr. Clerk, we'll proceed to the first item on the agenda.

CLERK: Mr. President, LB22, bill by the Speaker at the request of the Governor deals with appropriations and reduces appropriations; has been discussed. Mr. President, yesterday, Senator Chambers had offered a motion to bracket that motion; did not prevail. Senator Chambers, I have a motion to reconsider that vote, but I understand you wish to withdraw that, Senator. [LB22]

SPEAKER SCHEER: With no objections, so ordered. [LB22]

CLERK: Mr. President, then we are back to Senator Krist's motion to recommit the bill to the Appropriations Committee. [LB22]

SPEAKER SCHEER: Okay, Senator Stinner, could you please refresh us on the underlying bill and then I will move to Senator Krist in relationship to the amendment. [LB22]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, to remind you, LB22 is part of the Governor's expedited fiscal year, 2016-17 budget adjustment recommendations. The bill makes adjustments to appropriations and reappropriations for state operations, aid, and construction programs in the current fiscal year ended June 30, 2017; provides for transfers and modifies intent language and earmarks accompanying appropriations approved by the One Hundred Fourth Legislature. I have passed out exhibits that take you through sine die in April of last year where we were balanced with \$4.5 million of excess over the 3 percent reserve. I've also provided exhibits to show the chronology of events relative to the state's fiscal status that brought us to our current fiscal dilemma. I commented on the proactive

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steps of our executive branch which they executed in response to the state's deteriorating revenue position. An exhibit was also supplied that summarized the Governor's overall General Fund adjustments focusing on three areas: reappropriation, across-the-board cuts, and strategic reductions. I've also introduced an exhibit summarizing the Governor's recommendation with the Appropriations Committee's recommendations which does roll forward actions to be taken in the next biennium. Finally, I've provided a detailed summary of proposed adjustments to LB22 as recommended by the committee. Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Stinner. Is Senator Krist available? As Senator Krist does not seem to be available, the motion is to return to the committee. It is a self-evident request, so we'll go ahead and start in the queue. Senator Harr, you are recognized. [LB22]

SENATOR HARR: Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Excuse me, Senator Harr. Senator Harr, if you could...Senator Krist is here. I will give him an opportunity to refresh our memories on the motion. Senator Krist, you are recognized. [LB22]

SENATOR KRIST: Thank you, Mr. President. And thank you for your courtesy. I was detained. The motion that is before you is to return to committee. And as I said, behind it is an amendment that would return the reappropriations back to separate branches of government and noncode agencies in the state. If we don't return it to committee, they can't effectively go through the proper changes and put it back up. But if we do vote the return to committee down, then we would go to my amendment, I would think, next, unless another priority motion is put up. So I think that brings us up to speed, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Krist. Senator Harr, you are recognized again. Thank you. [LB22]

SENATOR HARR: Thank you, Mr. Speaker; thank you, Nebraska, good morning. I listened to Senator Stinner's opening and I thought about over...I listened to it yesterday, thought about it overnight, and heard it again this morning and I guess going off of what Senator Linehan said yesterday, I oftentimes do defer to the Appropriations Committee. And now I'm, quote unquote, a senior, and I am trying to figure out how the appropriations process really work. And I realize there's a lot I don't know. And I guess I would ask if Senator Stinner would yield to a question. [LB22]

SPEAKER SCHEER: Senator Stinner, would you please yield? [LB22]

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SENATOR STINNER: Yes. [LB22]

SENATOR HARR: Thank you and good morning. I appreciate you taking my question...or questions, I should say. My first question is, I heard you state that the executive branch withheld funding when it became apparent that we were having a revenue shortfall, is that correct? [LB22]

SENATOR STINNER: Yes. [LB22]

SENATOR HARR: Okay. And by what authority did the executive branch do that? [LB22]

SENATOR STINNER: The Budget Office, and there are several statutes that talk about an allotment process, simply because revenue does not come in at the front end of the year, it comes in over every month. So they accumulate those dollars and then disperse them to the various agencies based on a budget or an allotment process. That is put in statute. There are designees that can allot at different levels, at different paces based on what the needs are. [LB22]

SENATOR HARR: Okay, and what is the normal allotment process? [LB22]

SENATOR STINNER: Normal allotment process would be 25 percent. I think I passed out an exhibit that kind of gives you the current situation at 24, 24, 24; and I left it blank so that you know that if we don't pass this, all the appropriations then goes back out to the agencies to make up 100 percent. If you do embrace the 4 percent across the board cuts for 30 percent of the appropriations, then the 24 would come in and the 4 percent...or 96 percent would have been dispersed out to the various agencies. [LB22]

SENATOR HARR: Okay. And so it is normal to give quarterly which means 25 percent each quarter, is that correct? [LB22]

SENATOR STINNER: That is a good cash management, yeah. [LB22]

SENATOR HARR: Okay. And what the Governor did in this instance is he handed out 24 percent instead of 25? [LB22]

SENATOR STINNER: The Budget Office made the decision, probably, through the Governor's Office that there was a financial crisis that needed to be responded to immediately. This was one of the steps that they took, yes. [LB22]

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SENATOR HARR: Okay. So it was 24 percent of their normal allotment? [LB22]

SENATOR STINNER: It was 1 percent less per quarter, or about 4 percent for the year. [LB22]

SENATOR HARR: So over a year it would be 4 percent. Okay. And to your knowledge, and I know you only were made Chair of Appropriations at the beginning of this session, was there any conversation with the Legislature before this was done? [LB22]

SENATOR STINNER: It wasn't with me. I don't know if it was with anybody else in the Legislature, but I also understood it once...once that first quarter went by, I understood what was implemented. [LB22]

SENATOR HARR: Okay. You understood, but you didn't have as, and I will say heir apparent to Appropriations Chair, any conversations with the executive branch? [LB22]

SENATOR STINNER: No. [LB22]

SENATOR HARR: Okay. And do you know if Chairman Mello had any conversations with the executive branch? [LB22]

SENATOR STINNER: I can't... [LB22]

SENATOR HARR: And that's if you know, if you don't know, that's fine. [LB22]

SENATOR STINNER: I have no idea. [LB22]

SENATOR HARR: Okay. And maybe I need to follow up with him. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR HARR: Thank you. And I guess my final question, since we're on last, is, do you know...and if this has ever occurred before where the executive branch has unilaterally withheld funds to agencies? [LB22]

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SENATOR STINNER: You know, I am sure that it has happened before, simply because we've had special sessions. We have run out of money. This is a situation we weren't running out of money, but certainly certain steps, proactive steps needed to be taken. [LB22]

SENATOR HARR: Okay. You say you don't know, but you're sure it has been...can you cite a specific time when it was done? [LB22]

SENATOR STINNER: I do have a list of all the special sessions you have. So I presume that that's... [LB22]

SENATOR HARR: Okay. But do you know if it was done unilaterally? In a special session it is done with a consent vote. [LB22]

SENATOR STINNER: I have no idea. [LB22]

SENATOR HARR: Okay. And I appreciate that, thank you for your time. I will be hitting my light. I am just trying to figure out the process a little bit more today, as far as how and why this was done in the way it was, so I appreciate your time, Chairman Stinner. Thank you, Mr. Speaker. [LB22]

SPEAKER SCHEER: Thank you, Senator Harr. Senator Chambers, you are recognized. [LB22]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, whatever form the discussion on this bill takes, I think is worthwhile. The budget is the only thing under the constitution we have to do. But this is not the main budget bill. We don't have to pass this bill. I would like to ask Senator Stinner a question before I go further. [LB22]

SPEAKER SCHEER: Senator Stinner, would you please yield? [LB22]

SENATOR STINNER: Yes, I will. [LB22]

SENATOR CHAMBERS: Senator Stinner, if this bill is not passed at all, what will the negative impact be on the state's financial situation? [LB22]

SENATOR STINNER: The negative impact would be that all of this would move...all of these adjustments then would have to be made in the biennium. [LB22]

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SENATOR CHAMBERS: But they could be made because...that's all I will ask because I don't want to stay on this a long time. Thank you, Mr. Chairman. Members of the Legislature, the Governor is in control of the Legislature. Barnum and Bailey went out of business. I made the statement on the floor that Barnum and Bailey went out of business not because of animal lovers such as myself who didn't like the cruelty used in making those animals behave in a very degraded, inhumane manner, but because a bigger circus was in Washington, D.C. And Barnum and Bailey could not compete with the "Trumpian Circus." Well, they heard about that, and they were grumbling and said that something needs to be done about that uppity, impudent senator in the Legislature in Nebraska. So the Governor raised his hand; and Donald Trump said, who is now the President, I know you from somewhere, where have I seen you before? And the Governor said, well, my family is the one that had a lot of very negative things to say about you when you were running and you had even been made by the party their nominee. And we had talked about, my family had, talked about all the bad things you had done and how unfit you were and on and on. My family was praised by the Lincoln Journal Star about how the Ricketts family is taking the right approach, they're standing up to Donald Trump, and they're not going to be bullied. Then, Mr. President, I have to say this, and I'm kind of embarrassed, but you put a paper...you put something in the paper that scared my family to death. You said those Ricketts had better be careful and you only gave us two Ts in our last name in your tweet, but we knew who you were talking about. And you said that those Ricketts had better be careful because there's a lot that is known and it can be made public. And to be honest, and the sweat not only popped out on his forehead, it popped out on top of his head too. Sweating from the top of his head down to his feet, he said, but...but my family made an atonement, my daddy contributed over \$1 million to you, so I am hoping that everything is all right and I just wanted to get that out of the way. And Donald Trump said, yeah, we'll let bygones be bygones, but I got to tell you a little joke first. There was an archbishop, and he was considered to be a great fella in the little village where he lived. But there was a lady who worked for him, a housekeeper, and she felt that every important man, a man being what a man is, of course, and you know the kind of things that I said about... [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR CHAMBERS: ...where you can grab women if you want to when you're famous. Men will be men and they have skeletons in their closet. So she wanted to demonstrate that. In the mirror where the archbishop would look every morning before shaving, she simply wrote on the mirror--I know your secret. The archbishop, first thing after going in the bathroom to shave, disappeared and was never seen or heard from again. All she said was--I know your secret. So I thought I would use that on your family. You know what skeletons are in your closet. And it worked. So, now that my time is out this time, I'm going to put on my light and tell you what was dictated to...or what promise was made...or arrangement was made by Governor Ricketts to President Trump to take some of the heat off President Trump. Thank you, Mr. President. [LB22]

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SPEAKER SCHEER: Thank you, Senator Chambers. Senator Morfeld, you are recognized.
[LB22]

SENATOR MORFELD: Thank you, Mr. Speaker. I appreciate Senator Harr asking more questions and Senator Krist in terms of the process in which the Governor has withheld funds. I have read the opinion by former Justice White, and I've looked into the constitution myself and done my own research, and I also come to the conclusion that what the Governor did was improper and what he is doing right now is improper because a budget is more than just a direct allocation from the Legislature to the Governor's office to do as he sees fit. If that was the case, the Governor would come to us and say I need \$4 billion, thank you. And we would decide whether or not to give them \$4 billion. Instead, we specifically allocate funds to go to certain programs and to be allocated pursuant to law with the intent of the Legislature. The intent of the Legislature is well mapped out by the budget bill that the Appropriation Committee brings to this floor. And when the Governor does things that alters the actions of agencies and the actions of programs and the ability to do certain things as a state, they alter the intent of the Legislature. The Governor, by withholding funds from agencies, has altered the intent of the Legislature, which is the budget bill that we lawfully passed and we had the authority and power to do so a year or two ago. A special session should have been called. And we can talk about, oh, it didn't coincide well with Thanksgiving or Christmas or whatever the case may be; or, you know, there's a bunch of people term limited and some of them aren't coming back and we should just wait until the next session, we have enough money in the bank. That's not the point. The point is that this Legislature passed a budget. It was the intent of the Legislature. Because it was the intent of the Legislature, it was the intent of the people of the state of Nebraska, and the Governor does not have unilateral authority to alter the intent of the Legislature. We are the supreme law-making body. It's made very clear in the constitution. The Governor has to follow the same rules and the same laws and execute them accordingly. What the Governor is doing is improper. That is why we have a special session. That is why we need to call a special session in the future. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER PRESIDING

SENATOR WATERMEIER: Thank you, Senator Morfeld. Senator Krist, you are next in queue.
[LB22]

SENATOR KRIST: Thank you, Mr. President. Good morning, again, colleagues, and good morning, Nebraska. Now that I've caught my breath after running the 100-yard dash to get here the last time, I can more clearly articulate what I think we are talking about here today. When a bill actually leaves the committee and comes to this floor, it becomes the property of all 49 of us to do with as we will. Sometimes special...or a priority motion, sometimes motions to return to

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committee or even to pull something from committee. Not such a bad thing to return something to committee when the only alternative would be to add amendment after amendment after amendment and try to fix what is here. I honestly believe that this LB22, although again, I have spoken in favor of what the committee has done in bringing us a product, does need some work. The work it needs is to make sure that the unlawful withholding of allotment that we're being asked to make legal be scrutinized even better than what it has been. Now, you've heard the analysis by Senator Morfeld, and I sit next to Senator Morfeld in Judiciary. I appreciate his legal background, and for a young lawyer, I think he understands and can articulate the law, the rule of law very, very well. What I tried to bring to your attention yesterday in a number of occasions is to show you an outside legal opinion showed that the actions that were taken, unless ratified by the Appropriations Committee and by us, were not proper and I think we continue to go down this track. I had seven phone calls from the time I left this Chamber until the time I came back today, one late last night. They came from noncode agencies. I promised not to reveal who they are, but if you look at the budget, you can tell who it is. A hundred and thirty thousand dollars taken away from a noncode agency, and most of their budget, this particular budget, goes to people. So the only choice this agency will have is to come back and ask for a deficit appropriation at the end of next year because they're not going to be able to make their budget between now and the end of the year without, one, kind of asking or forcing a retirement and then they'd have to replace that person at a lower wage, which we know that tune, that's called lack of continuity; or do something else in order to make that gap...bridge that gap. And that gap will be...they will come back to us and ask for a deficit appropriation. All I am asking you to do is consider that either the return to committee gives the committee the option to look through those reappropriations that they are taking away blanketly, those clawbacks that the Governor has put into place, and the allotments that he has withheld, not on a wholesale basis, as I would suggest in an amendment that I have filed already, but in a systemic way. And I think you heard Senator Stinner, yesterday, on many occasions talk about strategic reductions. That is the way we need to structure a budget. A strategic reduction means you look at long-term events, consequences, and intended and unintended consequences, and you budget for those as best you can. Does it make any sense if you have a loan out with the bank and you can pay it off tomorrow, but you know that the reason you took that loan out was to bridge a gap on an upcoming event, you have the money in your pocket, you're going to pay off that loan, and then you're going to go back to the bank and take another loan out? [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR KRIST: It doesn't make any sense to me. That's not good business. Paying your loan off in time and using the loan for which you have intended it seems to me it would be good business. We've been told all along that we're going to run the state like a business, so let's do that. Let's reward the fact that people have saved money, put them into their own savings

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account, budgeted for things, not spent them willy-nilly, that's a technical term, but long term look out for the needs of that money and spend it wisely. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Krist. Those in the queue wishing to speak: Senator Harr, Senator Chambers, Senator Howard, and Senator Krist. Senator Howard, you are recognized. [LB22]

SENATOR HOWARD: Harr. [LB22]

SENATOR WATERMEIER: Excuse me. I'm sorry. I meant to say Senator Harr. We'll bypass Senator Harr and move to Senator Chambers. You are recognized. [LB22]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I am in favor of Senator Krist's motion, but I am going to finish what I had to say. I say those things that people think, but they won't say them. What Governor Ricketts told Donald Trump is that you're going to have a circus in Washington, D.C., and I'm going to convene a circus in Nebraska and it's known as the Nebraska Legislature. The Ricketts circus starring the Nebraska Legislature, and I, Ricketts, will be the ringmaster. I'm going to make them sit up on their haunches. I'm going to make them jump through hoops. I'm going to make them stand on their head. I'm going to make them do every degrading, demeaning thing that ever happened in one of Barnum and Bailey's circuses when they were dealing with tigers, elephants, and other four-footed creatures. I'm going to dictate to them what they had better do, and I am going to take from them their prerogatives, and I'm going to exercise them in the way that I see fit because they are too cowardly or too ignorant to know that what I am doing is not allowed by the constitution. And that's what I am going to do. This is one of the most supine Legislatures you will find in the country. That is demonstrated by the fact that they'll see something crazy in one state and try to bring it into Nebraska. And Donald Trump will say, can you give me an example? He'll say, well, yeah, there is a fella named Senator Groene who was made Chairperson of the Education Committee, and the first thing he did, one of them, was to offer a bill which is patently unconstitutional by saying that if a teacher says that a child is unruly and puts the kid out of the room and breaks the child's leg, there's no action of a legal nature that can be taken against the teacher. If the teacher punches the child on the jaw, there's no action that can be taken. And Donald Trump said, you mean that is put in a bill in front of that Legislature? And Governor Ricketts will say not only was it put in a bill, but the Executive Board, which is a group that sends these bills to different committees, referred it to Senator Groene's committee. And Donald Trump said, is there anything else in this crazy bill? The Governor said, well, yeah. And Trump said, wait a minute, I know what we're dealing with, we're dealing with one of those left-wing radical progressives, aren't we? And the Governor says, no, well, he's a dyed-in-the-wool half-conservative. And he said, you mean to tell me that a conservative is going to say that a teacher

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can brutalize a student and not be brought to book for it? Well, yes, that's what his bill says. Well, what else does his bill say? It undermines, the Governor says, it undermines the authority of the principal, the superintendent, and the school board. And Donald Trump says, how does that happen? Well, if the principal decides to remove a student from a teacher's class, the teacher cannot be...that student cannot be returned to that teacher's class without the teacher's consent. Donald Trump said, what, you mean the teacher overrules the principal? And the Governor says, yes. And a senator brought that bill? Yes. Well, what else does it say? Because you mentioned these others. How does it overrule the superintendent? Well, there cannot be any administrative action taken in this case as far as returning the student to class. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR CHAMBERS: And it binds the principal, it binds the superintendent, and it binds the school board, none of them have any authority. And Donald Trump said, well, I've read a little about Nebraska, and I understand they got something they call local control where the local people have something to say about education. The Governor says, correct. Yet you have a situation where a teacher overrules the principal, the superintendent, and the school board? And he wants that in a state law where the state completely supplants these local authorities? The Governor says, yes. Donald Trump says, I need to know more about that. And I will tell you all more about it the next time I am called on to speak. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Chambers. Senator Howard, you are recognized. [LB22]

SENATOR HOWARD: Thank you, Mr. President. I rise as well with some concerns about the deficit budget and codifying some of the Governor's decisions to not fund some of our priorities. And I would like to talk to Senator Schumacher when he gets back to the floor, but first, would Senator Bolz yield to a question? [LB22]

SENATOR WATERMEIER: Senator Bolz for a question. [LB22]

SENATOR BOLZ: Sure. [LB22]

SENATOR HOWARD: Senator Bolz, I'm sure you've seen this, but we just received an audit from Auditor Janssen's Office on Monday regarding Health and Human Services and some of their challenges, most notably in Medicare Part D, they said that since 2013 they haven't had suitable software to be able to draw down funds, as well as in the overpayment mailbox where they get about 150 e-mails to it every day, but can only process about 50 referrals. But more my

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concern is this is very useful and important information for us as legislators, and I know that there were some specific cuts around the Auditor's Office and I was hoping you could tell me about those. [LB22]

SENATOR BOLZ: Sure. We cut about \$100,000 from the State Auditor's Office. The State Auditor's Office is, of course, one of those agencies where you are not providing direct aid, correct. It's not something that someone needs medication or a service. So it was a place where we did take some cuts, and I think there was some good rationale for that, but the flip side of that coin is that the State Auditor's Office will be less capable of completing audits. And one of the things that they did share with us was that they have had an increase in requests for audits from the state legislators. For example, there were requests for audits of the Department of Corrections, which is very useful to the LR34 committee. So it's a balancing act. And I think we need to be thoughtful and careful about how we use our agencies to partner with us when we have questions and concerns. Does that answer your question, Senator Howard? [LB22]

SENATOR HOWARD: It does, thank you. And, you know, I'll try to speak with Senator Schumacher on my next time on the mike and yield the rest of my time to Senator Chambers. [LB22]

SENATOR WATERMEIER: Senator Chambers, 2:45. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Howard. And I would like to tailgate on what Senator Howard was speaking about. So I will continue my discussion with...is Senator Stinner still on the floor? Then I would ask Senator Bolz a question or two, and if...if she would yield. [LB22]

SENATOR WATERMEIER: Senator Bolz for a question. [LB22]

SENATOR BOLZ: Sure. [LB22]

SENATOR CHAMBERS: Senator Bolz, you heard Senator Stinner saying yesterday, I believe you heard him, that this letter that contained a statement from Judge White is totally wrong in its conclusions and so forth. Did you hear him make a statement like that? [LB22]

SENATOR BOLZ: I did not hear Senator Stinner make that statement, but I have read the letter. [LB22]

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SENATOR CHAMBERS: Okay. Now if the Governor can do all of these things, and that is what Senator Stinner is indicating, contrary to what is contained in this letter, why does the Legislature need to act on these things? Why can't the Governor just go on and do them and let that...oh, here's Senator Stinner. May I? [LB22]

SENATOR BOLZ: By all means. [LB22]

SENATOR CHAMBERS: If he will yield. [LB22]

SENATOR WATERMEIER: Senator Stinner for a question. [LB22]

SENATOR CHAMBERS: Senator Stinner, you stated yesterday that you believe the Governor can, in fact, do all of the things that he's doing, and this letter is wrong in its conclusions that he is going beyond his authority by changing the use of this money based on what the Legislature said it should be used for. And you can rephrase that to make sure it's accurate in terms of representing your point of view. [LB22]

SENATOR STINNER: I believe that I said that I don't know what the motivation of that letter was. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR STINNER: But what my understanding is, when looking at the statute, the Governor has the ability, through the Budget Office, to allot money as it comes in on a quarterly basis is what they use. [LB22]

SENATOR CHAMBERS: Okay, here is my next question, because my time is about up. Why do we need to pass this bill if the Governor can do all this anyway? [LB22]

SENATOR STINNER: He cannot do this. That is why we're talking right now. We've got to get this done or else the full amount of appropriations, as I showed in this demonstration that I passed out, that exhibit, if we do not pass anything, fourth quarter, all the money goes back to the agencies. [LB22]

SENATOR CHAMBERS: And that is where the Legislature intended it to go originally, in that prior budget? [LB22]

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SENATOR STINNER: The money was always there. It was chosen to allot it in a different fashion. So, in the fourth quarter, if we do not do nothing on this, all that money goes back to the agencies and we forego that 4 percent cut. [LB22]

SENATOR CHAMBERS: And we would say that that would be status quo. [LB22]

SENATOR STINNER: That would be status quo. [LB22]

SENATOR WATERMEIER: Time, Senators. [LB22]

SENATOR CHAMBERS: Thank you. [LB22]

SENATOR WATERMEIER: Thank you, Senator Chambers, Krist, Stinner, and Howard. Next in the queue is Senator Krist. [LB22]

SENATOR KRIST: Thank you, Mr. President. Returning to the dialogue between Senator Chambers and Senator Stinner, I've read your model, and what I'm...I wonder if Senator Stinner would yield to a conversation? [LB22]

SENATOR WATERMEIER: Senator Stinner, for a question. [LB22]

SENATOR STINNER: Yes, I will. [LB22]

SENATOR KRIST: I want to put two things on the record, one very specific: according to your model, all the money that the Governor has proposed and has withheld would go back to the agencies that we by law sent them to in the 2015 biennium appropriations, correct? [LB22]

SENATOR STINNER: Yes, it would. [LB22]

SENATOR KRIST: Okay. And you know what I am asking for is not all of it to go back, I'm asking for noncode agencies and independent branches of government to be withheld. And I asked Senator Bolz yesterday for estimate, and we don't do fiscal notes on the fly, I understand that, but there has to be a dollar amount that we would save to create the runway, would you agree with that? [LB22]

SENATOR STINNER: There is a different way forward, yes. [LB22]

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SENATOR KRIST: Okay. So I am suggesting that the committee took the Governor's plan, and for the most part, the way I can see it, 60 to 70 percent of that plan is how you decided to go forward, including not representing anyone who testified for the Legislative Council budget; and we've all agreed on that already and we've talked about that, would you agree with that as well? [LB22]

SENATOR STINNER: Everybody was invited to the hearing to give testimony, and some people chose not to show up. [LB22]

SENATOR KRIST: And the Chairman of the Executive Board chose not to speak up as a member of your committee, and I'm going to put that on the legislative record right now. And he came and talked to me afterwards, so that's nothing new to him who is sitting in the chair or to you or to me. Now, the other thing I want to clear up on this conversation is this: you keep talking about the motivation for releasing an opinion on the constitutionality of what the Governor has done. I have no ill will nor no motivation to embarrass anybody. My job as a legislator is to make sure that we are complying with the law, we understand our constitutional responsibilities. So to suggest that the reason that I put that paper in everyone's hands and that opinion has any other intention other than educating people as to their constitutional duty, I think is disingenuous at best. Thank you, Senator Stinner. And I'm sure he will get back on the mike and tell me that I am wrong, but I have no motivation to do any ill will to anyone in here or the Governor of the state of Nebraska. My motivation is to make sure that when we start talking about a budget, and we start taking money away from people, as I said yesterday, oops, just kidding. We signed it into law, we gave you your money, but oops, just kidding. I also said we do need to make some changes. But these wholesale changes are not helping the people who are out there trying to do the state's business. Sometimes we get a little animated and a little protective, but to be accused that I have any motivation other than trying to get to the point where we are successfully passing another biennium budget and constitutionally balancing that budget and constitutionally making sure that all branches of government do what they are supposed to do and stay in their own offices is disingenuous. Back to the matter at hand. We have two choices. We have many choices. You heard Senator Stinner say it. We're at a fork in the road. There are many of us who don't believe that this is the right way to do business. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR KRIST: We can send this back to committee and they can bring us back another product, should be a matter of a couple of days. It is a priority. I know the Speaker will put it right back up. Or we can go on to my amendment and talk about the amendment that returns all of the reappropriations to any noncode agency, any separate branch of government--your choice. Thank you, Mr. President. [LB22]

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SENATOR WATERMEIER: Thank you, Senator Krist and Senator Stinner. Senator Schumacher, you are recognized. [LB22]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I guess one of the purposes of debate is to share ideas, thoughts, suspicions, and try to bring out the truth. As I sit here and kind of listen to all this, one question comes to mind, what's driving these is these terrible revenue projections. It's an underlying assumption that we aren't discussing. How good are those revenue projections? This may be a bit of heresy, but toss it out there for thought. What if the revenue projections are wrong and things are not as bad as they might seem? Do we have an obligation to examine the underlying assumptions? Because we lock in this program, what's the end result of that lock in? I am wondering if we shouldn't examine to make sure that those revenue projections, that lousy situation that we're all panicking about, is indeed true. It may be. But that is at the fundamental core of the discussion--the sky is falling. And what kind of gives you a little bit more cause to think is, suddenly in some other states that have similar political demographics the sky suddenly started falling, too, and panicky discussions are happening. What if we're making a wrong assumption? Second point I want to question or raise is, you know, Everett Dirksen had a saying that if you put a frog in a cold bucket of water and turn the heat up, the frog gets warmer and warmer and warmer and pretty soon you have frog legs, contrasted with the fact if you have a boiling bucket of water and you put the frog in, he jumps right back out. Are we being in incremental ways going down a path that we're talking here about potato farmers, \$200,000, on the appropriations side, going down this path of cuts, when like on the other side of the equation in the Revenue Committee yesterday a bill is advanced to the floor and we don't know the numbers for sure because we passed a statute saying we can't know the numbers, but that it appears to extend our liability out under a particular act for 16 years at a cost of \$1.8 million a year. Wow, that's a lot of potatoes. So we don't seem to be in unison as to which direction we're going and is a frog getting cooked. These are suspicions. But they are things that in a debate like this we should begin to think about. Particularly with underlying all this supposed shortfall is a corporate tax shortage probably tied to some kind of incentive programs, and where all this seems to be leading is to a frenzy for tax cuts in an environment where we're supposedly nearly a billion dollars short on cash. Now either that's sheer madness or there's more to the story than we've figured out yet. And I wanted to raise these issues because I think now is the time to discuss these issues. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR SCHUMACHER: And make sure that we are not being spoofed in one direction or another or lock ourselves into a pattern of conduct which all of a sudden finds us doing something really, really dumb and not in the best interest of the state. I don't know, but I thought it my obligation to share some thoughts with you. Thank you. [LB22]

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SENATOR WATERMEIER: Thank you, Senator Schumacher. (Visitors introduced.) Senator Bolz, you are recognized. [LB22]

SENATOR BOLZ: Thank you, Mr. President. I want to pause and take a breath and take an opportunity to talk about the good work that the Appropriations Committee has done, and give you a little bit of a preview about some of the things that are next up for the Appropriations Committee. So just to reiterate, there was legislative independence here. We did use our budgeting authority and we did make recommendations that were different from the Governor, specifically developmental disabilities, university funding, Supreme Court funding. We did institute changes that illustrate our legislative independence, and that's really important. That was a part of this process. There also was legislative hearings. There was input from stakeholders. We heard testimony, we received letters, we had phone calls; and to the best of our ability we tried to respond to that stakeholder input. And I appreciate that some folks think that there maybe should have been a special session or maybe there should have been a different process, but colleagues, given the circumstances that we had and the items on the table, I stand behind the Appropriations Committee's independent decision-making and I stand behind our process that did engage stakeholders. There was pressure to move quickly. And we didn't move too quickly. We did preliminary decisions. We looked through the budget. We had briefings. We had information from stakeholders. We had public hearings, those public hearings had appropriate notice. And so I say that in part to defend the AM13 to LB22. I also share that with you because part of our goal here is to make cuts that are easier when we can make them rather than make some of the more difficult decisions down the line. This is really an effort to try to make the decisions that are less difficult, decisions that are less challenging to the agencies rather than some of the things that are in front of us. We may have to address higher education funding, which, of course, has impacts on tuition and property taxes. We will have to address rates for the providers of very important services like developmental disabilities, nursing facilities, mental health, and healthcare. All of these things are real challenges that are really in front of the Appropriations Committee in the biennium budget. And so taking this action now makes sure that we can free up some room in a way that is less difficult to address some of these very challenging issues in the biennium budget. I also want to make sure that the body understands that this is just one of the tools in the Appropriation's tool box. Reappropriations and these across-the-board cuts that agencies can bear are one of the strategies that we can use. We can also use cash funds; we can have partnerships with your committees. We can find policy changes that save dollars and are good policy based on your knowledge and your expertise in those issue committees. We can ask for alternatives from the agencies. Could we do it a different way? Could we make something different happen? Could we bring more resources to bear? So colleagues, I want to stand not only in defense of the independent decisions that the legislative Appropriations Committee has made and in defense of some of the important investments that we have made with a sense of urgency, including the Supreme Court, developmental disabilities, keeping TEEOSA whole, the ESUs, some aid to the arts, all of those things are important. But also to reiterate that some of the

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strategy here is making sure that we're making choices now that help us prevent more difficult, more painful choices in the biennial budget that we'll bring to you in a couple of months. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR BOLZ: Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Bolz. Senator Harr, you are recognized. [LB22]

SENATOR HARR: Thank you, Mr. President. Members of the body, make no mistake, the power of the Legislature lies with the power to control the purse strings, period. That's how we get our power. That's how it's written in the constitution. We appropriate the money. The Governor spends the money. He hands it out. We appropriated the money. He unilaterally held the money back, period, end of discussion. There was no independent thought of should we do this, should we do that, should we have a special session, should we not, maybe I'll talk to the Speaker, maybe I'll talk to the Chair of Appropriations, no, none of that was done. Think about it. The more I look into this the angrier I get, how we were hamstrung on this situation. I have two letters here both dated October 14, 2016, both from the Governor. In one it's addressed to code agency directors. In that, he uses his authority to oversee the code agencies to say implement hiring freezes, travel bans, limit technology and equipment purchases, and reduce or defer discretionary distribution of grants and aid. That's great. He can do that. That's his discretion. The second letter is to all agency boards and commissions. Folks, we are none of those. All right? Our money was still held back. In there he says he's holding back 1 percent. He's not asking. He's not saying he worked with the Legislature and this was an agreement that was come upon. He did this unilaterally. Do I disagree with what he did? Maybe, maybe not, that's not the issue. The issue here is we had our powers infringed upon. He decided how money we allocated and that he was supposed to implement; he did not follow the law. When we pass a budget, that is as good as the law. And it says here is how the money shall be spent. And if you don't spend the money the way you are supposed to, guess what? That is why we have the Auditor's Office and it can be a felony. Right? Here he is holding back the money, he's playing Legislature, he's playing Chair of Appropriations. If what he did was so good and so right, why didn't he do it the way we have always done it in the past? Call a special session. Talk to us, work with us, respect us. But to go over us like this is wrong. I had someone yell at me and said I didn't know what I was talking about earlier. The fact of the matter is, the Governor doesn't know what he's talking about in this situation because he is the one that's taking and usurping our power and our authority, taking advantage of the situation that he had an outgoing Chair of Appropriations and you didn't have a new one appointed yet. This is wrong. Ask yourself, ask Legislative Fiscal Office, have we ever done a budget this way before? You know what they're going to tell you? No. Normally when there is a change in the way we spend and allocate our

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resources, we have a special session. There's at least conversation and collaboration with the legislative body. That did not occur. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR HARR: Thank you. This was a unilateral taking of power. Now, I don't object to a lot that is in here. Again, I object to the way it was done. I think our Appropriations has done good work, yeoman's work, given the short amount of time that they had to do this. I know there were certain agencies and commissions that continued to spend money the way we had appropriated it. Some of them with the Governor's budget were told, don't worry, you're made whole, we're not going to cut it, even though we withheld it. Others are going to be swimming upstream. This was done in an arbitrary and capricious manner without any thought from the Legislature. This was wrong. So let's really have a conversation about what's going on here. Let's talk about what our duties and our responsibilities are and what the corner office's duties and responsibilities are. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Harr. Senator Chambers, you are recognized. This is your second time to speak on the recommit. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I am going to tell you all something about the media. The media in Nebraska are white. The white media are of, by, and for white people. What Senator Harr is saying today is something I've been saying all session. When the paper comes out tomorrow, they will quote Senator Harr because a white man said it. This racist way of looking at the world is absorbed through people's pores and they're not even conscious of what they're doing. Certain things said by a black man are spaced off, not given attention to because they don't count. But it counts when a white man says it, because a white man is of, by, and for the white establishment. I read the papers; I watch the way things are done and that's why some people I won't give interviews to. You want to interview me on something that's important and you come to something that you need somebody to say something on because nobody else will and you want to do a story on it then you come to me because you know I won't bite my tongue and I'll tell the truth. Well, finally some of my white colleagues are waking up to the fact that they are the ones who are being disrespected. This is Ricketts' circus that you all are participating in. I think we ought to kill the bill. We don't have to pass any bill like that that is before us this session. You all were herded, railroaded, and told, even in the media, get this done, I want this done, said the Governor. He said bark, you bark. He says bite, you bite. And now we are contending among ourselves, trying to do the Governor's will, and his will is to dominate the Legislature and show everybody that he's in total control. And the theme song is not "Bring in the Clowns", but the last line in that song--don't bother, they're here. That's the way the Legislature is viewed. That's why the Legislature is the butt of

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everybody's joke. Most people on this floor don't even know the nature of the powers and duties of the Legislature. The Legislature is the supreme law-making body in this state. The difference between the U.S. Constitution and the state constitution is that the federal government has no powers other than those given specifically by the constitution. When you come to a state Legislature, the Legislature can do any and everything except what the constitution says it cannot do. If the Legislature is not prohibited by the state constitution from doing something, the Legislature can do it. The only constraint or restraint outside of the state constitution are the federal constitution, the laws enacted thereto, and treaties entered into by the federal government. Other than that, the Legislature is untrammelled in what it can do. And when an outsider who is going to protect and shield his prerogatives, jealously, and not let the Legislature come close is going to look over the fence and dictate to the Legislature what must be done. We are here on February 2 because the Governor dictated it. I'm not saying that the Appropriations Committee has not worked hard under the dictation of the Governor. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR CHAMBERS: But all of this haste is because of what the Governor said has to be done and we don't have to pass this bill at all. And you all don't accept that because I'm the black man and I tell you, and the white Governor is not going to tell you get in there and do it if you didn't have to do it. Listen to "Professor" Schumacher about the need to look at the revenue stream. You won't talk about that. If I mention it, you're not even going to listen to it. It doesn't exist. It's gibberish. But how in the world are you going to have all this deficit and then talk about giving cuts in taxes to the richest people. It's crazy and insane and the Governor sees you swallowing it. He's testing to see how far he can push you, and so far that limit has not been reached yet. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Chambers. Senator Kolowski, you are recognized. [LB22]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. And I also yield my time to Senator Chambers to continue. Thank you. [LB22]

SENATOR WATERMEIER: Senator Chambers, 5:00. [LB22]

SENATOR CHAMBERS: Thank you, Senator Kolowski; thank you members of the Legislature. I'm going to hand you all another lawsuit that I...a case that I won in the Nebraska Supreme Court, the kind of cases people don't win, they pay lawyers and don't win. I won a traffic case. I beat the State Patrol. They were using VASCAR. Most people don't even know what that is and I beat them and their experts at their own game and I'm a layperson, I'm not authorized to practice

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law in the sense of defending somebody, but I'm trained in the law. You all don't respect it, but the courts do. They know that I know what I'm talking about and I go to what the law says. You all don't listen. But you're going to repent at leisure. You all don't believe that you can get by without passing this bill, do you? You've got to pass it. No, you don't. This is not the budget bill. We haven't got to that yet, but if you insist on doing what the Governor dictated that you do. He brought you that which is nonsensical. If the body is going to try to make sense out of it, kill this bill, rewrite something that makes sense under the name and the imprimatur of the Legislature itself. If you make sense out of what he has his name on, he can use that when he runs for the Senate. This is the bill that I brought and you'll see that the Legislature acted pursuant to the bill I had them introduce. I'm the one who made these decisions. I established this policy. I said that the developmentally disabled will not be cut. I said that this wouldn't be cut. I said that wouldn't be cut. No, he didn't, he said it would all be cut. And if Senator Krist were not the one who told us stop, look and listen before you cross the street; and I had said you'd be voting against everything that I brought as you always do. You cannot accept the truth unless it comes wrapped in the right package. But I'm not going to change what I am, but I'm going to call attention to what you're doing while you're doing it and you know that I'm telling the truth and if you think that I'm not telling the truth, challenge me on the floor. Judge White is not here to defend what he wrote. I'm here to defend what I say, and we'll have a back-and-forth conversation and we'll see who tops whom. It shouldn't have to come to this, but it does. Not just in this Legislature, every legislative assembly that has ever existed, especially when it is organized by white people or copied by nonwhite groups based on what white people have done such as a parliament. There was some guy in England talking. And sitting next to him was a person who had made a hand-lettered sign and it had an arrow pointing to him and the words written--he's lying to you, while he was talking. I want to see how many of these white racists when that inveterate liar in the White House gives his speech to the joint session of Congress, some racist stand up and say--you lie, you lie; like they did to the black President, Obama. You think I don't notice that. Was there outrage anywhere? No. White people said amen, brother. He was a hero. That's the first time anybody on the floor of Congress ever hollered out when a President was talking--you lie. That's what happened to a man like me. That's why I resent white people. Not because you're white, but because of what you do. And if you're not one of them who does it, it doesn't apply to you, so you all bring that silliness--well I didn't do it, why are you talking about me? I didn't call you by name. If you applied it, you condemned yourself. You all know what goes on in this state.

[LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR CHAMBERS: You all know what goes on in this country. And you all know about the racism out there. You are lucky that you don't have black people like me all over this country calling it like it is. That's why you're uncomfortable. If I was as goofy as some of the bills in here, you all would laugh, it wouldn't make any difference. And I'm going to show the goofiness

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of some of these bills you all have. I talked about Senator Groene's bill. He wasn't here, but he probably heard me talking. But I hope that thing comes out here. I hope these bad bills that the Chair of the Judiciary Committee and these other Chairs got together and said they ought to go to the wrong committee. I have to do work in two committees--the work that should be done in the Judiciary Committee, then in the Ag Committee do work that should have been done in the Judiciary Committee, but I have to do it in the Ag Committee because of you all, you all, white people clumping together, white people clumping together against the black man who exercises and demonstrates more intelligence about the law than all of you. [LB22]

SENATOR WATERMEIER: Time, Senator. [LB22]

SENATOR CHAMBERS: I said demonstrate; show me something. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Chambers. Senator Pansing Brooks, you are recognized. [LB22]

SENATOR PANSING BROOKS: Thank you, Mr. President. A while ago, Senator Schumacher stood up and started talking about something that I was trying to have us discuss yesterday, which was looking at the broader strategy, looking at the issue of the fact that we're making these deficit reductions. Clearly, we had people testify and saying--we will try to work to make these reductions, but I heard people from the courts and other places saying we cannot continue to do this and function. If it's a one-time thing, that is something. If it's an indication of what is going to happen with the biennium budget, it's going to be very difficult to continue. And also again, talking about looking at the broader strategy. We make these cuts and then we know all the tax cuts are looming. And I just, I don't understand how, you know, if we make this, all these deficit reductions, and then move into the budget and make all the cuts and then we want to reduce sales and property taxes, I just don't understand how we're going forward on all this. So we're dealing with it on a issue-by-issue basis right now without truly looking at the big picture and fully understanding...in a bubble, these deficit reductions are something we can do. In a bubble, we can look at cuts to the next biennium budget. But again, when you take them all together, we don't discuss them all together. We cannot afford to turn into Kansas. And this is a path that we seem to be just going down on. And so I'd like to ask Senator Schumacher a couple of questions. [LB22]

SENATOR WATERMEIER: Senator Schumacher for a question. [LB22]

SENATOR SCHUMACHER: I'll answer them. I was afraid of that. (Laughter) [LB22]

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SENATOR PANSING BROOKS: Senator Schumacher, you spoke about looking at a broader strategy. What...when you look at the broader strategy, if we have that discussion, can you give us a couple of the good ideas that we should discuss in your mind? You sit on Revenue and so you see what's coming. You've heard many of the bills that are coming. And you're also...I think you have two more years left in this Legislature, correct? [LB22]

SENATOR SCHUMACHER: A hundred and thirty days. [LB22]

SENATOR PANSING BROOKS: Oh, but who's counting. (Laughter) We should be counting that one. Anyway, Senator Schumacher, so when you see those bills coming, have we had...I know that we haven't had a situation where we make deficit cuts before, is that correct? Where we make reappropriations, I'm sorry, if we're cutting...? [LB22]

SENATOR SCHUMACHER: That's on the appropriations side. The Revenue Committee... [LB22]

SENATOR PANSING BROOKS: Right. [LB22]

SENATOR SCHUMACHER: ...we don't have an appropriations process. [LB22]

SENATOR PANSING BROOKS: Yes, I know. [LB22]

SENATOR SCHUMACHER: We just listen to the most sympathetic stories and Santa reaches into his bag and fixes the problem. [LB22]

SENATOR PANSING BROOKS: Who is Santa, Senator Schumacher? [LB22]

SENATOR SCHUMACHER: Oh, about 1.7 million little guys running around in red outfits. [LB22]

SENATOR PANSING BROOKS: Yeah, exactly. Okay, so I'd just like you to speak a little bit more to this broader picture, because, of course, I know that you don't deal with the appropriations or the reappropriations in Revenue. But again, all these things are connected, it's a domino effect and I'd just like to hear you discuss this more. Thank you. I yield the rest of my time to Senator Schumacher. [LB22]

SENATOR WATERMEIER: Senator Schumacher, one minute. [LB22]

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SENATOR SCHUMACHER: I'll explain it all in a minute. Basically, by not having an overall revenue policy and kind of muddling along, for at least the time that I've been on the Revenue Committee, you take any individual cause or argument and it sounds pretty good. Gee, let's make an allocation for credits for this business incentive. Most of them are business related and promises of, boy, if you do this, there's going to be big investment and we're going to grow so fast we'll have to make bridges into the state. And any individually they're good things, but you do them a lot of times with credits which are really unmonitored, hard to track. You don't know the outcome, projections into the future, and I think part of our problem is that we've let so many of those things out there that they're now beginning to ball up on us. And as they come in, they don't necessarily come in in an even pattern, a budgeted pattern. We can't control when a company cashes in its Advantage Act credits. You may have an ugly surprise one year and a pleasant surprise the next. [LB22]

SENATOR WATERMEIER: Time, Senator. [LB22]

SENATOR SCHUMACHER: Thank you. [LB22]

SENATOR WATERMEIER: Thank you, Senator Schumacher and Senator Pansing Brooks. Senator Morfeld, you're recognized. [LB22]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I want to make clear, I do not believe that in my comments, and perhaps others, and I don't know, maybe Senator Chambers said something that I missed, every once in awhile I do miss something he says, I believe that the Appropriations Committee has been very independent, has been very thoughtful. I support LB22. I'm still deciding on Senator Krist's motion or amendment. But that being said, I think we have a duty as legislators to protect the prerogatives and power of the legislative branch. And I think that it's important that we spend time talking about whether or not the Governor's actions were proper or improper, because otherwise, this becomes the status quo. That every time that we have a budget shortfall, instead of calling a special session to change the duly-enacted laws that created the budget in the previous biennium...or in the current biennium, I should say, the Governor will just do what he wants. I think it is important to put on the record some of the constitutional provisions in which we have the power to appropriate. We have the power to create programs. We have the power to tell certain executive agencies what they're supposed to do, not do, services they're supposed to provide, and services they're not supposed to provide to the people of Nebraska. And as the legislative branch, we have the authority and power to create laws. It is the executive branch, the Governor, who has the power and authority to execute those laws, not to decide which ones they execute and which ones they don't. Again, we create a budget and create very specific line items and purposes in that budget, not to simply give to the Governor and say--oh, well do what you want with this; you can withhold some of this money

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and maybe you won't; maybe you'll do this program, maybe you'll defund that program. No, we do that because we have the supreme power to create those laws and to appropriate money. Now, I think that there's a few different sections of the constitution that are important to read aloud. Section 1...Article II, Section 1--Legislative, Executive, Judicial--The powers of the government of this state are divided into three distinct departments, the legislative, executive, and judicial, and no person or collection of persons being one of these departments shall exercise any power properly belonging to either of the others except as expressly directed or permitted in this constitution. Article III, Section 22--Appropriations for state; deficiencies; bills for pay of members and officials. Each Legislature shall make appropriations for the expenses of the government. And whenever it is deemed necessary to make further appropriations for deficiencies, the same shall require a two-thirds vote of all the members elected to the Legislature. And then we have Article IV, Section 6--Supreme executive power. The supreme executive shall be vested in the Governor who shall take care that the laws be faithfully executed and the affairs of the state be efficiently and economically administered. This supreme executive power exists with the Governor. But only by the laws that are duly enacted by the Legislature and laid out in the constitution. We created a budget. That budget must be faithfully executed by the supreme executive until the Legislature says otherwise. And that's why we have a special session. In the future, we should have a special session. That is the point of me standing up here today, not to demean the Appropriations Committee or the process by which they went through. The Appropriations Committee has worked diligently and hard. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR MORFELD: Thank you, Mr. President. ...despite many of those members being new to the Legislature. They have put together, I think, an excellent deficit appropriations bill. That being said, that does not detract from the fact that the Governor is accountable to the people of the state of Nebraska and accountable to this Legislature. And we have that authority, as the Legislature, to create the appropriations, to create methods by which money goes to certain agencies, and then are carried out by the supreme executive. We have to protect that power and we have to stand up when that power is taken away from us. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Morfeld. Senator Hilkemann, you are recognized. [LB22]

SENATOR HILKEMANN: Thank you, Mr. President. I'm going to do a shout-out to my mom. Many of you know my mom is 100 years old and she lives in a nursing home in Norfolk. She's not been feeling well the last few days; and so mom, if you're listening, we're thinking about you here and get better. And I know that you spend most of your days watching this legislative body and that might be a reason you're not feeling real well. But at either rate...you know, I'm on the

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Appropriations Committee. And I want to just say, remember that FRAM oil filter ad a few years back--pay me now or pay me later? We're sort of in this situation with this whole appropriations thing right now. We...the revenues are lower...they are projected to be lower and, therefore, the Governor has done a responsible thing in cutting back. They saw this coming. And so what he's saying to us now is that let's take a little bit from our present budget so that next year we don't have to take all of it and cut many more programs; we've got to get ahead of it. That's basically what this ball game is about. Now, Senator Morfeld, would you take a question? Is he still here? Okay. I don't see Senator Morfeld here. [LB22]

SENATOR WATERMEIER: Senator Morfeld, are you on the floor? [LB22]

SENATOR HILKEMANN: Okay. All right. Well, the question I had to him is--who do we consider the CEO of the state of Nebraska? I consider the Governor is the CEO of the state of Nebraska. Now, when you're the CEO, you start looking at those numbers and you start seeing those numbers beginning to reduce, or you lose a contract in business, or whatever else like that, it is the responsible thing to start cutting back spending, and that's what our Governor did. And he did not call a special session. That can be debated. He did not. Therefore, we have to go with what we are today, February 2. And what he is saying to us is--can you take some from the present ongoing budget so that we don't have to make such severe cuts in the upcoming biennium, because we only have so many dollars. We talk about irresponsibility. Well, what would the people be saying if the Omaha World-Herald or the Lincoln Journal came up tomorrow morning and the press suddenly said the Nebraska rainy day fund is now zero? Who would they blame? Well, they would certainly blame the Governor and they would certainly blame the Legislature. So I think this is one time we have to work together. It is not pleasant to cut back these budgets. We've worked hard. We've protected some...we've protected individuals, for example, that had started their program for teacher certification. We made certain that these people are not going to get hurt. We've helped with the opportunity grants. We've helped with some of the university programs to make sure that people who have already spent money aren't being hurt by that. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR HILKEMANN: It's not easy. It's not fun. It's our responsibility to be responsible for the fiscal state of the state of Nebraska. It's our responsibility. It's the Governor's responsibility. Let's start working together in this body. Thank you. [LB22]

SENATOR WATERMEIER: Thank you, Senator Hilkemann. Senator Howard, you are recognized. [LB22]

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SENATOR HOWARD: Thank you, Mr. President. I would actually like to add my voice to Senator Hilkeemann's. I think it is very apt to compare our Governor to a CEO. George Norris would most likely approve of that comparison. And in that regard, we become the board of directors. So if the Governor is the CEO and we are the board of directors, and over the summer the CEO starts to see an enormous deficit coming within the business, my expectation is that he would reconvene the board of directors to discuss with them how to move forward. I believe that he is perfectly in his rights to make temporary decisions; but long-term impact like long-term cuts, as what we see in LB22, those are for the board of directors to decide, and that's for the Legislature to decide. So Senator Hilkeemann is absolutely right. If the Governor serves as the CEO, then we're the board of directors and he really should have considered the appropriations that we had made. After the election, I started to hear of a concern that I believe has been rectified, but I think is a good example of what we're talking about. Federally qualified health centers in Nebraska are some of the best healthcare agencies in the state. There are seven of them, I believe, and they're located across the state and they serve anyone who comes through their doors regardless of their ability to pay. And that's really critical because there are a lot of folks in Nebraska who don't make a lot of money. Our median income is not as high as other states. And so what concerns me is that the Legislature had decided to appropriate a specific amount of money to each federally qualified health center. These funds were to be used for things like primary care, prenatal care, dental coverage specific to children, which is really important when we're thinking about academic outcomes because a kid with a toothache can't focus in school. And what happened was in November, they were about to receive their second quarter allocation. And all of the FQHCs got the amount that they were allocated except for the last one. The last one got nothing. And when they called the department and they said--what is going on; we haven't gotten our allocation for the second quarter, it's in there by statute? They were told that their bill was at the bottom of the pile and they had run out of money. The state of Nebraska had run out of money for an appropriation that we had made and didn't bother to tell us so that we could make a decision about whether or not we wanted to send that money or make different choices. To me, that is concerning. I believe that the decision that they made was that all of the FQHCs over the next...over the future quarters would receive just a little bit less so that they could make it up for that one that didn't get paid for that quarter. But even so, that doesn't reflect the will of the Legislature; and it certainly doesn't reflect the statutes that we've put in place. Several hearings this year have reminded me that the agencies would like us to codify when they are not doing their jobs. Yesterday, we heard that the Department of Health and Human Services would like to get rid of the quality review teams for developmental disabilities. And Senator Krist was kind enough to testify in opposition to that portion of the bill. We have not had quality review teams because the state has not implemented them for several years. Does that mean we should get rid of them? Does that mean that we don't need the quality review in developmental disabilities? No. And it's not our responsibility to codify their inadequacy. Our responsibility is to make sure that citizens in this state have the things that they need to be successful, whether that's healthcare, whether that is a review system for their developmental

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disabilities program. As the board of directors of this state, my expectation is that our CEO will call us back when there is an issue. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR HOWARD: And he has failed to do so. And that to me is concerning. Not just about the function of the state, but about our relationship with the corner office, which I think is really critical to the success of this state. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Howard. Senator Chambers, you're recognized; this is your third time on the recommit motion. [LB22]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, Senator Howard must have been reading my mind. I agree with her. When these allusions are made to businesses, the one making it always wants the Governor to come out looking good. But in businesses, the board of directors wouldn't tolerate what the Governor did. We cannot just space off the fact that he did not call a special session and say, well, he didn't so here we are. The fact is, he didn't, so we are here. I don't dismiss it that easily. He disrespects the Legislature because the Legislature demands no respect. When you don't demand respect, you're not going to get it. You all may not be aware of some of the questions asked of people when they're becoming new citizens in this country. You probably couldn't answer them. One of them--what is meant by the rule of law? Who could answer it? I can. And you hear it a lot. No person is above the law. That is what is meant by the rule of law. No person. The Governor is above the law. He's above the law-making body. But this is the way white people operate. I'm going to show you another difference between me and everybody on this floor. White people's interests, you see, they interconnect, they intersect, they overlap, they parallel. So if six of you all get tired and you decide like now you want to go downstairs, or wherever you go, there are 40-some odd other white people looking after the interest of white people because white people's interests are looked after by white people. When there's a black man or any member of a minority group in an assembly such as this, that person has to deal with every one of our issues. Ours don't intersect with white people, they don't parallel white people's; none of that. Because if they did, then we would have our rights as soon as the constitution says every citizen shall, or no person shall be deprived. We'd have our rights along with you all. Why do you need civil rights laws? Why? Why do you need Presidential Executive Orders to ensure our rights? Because we are not encompassed in that constitution. We're like a tack on. So you pass special things that relate to us and they are not appreciated; they're disgusting and disgraceful. Every war this country ever had, black people fought in them, everything single war. The traitors were the white people. The bookmarks of American history could be the wars, not the achievements that advance civilization or humankind--The Revolutionary War, Civil War, Spanish-American War, First World War,

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Second World War, Korean War, on and on. The bookmarks of American history are wars. Here's what anybody who has been in the military can tell you: there are different roles assigned and different duties to different elements and components. The Air Force is in the air; the Navy and Marines on the water; and Marines also on land; infantry on land. The infantry doesn't have to do the work of the Navy. The Navy doesn't have to do the work of the Air Force. They do different things. The shock troops, the special forces do something; it's limited, it's specific, it's precise, it's surgical. When you have your overall forces, there are some that fight the battle and win. Then you have others who occupy and administer the territory that has been taken. I have to be the shock troops. I have to be the special forces. I have to take care of land, sea and air. Then after winning a battle, I have to stay there and hold on to what has been won and then it's taken away and I have to do it over and over and over and I don't mind, that's what I'm here for. I know what being a black man in America is. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR CHAMBERS: I know what it has always been, it is now, and always will be. There's no such thing as a post-racial society. White people want to say--well, you had a black President, you had your chance, why are you complaining? You all had 44 white Presidents, why are you white men angry? Why are you complaining? Why do you say you don't have your rights? Every white President, and you all are still complaining, still griping. One black man, who when he got into the presidency was made to feel that it's illegitimate and the "Repelicans" said--we're going to make sure we resist everything that you do. We're going to make sure you are a one-term President. If that was said about Trump, what would they be saying? You think we are blind as black people? You think we can't hear? You think we can't understand? We have studied you more than you study us. The rabbit knows more about the fox than the fox does the rabbit because the fox is after the rabbit for a dinner. [LB22]

SENATOR WATERMEIER: Time, Senator. [LB22]

SENATOR CHAMBERS: The rabbit has to study the fox to save his life. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Chambers. Those in the queue wishing to speak: Senator Groene, Senator Pansing Brooks, Senator Wishart, Senator Kolowski, and others. Senator Groene, you're recognized. [LB22]

SENATOR GROENE: Thank you, Mr. President. I stand in support of AM13, vote green, and the underlying LB22. We are here because we all knew in the middle of last session that we were on a downward trend on revenues. We all knew it. But yet at the end of the session last year, we

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voted some spending in the face of a downturn because special interests needed it. The Governor and the Appropriations Committee are tasked to address this budget downturn. They are doing that. They have no choice. They have a lack of revenue. But here is my problem. I keep hearing we need to spend, we need to spend. I've looked at some of the folks who say we need to keep spending. Where are your revenue bills? I don't see them. I see Sara Howard's LB438 increase the cigarette tax \$1.50 on them poor cigarette smokers. But, folks, that's all earmarked for new spending. It's not going into the General Fund to pay for all of this dental care and things. It's all earmarked for more spending. I look at Senator McCollister, I'll give him a pat on the back, and Senator Watermeier. They looked to expand the tax base with Internet tax revenues on Internet sales. They don't earmark it. Senator McCollister has had the courage to expand the tax base on sales taxes. He doesn't earmark it. That pays for these social programs you folks want. You can't earmark it. Senator Schumacher keeps standing up and say we've got to take tax credits away. That's new revenue and he keeps presenting that and he keeps arguing it. Senator Briese, he wants to...he's got the courage to raise the sales tax but he earmarks it for property tax credit. That's where it needs to go, by the way. So, yesterday in the Revenue Committee, nothing against Senator Morfeld, he had two bills, income tax credit expansion, cost \$3 million in '18-19; \$3.3 million next year; \$7 million off of revenues. Senator Morfeld also had a bill where it was apprentice tax credit. Well, you raise the minimum wages, now we've got to turn around and give a tax credit to people to hire them. That costs \$2.5 million. Senator Pansing Brooks had another tax credit, expand another version of...expand earned income tax credit. That costs \$10 million, \$24 million, and \$35 million in the next few years. You knew that we had a budget crunch. Where is the courage to raise the income tax? I can't find that bill from anybody. Where is the courage to raise the sales tax? I can't find that bill from anybody. If you want to spend, have the courage to look at the other side of the ledger. I'm willing to cut. I'm willing to cut. If you want to fund what's already there you can't keep coming with more tax credits, folks. You can't come with cigarette taxes and earmark it for more spending. That's how you run a government; that's how you run a business. Where is the income tax increase bill? I don't see it. If you want to keep spending, you have to have the revenues. You just can't stand up and beat your chest and say I love the poor and hug them. You got to also hug the guy and slap the guy on the back who's working and say you're going to work harder and you're going to pay more taxes so I can do my good deeds with your tax dollars. Where is the tax increases? Come on, folks. If you want to waste eight hours, be brave enough to stand up and say, I want to raise your taxes, folks, because I want to pay for this stuff. [LB22 LB438]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR GROENE: I don't see it. Tax credits, more tax credits, more niches...nicks here into the revenue stream, but turn around on the other side and forget that there's two sides of a ledger and say, I want to spend, I want to spend. Show me the tax increase where you want to do the

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spending to pay for the spending and then you've got an argument. Right now you don't. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Groene. Senator Pansing Brooks, you are recognized. Senator Pansing Brooks, are you in the Chamber? Senator Wishart, you are recognized. [LB22]

SENATOR WISHART: Thank you, Mr. President. I rise today in support of LB22 and especially committee amendment AM13 because there are some significantly important changes that our committee made to this budget that support aid to people with developmental disabilities, storm water management, scholarships, justice reinvestment, and the Nebraska Arts Council restoring field trips for children. As a freshman senator who still has a lot to learn, these are the questions I brought to the committee every day and used as a compass for making my decisions. What has the state already obligated dollars to that we must uphold? Is there a federal match that we would be losing? Is there a statutory requirement that an agency must comply with and with us not funding that requirement it puts the burden of raising dollars back on local communities? What is the economic impact of this cut? Are these short-term cuts creating long-term costs? An example of that would be cutting probation services that reduce recidivism. And finally, and to me probably most importantly, what is the human impact of the cuts we are making? Are we cutting important services to our most vulnerable community members such as those with developmental disabilities? And are the cuts we make going to cause significant losses in jobs? So there is no beating around the bush that if we do not find additional revenue resources, as Senator Groene was saying, to offset our deficit, we will have to continue to make significant cuts to our budget. I believe that LB22 with AM13 does the best with an extraordinarily tough situation and I am proud of the work we bring to you today, and for Senator Stinner's leadership. I also appreciate the dialogue that Senator Krist and my colleagues bring to us and I'm honored to get to work with these senators who deeply care about the health and welfare of the citizens of our state. Thank you. [LB22]

SENATOR WATERMEIER: Thank you, Senator Wishart. Senator Kolowski, you are next in the queue. [LB22]

SENATOR KOLOWSKI: Thank you, Mr. President. I'd like to yield my time now to Senator Krist. Thank you. [LB22]

SENATOR WATERMEIER: Senator Krist, 5:00. [LB22]

SENATOR KRIST: Thank you, Mr. Speaker. And thank you for your courtesy, Senator Kolowski. So this will be my last time before closing. Closing will be extremely short. I don't

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think we need to recommit this bill to committee. I think there's discussion going on, on the floor, and Senator Stinner and I just had a lengthy discussion about what kinds of things could be done. Senator Wishart came up and talked to me about essentially the conversation she just had on the mike. My concern is not with the Appropriations process or with the product that's been brought forward. My concern is that every one of you in this Chamber, if you haven't heard, I don't know why you haven't heard because many of us have, of the problems that have been caused by withholding allotments without the authorization of the Legislature, I don't think anyone can argue with that. It's never been done. Having been here for a special session, Governor Heineman and Senator Heidemann sat down and developed a plan and carefully crafted where the money would come from and the execution of that plan. And then we came back here in that Chamber, in this Chamber, and we did exactly what we're doing right now. We decided where it was going to come from and we executed, we voted it out of this Chamber, and it went for the Governor's signature, Governor Heineman's signature. That is the correct way to do it. Now we can't go backwards. We can't go backwards and have a special session. And for those of you who haven't been through one, I've been through three and it's not pleasant. It interrupts your life but it's your job. We can't go backwards but we have to evaluate where we are today. Now, I so much appreciate Senator Wishart coming up and saying on this...with this particular issue and this one, I'll make sure, I'll go back and advocate in the Appropriations Committee. And I really appreciate that and I respect that. But who is going to advocate for the other nine codes, one by one by one? I know you need a runway. I know we can't take this all out of a two-year biennium. We should take some money away from this allocated budget cycle. But you don't need a 10,000-foot runway, folks. We need about 4,000- or 5,000-foot runway and we need to get a jump-start at it and then we need to let people know we're going downhill. Depending upon who you talk to, my information from Ernie Goss says this is a four-year slope, four years before you're going to have the money to have on that bottom line, on that tally sheet to spend money that you need to spend for the state, for money...four years potentially. In Senator Groene's words, before you get to spend any money, show me the new taxes, show me the new revenue. He's absolutely right. This is too deep a cut, too deep a gouge, and it is not the proper way of doing business. I've been called an institutionalist, a traditionalist. Okay, be it what it is. It's not good for the institution, it's not good for the legislative branch to do business in the way that we're doing business now. So what I'm asking you to do, and I'll say it in my closing again, vote the way you will for recommit on committee. I believe we're going to have a discussion on an amendment that I have that's still pending and we're still going to have a discussion on how we can solve this issue. [LB22]

SENATOR WATERMEIER: One minute. [LB22]

SENATOR KRIST: Thank you, Mr. President. I still think that there is discussion that needs to be had. I also don't think that, as I said before, that we may be able to solve this thing one bill at a time...one amendment at a time, and build the sausage on the floor. But that's what the Chair of

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Appropriations would like to do and I will not challenge a standing committee chair in terms of the course of action that he would like to choose. Thank you, Mr. President. [LB22]

SENATOR WATERMEIER: Thank you, Senator Krist and Senator Kolowski. Mr. Clerk, for record, for announcements. [LB22]

CLERK: Thank you, Mr. President. An amendment to be printed to LB22, Senator Krist. Hearing notices from...a series of hearing notices from the Transportation Committee and the Business and Labor Committee, those signed by their respective chairs. The Executive Board reports LB210 to General File with Amendments, LB230 to General File with amendments. Revenue Committee reports LB161 to General File with amendments, and LB233 to General File with amendments. (LB89 also placed on General File with amendments.) (Legislative Journal pages 399-403.) [LB22 LB210 LB230 LB161 LB233 LB89]

Mr. President, returning to LB22, priority motion, Senator Chambers would move to bracket the bill until April 1 of 2017. [LB22]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Thank you, Mr. Clerk. Senator Chambers, you're welcome to introduce your motion. [LB22]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, we all have interests. I'm going to take care of my interest. My interest is to make sure that certain things get discussed on this floor, or talked about because there will be no discussion because I'm the only one who's going to say these things, but I'm going to say them again and again and yet again. I'd like to ask Senator Groene a question or two if he will yield. [LB22]

SPEAKER SCHEER: Senator Groene, would you please yield? [LB22]

SENATOR GROENE: Yes. [LB22]

SENATOR CHAMBERS: Senator Groene, do you have a degree in economics? [LB22]

SENATOR GROENE: Yes. [LB22]

SENATOR CHAMBERS: Are you an economist? [LB22]

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SENATOR GROENE: No. [LB22]

SENATOR CHAMBERS: Why are you not an economist if you have a degree in economics? [LB22]

SENATOR GROENE: Because I got two hands and if you...a good economist only has one because on the other hand. [LB22]

SENATOR CHAMBERS: What makes a person an economist? [LB22]

SENATOR GROENE: Because they call themselves an economist... [LB22]

SENATOR CHAMBERS: Right. [LB22]

SENATOR GROENE: ...and they got a degree from somewhere and then, therefore, they're...and I think they're 50 miles from home too. [LB22]

SENATOR CHAMBERS: Now let me ask you a question. Are you aware of farm subsidies? [LB22]

SENATOR GROENE: Yes. [LB22]

SENATOR CHAMBERS: Is that money that goes from the government to farmers? [LB22]

SENATOR GROENE: Yes. [LB22]

SENATOR CHAMBERS: Is it in exchange for work that the farmers do for the government? [LB22]

SENATOR GROENE: It's an exchange so that everybody can afford their groceries. [LB22]

SENATOR CHAMBERS: They are getting something that they haven't worked for. Isn't that true? It's a handout from the government, in other words, just as when poor people get food stamps some conservatives call those handouts. The farmers are just getting bigger handouts, aren't they? [LB22]

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SENATOR GROENE: No. It's in return of production. You have to produce food and the payments were all started back in the '30s because they wanted to keep food cost down for the population. [LB22]

SENATOR CHAMBERS: They call it something parity. You know what parity is, don't you? [LB22]

SENATOR GROENE: Yes. [LB22]

SENATOR CHAMBERS: Okay. Now these farmers are not doing work for the government, they're in business for themselves, aren't they? Senator Groene, isn't that true? [LB22]

SENATOR GROENE: Yes, they are. [LB22]

SENATOR CHAMBERS: And they are paid so they can stay in business. The government gives them money to stay in business, isn't that true, with the subsidies? That's what you said. [LB22]

SENATOR GROENE: Some of them need it. Some are good and don't really need it to stay in business but that's...they take it because it's offered. [LB22]

SENATOR CHAMBERS: But if there's a grocery store in the city and they can't make money, they cannot go to the government and say, give me some money so that I can stay in my grocery store and provide services to the people in the city. There is no subsidy for small grocers, is there? [LB22]

SENATOR GROENE: It's called food stamps. They lobby for food stamps, too, because they can sell more food if there's currency for people to buy the food. It all works together. [LB22]

SENATOR CHAMBERS: See, you're playing a game now. The grocers don't get food stamps, people get food stamps, and they exchange them at the grocery store. I'd like you to use the knowledge you learned studying for economics to at least give me the chance to have what I say repeated as I said it. Is this actual money that farmers get by way of these subsidies or are they given pieces of paper like scrip which they can exchange for things? Is it actual money that they receive? [LB22]

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SENATOR GROENE: I'm not going to answer because it's hearsay. I didn't go into farming mainly for that reason because I don't like government payments, but I've never received one of those checks. I've never seen what the purpose is. [LB22]

SENATOR CHAMBERS: So in your... [LB22]

SENATOR GROENE: I do know a farm assistance program exists. [LB22]

SENATOR CHAMBERS: In your study to become an economist, you never dealt with the subsidies paid to farmers by the government? [LB22]

SENATOR GROENE: I've never seen what a form looks like. [LB22]

SENATOR CHAMBERS: Have you ever heard of that happening in your studies? [LB22]

SENATOR GROENE: Of course it happens. [LB22]

SENATOR CHAMBERS: When it was...when you were studying, what did they tell you that the subsidy to the farmer is? That's okay. I won't ask you any more questions. They are difficult to answer for somebody--that's all I have, Senator Groene--for somebody with an economics degree. But they're not difficult for a city slicker. It's money. And part of the problem was that the farmers were spending more to produce than what they could gain when they sold their products. The cost of production exceeded the cost they could receive on the market so the government was going to raise what was going to the farmer so they would have some money in exchange for their poor business dealings. A shoemaker could not get \$20 worth of leather and make a boot that costs \$8 and tell the government, well, it costs me \$12 more to make these boots than I can sell them for so will you give me \$12 to make up the difference? The government will say you're crazy. That's what farmers said. It costs me more to produce this than I can sell it for. They're getting money. Is that money that they get reckoned as income for the purpose of taxes or is it free money? These conservatives talk about a free market system. That means you let the dynamics of the market determine everything. Farm subsidies skew the market. When ethanol that Nebraskans, some of them, are involved in, they don't want the market to be the determinant. Without federal and state subsidies, ethanol could not function, it could not be an industry. Ethanol does not produce enough energy to produce ethanol with. When you want to produce ethanol, you use petroleum-based energy and yet ethanol is the save-all and cure-all. Take away the federal and state subsidies and ethanol is through and corn is used the way it's supposed to be used. It goes into the bellies of human beings and, to some extent, animals, instead of the tanks of automobiles, because the government that people like Senator

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Groene would say they're too big, they meddle with the people and people get these handouts, the government is supporting ethanol in this state. Then you have big shots like the Koch brothers who can afford things and they'll even get involved in ethanol. They won't turn their back on subsidies from the government. So you got to take with a grain of salt what these economists tell you. If you laid all of the economists end to end, they couldn't reach a conclusion and if they could, it would be wrong. Who are the ones making all these projections, revenue projections on which a lot of the work of the Legislature is being done? Economists. They are not soothsayers. They are guessing. They are speculating. They are extrapolating. They are not dealing with facts that they give to us. It's luck, hope, and pray. You all won't accept it because I'm saying it, but I got...I was talking to one of your colleagues who has a degree in economics and he cannot even answer basic questions, the answers to which you all know. But he doesn't want to give the answer because it contradicts things that he says on this floor pompously, authoritatively. Ask me something about the law which I study and if I don't know the answer I will tell you I don't know the answer but I know where to go to get it. I won't change the way you ask the question or say, well, gee whiz, uh...I answer your questions you put to me directly. And if I don't know the answer, I tell you. I see all this slipping and sliding. Then when somebody doesn't know something, they're going to call people out individually. I didn't hear Senator Brasch--of course, she's not here--talking about don't call out our colleagues. Isn't that what that conservative said the other day aimed at me? Senator Groene read off a list. Let him read off the list of the senators in here who are getting government subsidies. I wonder if those government subsidies that the government gives these farmers for not producing contribute to the federal deficit. Is that free money that the federal government gives that comes from you all's taxes, is that a part of the deficit that these "Repelicans" talk about ballooning out of control? That's what white privilege is and you all don't want to call it what it is and you're offended when I call it what it is but I'm using your language now, I'm using your jargon, I'm using your terminology. But you didn't expect your terminology to be turned on you and you have to discuss it and justify it here. Oh, you can stand on the floor and holler at people, holler at women, and buffalo and bulldoze your way through, but you can't answer questions in the line of work where you studied and got a degree. I don't know where he took his degree in economics. Maybe they ought to change it from a degree in economics to a degree in arithmetic. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR CHAMBERS: You all don't like to hear it from me, do you? What help do I...do I need a lot of company along with me before I'll take a position? No. Anybody can question me, anybody can take issue with me, and I don't bring these insane bills of the kind that I discussed that Senator Groene has brought and I went into detail about it. That's what we're here for. You bring it here, expect it to be debated, and not everybody is going to sit like a potted plant or be a shrinking violet and let it go through. My job is to try to protect the integrity of the Legislature as an institution and when we let trash legislation go through, we're not doing what we ought to do

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and it's my job, unfortunately, to serve as the garbage man. I have to deal with the garbage that you all bring in here that you don't read, that you don't understand, that you will not be sure it adheres to and follows the constitution. [LB22]

SPEAKER SCHEER: Time, Senator. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Schumacher, you're recognized. [LB22]

SENATOR SCHUMACHER: Thank you, Mr. Speaker, members of the body. It seems that if we assume that these really gloomy projections are indeed accurate that we've had a colossal failure of our revenue accounting and forecasting mechanism. You don't go in a period of nine months, or even less than that, from being kind of okay to the sky is falling without some terrific malfunction in the way you project revenues or account for revenues. It's just common sense. We have this thing called a revenue Forecasting Board. How could they have missed it so badly? Is there an inherent problem there? Is there an inherent problem in how our Fiscal Office does its projections or its assumptions? Must be a big, big problem somewhere if this thing is real. But at any rate, the projections all of a sudden went south in the last quarter of the year and we have a statute that we passed; it was a law as to how we're supposed to handle things. And when this group composed of Revenue and Appropriation Chairs, Executive Board Chair, the Speaker, Tax Commissioner--I think they're called the Tax Rate Review Commission (sic: Committee) or something like that--met, they're supposed to look at it and if the oil light comes on and it looks like we're in trouble, they're supposed to ask the Governor to call a special session. Now rarely do I stand here and defend the Governor, so I don't want to give him a heart attack, but the buck stopped first and is supposed to stop on our desk. When that oil light came on indicating we were entering a danger zone, was there a call for a special session? Was there even a motion and a vote by this group for a special session? No. Seems like if we're all saying now there should have been a special session, it should have at least been discussed. Do we blame the Governor at that point for not calling us into special session, which the group that had the power to request a special session declined to do so? And I believe that there was even newspaper stories by one of the people on the group that, no, we really didn't need a special session. Maybe we have a problem with that statute that we need to fix if, in fact, it's late in the year and people are term limited now and they'd really just as soon not do things. At any rate, we didn't ask for a special session. Now maybe the Governor, after we didn't ask, should have said, you know, you dummies, you really should ask and I'm going to call you in anyway, and he could have done that. But we didn't ask for one under the law that the Legislature passed. And as a result, we are here today and it's a bit unfair to throw all the blame on the Governor. We could have asked for

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that session. Now that's water under the bridge. What we have got to do now is figure out whether this crisis is real, how real it is, is our numbers correct, what we can do to implement the corrective action in a sensible way if it is real,... [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR SCHUMACHER: ...whether the proposal that Senator Stinner and the Appropriations Committee brought to us is a way to do it, whether we should follow Senator Chambers' suggestion and strike it all and bring our own bill free of the influences and the biases of what might be a Governor's Office that has some different motivations, certainly some different thoughts and objectives with regard to spending and taxes and those kind of things. But that's what we're here about and that's what largely this discussion is about. And I think we've got a lot of work to do and we've got a...this is just the tip of the iceberg because the real budget is where the rubber is going to hit the road. And when we hear about big tax cuts, big extensions of incentive programs, we all got to wake up and hopefully wake up in the real world. Thank you. [LB22]

SPEAKER SCHEER: Thank you, Senator Schumacher. Senator McCollister, you're recognized. [LB22]

SENATOR MCCOLLISTER: Thank you, Mr. Speaker. Good morning, colleagues. This is my first opportunity to speak on this issue. And I am grateful for the sage observations by "Professor" Schumacher. I thank my old friend, Senator Groene, for his comments this morning. We are all products of our life experiences. And along with my brothers and family, we ran a business for 35 years. Like the state of Nebraska, we had good times and bad times over the 35 years that we ran that company. Particularly, early '80s we had to cut over 30 percent of our budget just in order to stay in business. And when the good times came, we were in great shape to take advantage of that. We had good times as well. And over the time we ran that company, we grew it twentyfold. Well, the state of Nebraska is in much the same situation. Hard times are here. How do we have to deal with these issues? Cut the state budget. We're doing that, I think, in a responsible way. I'd like to congratulate the Appropriations Committee for their very good, hard work. Senator Stinner and his group have, I think, done a responsible job in dealing with this budget. Whether or not the Governor acted properly or not is another question but I think we need to focus on the overall situation and move forward. Not only can we cut as we are doing with this budget, but we should also start looking at enhancing some of our revenues and I have two bills that did that, one of which was taxing Internet sales. And I think that will bring perhaps somewhere between \$30 million and \$50 million into the state budget. That's a good thing. That's something we should do. Also we need to broaden the sales tax, start taxing on some of the services that we have neglected. There is no reason that we shouldn't do that and make...and

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spread that tax out a greater number of people. So, in conclusion, the sky is not falling. We will deal with this issue in a responsible way by enhancing revenues or reducing expense. This body is responsible and I am certain that we'll deal with it in a way that most people will regard as responsible. I yield the balance of my time to my...Senator Morfeld, my neighbor. [LB22]

SPEAKER SCHEER: Senator Morfeld, 2:25. [LB22]

SENATOR MORFELD: Thank you, Senator McCollister, and thank you, Mr. Speaker. I just wanted to respond very briefly to Senator Schumacher's comments. First, he's right. We also have the prerogative to call into special session, as does the Governor have the prerogative to call a special session as well. That is not what I take issue with. What I take issue with is the Governor withholding these funds from the agencies, altering what I believe is the intent of the Legislature and then not calling a special session. That's what I take issue with. I acknowledge that we could have called a special session and, in fact, I talked to several of my colleagues and I said I think it would be a good idea to call a special session. Several of them said, no, I don't think it's a good idea. I respected their opinion. I could have pushed the issue and the matter further and led the charge to call a special session. That being said, I also wasn't 100 percent aware of what was going on until late December with the Governor withholding some of these funds which I think is not lawful. I do not believe that it's right. I do not believe that it's in line with the constitution and the duties of the Governor and their powers. And I believe that it's an infringement upon the lawful authority of the Legislature. So to reiterate, I acknowledge that we, too, have the responsibility to call ourselves into special session. But what I take issue... [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR MORFELD: Thank you. But what I take issue with is when the Governor decided to start withholding these funds, which I believe violated the intent of the Legislature and the legislative appropriation that we passed into law, that's when they should have...he should have decided to call a special session. So I just wanted to clarify that for the record and acknowledge that Senator Schumacher is right. We could have called ourselves into special session, but I believe the Governor had a duty to do so once he started altering the appropriation, in my opinion. Thank you. [LB22]

SPEAKER SCHEER: Thank you, Senator McCollister and Senator Morfeld. Senator Groene, you're recognized. [LB22]

SENATOR GROENE: Thank you, Mr. President. I'm tempted to go off on an economic lesson for Senator Chambers on farm programs and how it trickles down through the system and how it didn't come from fiscal conservatives, it all came from Keynes's idea of economics, how the

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government comes in and stimulates economies. But anyway, back to why we don't have any revenue coming in and nobody is...the folks who want to spend and not cut have no revenue proposals. I didn't have a chance because my printer didn't work but I think there's about 90 bills in Revenue and on the first page I was able to look at it: 14 out of 25 are some type of tax credit. Tax credit, folks--reduce revenues. Now I'm a simple guy, also a businessman with an economics degree, because I know there's two sides of a ledger. And for years we've been sold, which is Keynesian economics, if we cut this or the government gets involved here, President Obama called it and he was correct, you didn't build it, theory of economics. Well, you got to have the government involved, because if you give this tax credit here or that one there, then it stimulates the economy and the economy grows. Well, we've done a lot of that and the economy isn't growing because the big hammer always, always is the free markets. There is no market for our ag products right now. Oil has crashed. The world doesn't have the money to buy them. That's free markets. All of these tax credits, all of these gimmicks, seem to work when the free market is working. Keynes is probably rolling over in his grave because he said we should only use it in times of crisis. We've used it consistently now that we can't use it anymore because we're broke, but that's economics. I want to...I forgot after mentioning a few senators, I forgot my good friend, Senator Harr. He talks of spending. He talks of protecting the poor. His bills consistently are tax credits. He wants to cut revenues. LB215, E-15 tax credit for gas stations that put 15 percent, put pumps in for 15 percent ethanol. LB528, that's the one from the State Chamber. They want to expand the Advantage Act: more credits, more credits. Folks, we can't do this. When you come in and you take a bill on, make sure you know how to pay for it, or don't come with another bill right after it and say I'm going to...I want to spend money on this program when you just introduced ones where you cut the revenues. It doesn't work. So Senator Stinner in the Appropriations Committee is sitting there saying we got a job to do, here's what our revenues are, here's what our spending is, we've got to cut here, we've got to cut there, we've got to lower spending. There are families. Oh, you're going to raise taxes on...the reason we don't have revenues is people have less money. That's not a hard economic principle to understand. There are families out there telling their kids, you're not going to this college, you're going to the community college, because we don't have the money. There are families out there saying, yeah, son, you turned 16, daughter, we're going to get you a used car, we can't get you one. There are families out there turning their thermostats down, not going to the movies. [LB22 LB215 LB528]

SPEAKER SCHEER: One minute. [LB22]

SENATOR GROENE: Here's one for some of you folks in areas where there's high government employment. I hear the university whining. Did you know they're going to give a pay raise to all their six-figure employees? They're going to get a pay raise and they're going to raise, they're going to do that, and then they're going to raise tuition on middle-class students. Six-figure incomes, and they're the same ones that will probably tell you, you can't raise my income taxes.

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It's not all farmers. It's not all the free enterprise that make high incomes in this state, in this economy. Give a pay raise. I'm not getting one. Everybody I know in the free market isn't getting one, in agriculture. But you get a pay raise and you're going to turn around and stick your customers with a tuition increase. Is that blunt? Yes, it is blunt. So go tell your friends that go to the wine and cheese parties, you, and hug the poor, that they're not going to get a pay raise this year and see how that goes over. [LB22]

SPEAKER SCHEER: Time, Senator. [LB22]

SENATOR GROENE: Thank you, Mr... [LB22]

SPEAKER SCHEER: Thank you, Senator Groene. Senator Harr, you're recognized. [LB22]

SENATOR HARR: Thank you, Mr. Speaker, members of the body. Thank you, Senator Groene. And I'm awaiting the invitation to a wine and cheese party. I look forward to that. You know, and I appreciate the dialogue with Senator Groene. It's interesting when we sit in Revenue--it's happened twice and I think it scares him more than it scares me--we'll both raise our hand and the Chairman will pick a person at his discretion who goes first and he and I have very similar questions. Matter of fact, like I said, twice we've said, ah, nevermind, the other one asked the question for me. And I do think we think a lot alike. We don't want to take money that we don't have to. But it does cost money. Taxes are the cost of good governance. This session we are short of money. There are three priorities, I've said since the day after the election, what this session will be about. Number one, how do we balance our budget? Is it all cutting? I don't know. We'll have to have a conversation about that. Two, how do we fix Corrections? And again I want to thank the Appropriations Committee with AM13 for putting that money back into our budget. I want to thank the Chief Justice for drawing that to our attention that we cut this money like the Governor wants and guess what happens? Penny wise, pound foolish. We're going to...we need to invest in our correctional system. It doesn't sound right. But we don't want what happened in Delaware last night where a corrections officer was taken hostage and killed. And we don't want people to go to prison if they don't have to. We want to make sure we make that pipeline as narrow as possible and that we filter, we separate the wheat from the chaff, that those who we can work with through probation and through diversion courts, alternative courts, they go there and they get a chance so that not only do they not go to prison but you look at the graduation rates and the effect of sending someone to prison, the effect it has on the next generation, those children. There is a reason it's a self-fulfilling prophecy. For the last 20 years, Corrections and HHS continue to increase. They're the two largest increases in our budget and education is the smallest increase. We've got to bring that down; we've got to bring Corrections down, bring education up. And the third thing is, how do we encourage or incentivize our economy? And, yes, I do bring tax credit bills. And what they are meant to be are laser focused to make sure that

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we can incentivize and use the advantages that we as a state have and to incentivize certain industries to make sure that they grow and that we become the best in those. And I didn't do that accidentally. And it's...and I don't know if it's the right answer, right? So there are two real ways of looking at taxes. One is let's lower the rate as low as we can and let the market decide. The other is, let's look at where we have an advantage, whether that be our people, a natural resource, maybe it's an accident in history that gave us an advantage. And then how do we take that and grow that advantage that we have? How do we leverage that advantage? Which way is the right way? I don't know. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR HARR: Right now...thank you. And I look forward to having this debate of how do we leverage our advantage or should we leverage our advantage, because in essence we are picking winners and losers. Is that the right thing to do? That's what this session is going to be about, folks. We're going to have some spirited debates. Senator Groene is a very good man and I look forward to discussing with him and the Revenue Committee and this floor how do we want to grow as a state, what do we want our priorities to be. You know, there's nothing like a crisis to really help you focus your priorities, so I look forward to this continued debate regarding MO30 and in addition to discussing how to grow our state. Thank you, Mr. Speaker. [LB22]

SPEAKER SCHEER: Thank you, Senator Harr. Senator Chambers, you're recognized. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. The Legislature ought to kill this bill and substitute a bill. Jesus, again, said that if a house is built on a weak foundation, actually he said on the sand, then it cannot stand. The floods come, the winds blow, and it falls. You are taking a flawed foundation given to you by the Governor and trying to build a superstructure on it. The superstructure that you build may be beautiful. But because the foundation is flawed, it can all collapse. Then it's on you. Build the foundation yourself. You know what you're working with. You know what your goal is. And if the Legislature built it, I would own it even if it was not everything I thought. And I'd mention where I disagreed with it. I will never own something that the Governor sent over here and the Appropriations Committee is pitching and patching and trying to make a clean thing out of an unclean thing, bring a silk purse out of a sow's ear. You are not limited as a Legislature with what, to what the Governor gives you to work with and what he gives you to work with is flawed and an insult to the Legislature and totally cruel, inhumane toward the public and those who are entitled to look for consideration from the government that the Governor is not granting. Senator Groene and these people, probably "Anne" Rand...I call her "Anne." Her first name is spelled A-y-n. They always want to say, have you read Atlas Shrugged? Yeah, I read it and I read it just as a novel, not as a doctrine. They create their icons, then make them into something which the writings of the icon do not justify. They read but they

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don't understand what they read. Somebody told them what it meant. He talks about the price of oil crashing and how that's the free market system. Has he ever heard of OPEC, the oil exporting countries? Has he heard of the non-OPEC countries? Does he know that Russia produces a huge amount of oil? Nigeria? The United States? Oil is not governed in terms of its price by a free market. A free market means not controlled, not regulated, not dominated by monopolies. Oh, he's an economist. He doesn't know what I'm talking about. The government giving farmers subsidies is not a free market. Ethanol, propped up by government subsidies, is not a free market. You know why you never hear them saying build a pipeline to move ethanol? Do you know why? Do you know why they send ethanol from place to place in tanker cars or trucks? Because it corrodes, it is so corrosive that you cannot use a piping system to move it. Well, if those steel pipes are not strong enough to resist the erosion caused by ethanol, what happens when you put it in your car? You're not supposed to think that far. You all thought that they could move ethanol through a pipe system? I'm not a farmer. I'm not an oil jobber. But brothers and sisters, I can read. I can read and I don't read only those things that were written by dead people who have been interpreted, construed, misconstrued, and turned into something that they themselves wouldn't recognize if they came back and looked at it and more is written about what they said than what they wrote themselves. And if you have ten of these so-called economists... [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR CHAMBERS: ...reviewing an issue, you'll get ten different and conflicting and contradictory interpretations. We as a Legislature have a responsibility that I think is being shirked when all of the work we do is on the Governor's bill. That's the Governor's bill. That's not the Legislature's work. That is not the Appropriations Committee's bill. Kill it and build something of our own. If there are things of value in it, take it. But you all are trying...I don't know what you're trying to do. I've been in here 42 years. I still don't know what you all have in your mind. And as for Senator Groene, he changes from time to time when he speaks. He was talking about economics over there on his own but he wouldn't answer my questions. This is...this place is funny. (Singing) Bring in the clowns, don't bother, they're here. [LB22]

SPEAKER SCHEER: Time, Senator. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Not that I don't enjoy the voice, but that's time. Senator Hansen, you're recognized. [LB22]

SENATOR HANSEN: Thank you, Mr. President. Colleagues, I rise today to speak on LB22 and this is just the second time I've gotten up in the couple days we've been talking about this.

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There's been a couple things that have been said today that I just wanted to make sure compelled me to get up and speak. I've been following along and making sure I'm here on the floor listening to the debate, and I think we've had a good debate. The first was Senator Schumacher's comments on calling the special session and he's correct. We as a Legislature chose not to have a special session or chose not to push for it. That was a decision we made and that might be one I end up regretting in the long term not being more of an advocate for that or being a...pushing that issue or at least fostering a debate on that issue. However, as Senator Morfeld pointed out, there were a lot of things going on that we as a Legislature were unaware of, or at least I personally was unaware of, in terms of what was going on with different agencies and the funds and going on there. And that's something I'm still trying to wrap my head around. I appreciate that some other people might have had, you know, more financial background than me before this but, you know, I'm still trying to process it. So we do have some burden on the Governor's Office being the one who has the opportunity during, outside of session, to be making those decisions and to be, whether they're constitutional or not, making those decisions. So I do think there was some obligation there for him to make it clear to us what was truly going on so we could have the full information and the full opportunity to decide what was best for the state of Nebraska and exercise our duty as the oversight of the budget. And then you talk about, you know, we did not request a special session. I would point out we did not request LB22 either. I mean those are comments Senator Chambers was making in the end but it's Speaker Scheer on behalf of the Governor. You know, I think this is...I understand the logic behind it, I understand the rationale behind it, you know, I can get behind it, but it's not something we're obligated to do and it's not something we necessarily chose to do. It's something we've been asked to do and if the consensus of the body is to support it, I understand that. And then I also wanted to speak to Senator Groene's points. I think he and I on this issue are...have a lot of the same individuals in Nebraska in mind. You know, he was talking about when the economy isn't going great and incomes go down and families have to worry about not being able to afford the university so they have to go to community college. Well, I'm looking at the appropriations to the university. I'm looking at the appropriations to the community college and how they're getting cut. And if people are worried about affording college and affording community college, well, I'm worried that missing state aid to community colleges is only going to hamper that more and more. I don't know if there's anybody who has gotten up and has said I oppose every single cut and I'll go line by line, make no cuts. I think we all have our personal priorities. You know, I've heard people get up on this floor and talk about education. I'm talking about education. I've heard people get up on this floor and talk about people with disabilities and healthcare. We've all got our areas of expertise and our areas of interest and our areas of passion that we want to get up and defend. You know, this might become a time, I was looking through the budget, this might come a time where shrinking parts of the Game and Parks service is appropriate given the budget situation. I'm not opposed to those cuts just off the bat. That's something we should go through line by line and I appreciate that the Appropriations Committee has the opportunity and the ability to provide clear recommendations after doing so. So I just wanted to address that. You know, when I get up

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here and I'm hesitant about kind of the trend in the wholesale cuts to different departments, different parts of the state, I'm worried about the very same people Senator Groene is worried about, about with the tax burden, just coming from a different angle. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR HANSEN: Thank you, Mr. President. The people he's worried about, their tax burden, well, if the incomes are going down, they are going to rely on something from the government, maybe not true public assistance but they're certainly probably going through...have kids going through K through 12, they're going to the community college, they might have a, you know, a relative who is being served by DHHS that if those services get cut that will put the burden back on them to provide in-home care. I mean this is a complex ball of numbers and figures and interrelation things. And so we have to take a really due diligence to make sure that if we're doing something on the revenue side, we're doing something on the appropriations side, we're probably impacting the same people one way or the other in different directions. So that's something we just need to as a body to be conscious of and that's why I wanted to rise it up on the microphone and address it. Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Hansen. Senator Harr, you're recognized. [LB22]

SENATOR HARR: Thank you, Mr. President, members of the body. My wife and I have a little joke amongst each other and it's not who says it first, it's who says it loudest. And I know a lot of people out there, like Ashley (phonetic), believe that this is Groundhog Day, that this is like the movie. We're doing the same thing that we did yesterday today. So thank you, Senator Williams, for that joke. I said it louder. And it is. We are having a discussion, continuing the discussion we had yesterday, but I think it's an important discussion and it's a discussion about, number one, what is the process. Just because you agree with the result doesn't mean you have to or should agree with the process. That's the first thing. And I do not agree with the process that went forward here where the way we found out that cuts were being made was from a memo. That's not the way it should be done. There should be collaboration. It should be discussion. I don't need to be in the room but I think legislative leaders should be in the room before a unilateral decision is made. And I don't necessarily disagree with what he did. I think it was probably smart fiscally. I would have done it a little more targeted than the Governor did but there should have been a conversation. Right? And it's apparent that we don't agree with what he did, hence why we have AM13. And even LB22 differs from what the Governor originally did. That's why you have conversation. That's why you talk. That's the purpose of communication. That's why we're here today to debate. This across the board cut was the wrong thing to do and the way he went about it was incorrect. I don't know, and he hasn't reached out to me to tell me, why he felt he could do this unilaterally or why he should and not talk to us. Yeah, we could have called a

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special session. It would have taken, you know, a number of us senators to get together. But we were...he could have done it with one stroke of the pen and he chose not to do it. He chose the easier path for him. Right? So we're here today talking about it, using up legislative time on something that should have been addressed in a special session or, if not in a special session, at least communicated to us so that today we would know why he did what he did and we wouldn't be wasting time on the floor. I don't think it's a waste of time. I think it's important that we talk about it because it is about the vision of Nebraska. What kind of tax policy do we want? Spending helps set the priorities of the state but you can only spend what you receive. So let's talk about the front end. What should our tax policy be? Should it be broaden the base, lower the rates, no exemptions for anyone, charities, nonprofits, schools, business expenses? You know, the original 1040, someone should...I should bring it as an exhibit. It was very simple. It was one page. There weren't a lot of exemptions in the federals originally. Now there are. Poor Donald Trump, our President, says his tax returns are bigger than the...are thicker than the Affordable Care Act. Maybe it's gotten too difficult. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR HARR: Thank you. Maybe we shouldn't allow a deduction for business inputs. I don't know. We're going to have a talk about it. The reason I introduced these tax credit bills is because I want to have a conversation. I believe in focusing where we...how we grow. And I don't know if it's the right thing. I believe we need to have the conversation, I should say. Obviously Senator Groene and I don't agree on that. But we'll have a conversation about it in Revenue. We have some bills. I have a disagreement on property taxes. I don't know if they properly catch the wealth of an individual. I don't know if the Governor's bills properly catch the wealth of the property. But I don't think the current way is right now and we're going to have a conversation and maybe working together and looking at history and studying, we'll find a solution. Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Harr. Senator Chambers, you're recognized. There is no one else in the queue. Would you like to use this as your closing? [LB22]

SENATOR CHAMBERS: No, no, thank you. [LB22]

SPEAKER SCHEER: Fair enough. [LB22]

SENATOR CHAMBERS: I want all of my time. I don't get tired. Before it's over I'm going to offer a motion to kill this bill. I'm not going to offer amendments to it. I think it should be killed so I'm the one who should offer that motion so eventually I'll get around to it. But for now, I'd like to give a couplet and dedicate it to Senator Ebke: Take this bill of the Governor's and throw

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it into the fire, then let the Legislature create something nearer to our heart's desire. And now I'm going to quote from Jesus since you all pray to him every day. He said don't put new wine into old bottles. The bottles were animal skins. If you had an animal skin that was old and you put what they call new wine or unfermented wine, as it fermented, it destroyed the bottle and the wine was spilled. He said, therefore, put new wine into new bottles. The Governor gave you all...talk to him, Jesus! The Governor gave you all old bottles. You are using new wine. Jesus said, do not put new wine in old bottles for the bottles will be burst and the wine will be spilled on the ground. Kill the bill. Do you think our Appropriations Committee is incapable of fashioning a bill? They've done the basic work already. Should we have to pitch and patch on the floor or should they just do it the way they know it should be done and then if we disagree that's when we'll do our work but it will be working on what it is that we think ought to be before us. But as usual, you all don't listen to me. People don't get things right. First of all, Senator Harr said when he and his wife speak "amongst" themselves. You use "among" if there are three or more people. You don't use "among" when there are two. It's "between" when there are two, when they are talking between themselves. There was a song sometimes when these...it's late at night in the...well, anyway, I won't go into that but it would make a grammatical point. He said Groundhog Day is what you're dealing with and you see it over and over. Well, Groundhog Day wasn't the first, because he said the same thing that happened yesterday we're doing today. Now I think the group was Herman's Hermits: I'm Henry the eighth, I am / Henry the eighth, I am, I am / I got married to the widow next-door / She'd been married seven times before; And every one was an Henry / She wouldn't touch a Willy or a Sam / And my name is Henry/ so Henry the eighth I am, I am / Henry the eighth I am. So it was Herman's Hermits we are replicating. Then they would say, "Second verse, same as the first," and do it again, again, and again. So don't take from Herman's Hermits and give to Groundhog Day that which belongs to Herman's Hermits. You all got a pink slip on your desk today. This is probably the only pink slip you will get and be happy about. Pink slip is a word or a term that usually means dire consequences, it means you're cashiered, you're through. You all, some of you, on that pink slip look at the bottom... [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR CHAMBERS: ...where it says total amount or whatever. You've got more on that than you'll get on your check. You'll get more on that than your check. I'm the author of the pink slip. You don't like it, do you? You wish somebody else had done it. But you don't dislike me so much that you're not going to accept what that pink slip portends and it's because I did not accept what Attorneys General had said, what Governors had said, what some senators had said. I used my mind. I followed it. And now you all get a pink slip that you love and you're going to get one every month that you're down here. You're welcome. Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Harr, you're recognized and this is your third time. [LB22]

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SENATOR HARR: Thank you. And thank you, Senator Chambers, for the English lesson. My mother would be proud. And I think when Henry in that song they spoke amongst themselves, not between the eight of them, is that correct? [LB22]

SENATOR CHAMBERS: (Inaudible.) [LB22]

SENATOR HARR: Oh, okay. And I...so, folks, maybe this isn't the time, maybe this isn't the place, but, gosh darn it, we're going to have a conversation about the budget. I don't know, if this isn't the time to talk about the budget when we're debating a budget bill, I don't know when is, right? When else can we talk about it? If I talk about how we spend and I talk about how we collect so that we can spend at a different time, then that's not relevant. But when we're talking about how we're going to cut spending, it's the right time to talk about how we spend and it's not a delay. And I take objection to people who think it is. We are here to do the people's business and we will do the people's business. The only thing we are required to do constitutionally is pass a budget. This bill before us, LB22, brought to us by the Speaker and as amended by Appropriations, is not required. It probably is good public policy because it gives us a longer runway and it spreads the hurt a little bit longer instead of we have a shortfall. Projects are just that, projections. They aren't actuality. As Senator Stinner said, when we left sine die last year, we had a 3 percent cushion and we had \$4.5 million surplus. Projections were wrong. Thank goodness the bills that are up in Revenue hadn't passed in the past because imagine if we had triggers based on those projection in growth. We'd be even...we'd not have just \$900 million. We'd have a greater shortfall, right? We got to think about that stuff. We were a balanced budget when we left. We aren't anymore. That's why we have a rainy-day fund, to deal with these situations, but instead we've decided to spread it over a longer period. I think it's a good thing that we talk about it and talk about why we did it but also talk about how we got there. And finally, where are we in the cycle? Are we at the beginning of a recession? Are we in the middle of a recession? Are we at the end of a recession? Looking at the numbers, technically, we're not even in a recession. Right? If we're \$900 million short right now, what happens when we get in a recession? We're cutting spending now. Do we have to increase revenues in the future? And we should be talking about, are we at the bone. We're coming off of, I would argue, 16 years of austerity. If you think Governor Heineman spent a penny he didn't need to, well, then you weren't here, and yet we're cutting below what he did. If you think Governor Ricketts his first two years was fat, dumb, and happy, and spent too much money, you weren't here to see the budget. If you think the Appropriations Chair, Lavon Heidemann, now...or former Lieutenant Governor, as well, spent too much money,... [LB22]

SPEAKER SCHEER: One minute. [LB22]

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SENATOR HARR: ...you weren't here. If you think Chairman Mello spent money frivolously, you weren't here. Folks, we are no longer cutting fat. We're cutting muscle. And we better have a talk about it. And I will concede these talks seem to be one-sided. No one else wants to have this conversation and they turn into a monologue instead of a dialogue. And I want to speak not just between members but amongst members. So I look forward to continued debate on this. Thank you, Mr. Speaker. [LB22]

SPEAKER SCHEER: Thank you, Senator Harr. Senator Krist, you're recognized. [LB22]

SENATOR KRIST: Thank you, Mr. President. And good morning again, colleagues. There comes a time when philosophically we can differ on a course of action. And I think we're there. I think that some of you are very aware that these cuts right now are aimed at building a 10,000-foot runway and you know that in my estimation we don't have to be this aggressive this quickly. I think Senator Harr just spoke to a little bit of that. Now in talking with Senator Stinner, the compromise that I think we've reached is that you put an amendment up there for line item by line item by line item and vote on it and we are willing, he is more than willing to listen to those proposed changes. Well, the 49 of us who sit here are not the Appropriations Committee. The eight, the nine members that sit in Appropriations equally represent all three of our legislative caucuses. I have a bill, I have an amendment up after we get through the priority motions. And remember, I put the recommit to committee up there so I bought some time until I got my first amendment up there. That amendment speaks to the restoration of all reappropriated funds for the two separate branches of government--the judiciary and the legislative branch, the council money--and it speaks to reinstating or not taking away any of the reappropriated funds for all noncode agencies. Let's get to that discussion. If we need to do this on the floor, then let's get to it. I think Senator Chambers would agree that what's important is that we have a deliberative discussion, Senator Chambers and Senator Stinner let me say, we have a deliberative discussion, we get to the point where we identify those cutting the muscle, as Senator Harr said, and not necessarily cutting the fat. I think Senator Schumacher said it very well earlier. Are we overreacting potentially to what's happening? I'm more of a pessimist. I believe that we're going to be on this slide and the economists are telling us it's going to be for a couple years. So I'm asking you to get to that amendment so we can talk to it on General and potentially make some changes, as Senator Wishart has told us and has promised that she has some interest, I have told you and I have interests, and I think several others of you have said the same thing. That's what this process is all about. I believe that if we continue on the track that we are and throw priority motions up there in order to have that deliberative discussion, we won't be as focused on the floor as we need to be. That's my belief, it is my opinion. So I think we've had all the discussion that we need to have on MO30 at this point. I believe we've had all the discussion, in reality, we need to have on MO27. And I would be willing to accept someone immediately after we dispose of MO30 to call the question on the recommit to committee and get to the substantive amendment below. That's your choice. [LB22]

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SPEAKER SCHEER: One minute. [LB22]

SENATOR KRIST: Thank you, Mr. President. [LB22]

SPEAKER SCHEER: Thank you, Senator Krist. Seeing no others in the queue, Senator Chambers, you're welcome to close. [LB22]

SENATOR CHAMBERS: Thank you, Mr. President. I do believe people are trying to get to some point. Here's what I would offer as a compromise. Let those of us who have interest in not having certain cuts and then let the Appropriations Committee draft a bill with those provisions in it. Then let the Governor's bill contain only those cuts that you all think should be allowed. Then we each have a pot that stands on its own bottom. This bill is what the Legislature says about this situation. This is what the Governor says about the situation. I could vote for the Appropriations Committee bill and I'll vote against the Governor's bill and I'll fight it. I have difficulty not seeing what happens in this country like a continuum or one of those circular or orb spiderwebs. Everything is interconnected. I think a lot of the nonsense that's going on even on the floor of this Legislature comes from the slapdash, idiotic way that Donald Trump is doing things. He has the power and authority to issue executive orders so he issues them about anything that comes into his head or that alt-right guy tells him ought to go in his head and the top people in the intelligence community cannot sit on that very important committee, nor the head of the Joint Chiefs, but this racist white guy is going to be at every one of them. That's what Donald Trump does. He said he knows more than the generals. I'm sure some people on this floor who have been in the military, ones behind me and ones in front of me, who wouldn't agree that Donald Trump knows more than the generals. So he ordered an action. He's going to show how this is done. A Navy SEAL was killed, three were injured, and an aircraft was destroyed. That's how Donald Trump does things. And a little girl was targeted. She was killed and, as yet, an undetermined number of civilians. That's what Donald Trump does and you all follow him. And that craziness has found its way into this Legislature and things are done because the Governor said do it this way. I don't yield to that. I like the approach that Senator Krist is taking but that's the approach that Senator Krist takes based on his orientation and view of how things should be done. And I'll support as much of what he's attempting to do as I can but I also have my way and I'm going to stick by my way because the man whom I say was the greatest philosopher/thinker created by America gave me my mantra and I must be true to him. That man is Popeye the Sailor Man. "I yam what I yam, that's all that I yam," and I will not become a sweet potato when I'm supposed to be a yam. You youngsters don't know what that is. They might look alike but they're not the same thing. So some things have the appearance of coinciding what I'm saying, but it really doesn't. And on the legislative floor you have to get the best that you can. And I'm going to fight for what I think is the best, knowing I'm not going to get it. You think I don't know that? I cannot even keep us here to work every day when I want to. You all always want to run out of

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here. I get voted down every day and I expect to be voted down but I'll nevertheless raise my voice for what I believe in. [LB22]

SPEAKER SCHEER: One minute. [LB22]

SENATOR CHAMBERS: On this bill I think if you're not going to kill it, you ought to just hold it where it is. And Senator Krist's amendment is drafted to that bill. So go ahead and do all that work, then excise out what Senator Krist's amendment and whatever else other people offered as amendments and incorporate that into a bill that will be drafted and the Appropriations Committee's name will be one it and everything that's left will be the Governor's. Then it will be clear who did what. But you all have the votes. You'll do ultimately through a vote what you think ought to be done. And I will resist it as much as I can but not as long as I can under the rules. Mr. President, I will ask for a call of the house and a roll call vote on my motion. [LB22]

SPEAKER SCHEER: Thank you, Senator Chambers. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB22]

CLERK: 27 ayes, 1 nay, Mr. President, to place the house under call. [LB22]

SPEAKER SCHEER: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Briese, Morfeld, Blood, Harr, Murante, Larson. Senator Murante, Senator Larson, please return to the floor. The house is under call. We're all here and accounted for. There has been a request for a roll call vote. Mr. Clerk. [LB22]

CLERK: (Roll call vote taken, Legislative Journal pages 403-404.) 1 aye, 46 nays, Mr. President, on the motion. [LB22]

SPEAKER SCHEER: The motion fails. Mr. Clerk, any announcements? [LB22]

CLERK: I do, thank you, Mr. President.

SPEAKER SCHEER: Raise the call.

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CLERK: Your Committee on the Executive Board reports LB464 to General File with amendments, Business and Labor Committee reports LB264 to General File with amendments, those signed by their respective Chairs. (Legislative Journal pages 404-405.) [LB464 LB264]

Mr. President, a priority motion. Senator Baker would move to adjourn the body until Friday morning, February 3, at 9:00 a.m.

SPEAKER SCHEER: You've heard the motion. All those in favor say aye. All those opposed say nay. The ayes have it. We are adjourned.