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Floor Debate
April 25, 2017

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PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the seventy-first day of the One Hundred Fifth Legislature, First Session. Our chaplain for today is Pastor Jackie Perry of the First Congregational United Church of Christ, Norfolk, Nebraska, Speaker Scheer's district. Please rise.

PASTOR PERRY: (Prayer offered.)

PRESIDENT FOLEY: Thank you, Pastor Perry. I call to order the seventy-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.

PRESIDENT FOLEY: Thank you, Mr. Clerk. Are there any corrections for the Journal?

CLERK: I have no corrections.

PRESIDENT FOLEY: Thank you, sir. Are there any messages, reports, or announcements?

CLERK: I have neither messages, reports, nor announcements at this time, Mr. President.

PRESIDENT FOLEY: While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign the following four legislative resolutions: LR102, LR103, LR104, and LR105. Speaker Scheer, you are recognized. [LR102 LR103 LR104 LR105]

SPEAKER SCHEER: Thank you, Mr. Lieutenant Governor. Colleagues, what I am going to mention seems awfully logical and you probably already know this and understand it, but today we will start working on the budget. The Appropriations Committee did their job and brought forth a balanced budget. We are now on the floor. So if we do things to the budget, we have to be cognizant of what we're doing. So if you are introducing a motion or an amendment that will

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change the finances, if you are putting more spending into the budget, it is your obligation to let the floor know where those dollars are going to come from. If you want to say it's coming from the reserve, that's fine, I'm not trying to tell you where to find the money, but you have an obligation to let the floor know where those additional dollars might be coming from. That's only logical. It makes a difference to a lot of us where the money might be coming from in relationship to if we would support that amendment. It would also be assumed that if you are going to be reducing the budget in some manner, because we are going so deeply into the reserves, that anything that reduces the budget will go directly into the General Fund and reduce the amount that we will have to go into reserves. It is a very logical approach, but I would ask you all to take heed to that because it will make things go much faster and will be more understanding to know as a body what you're talking about. It is real easy to say I want to put \$10 million back into this or I want to put \$100,000 back into that. The question is, where does the \$100,000 come from? We have a balanced budget in front of us. It is not Appropriations' problem what we do with it now. It is our problem. They've done their job. I commend them on bringing something to the floor. Any changes that are recommended by anyone on the body needs to make sure they inform the body what the impact is, where the dollars are either going to be coming from or, if they are not coming from a reserve, what program or what project specifically those dollars are going to come from. Again, that will make a lot of difference to some members in relationship to if they support that amendment. So, please, as we move forward, you are welcome to try to adjust it however you'd like, but make sure you inform the body how those adjustments are going to be funded. It's only fair. We need to know where those dollars are going to be originating from if we're going to spend more dollars, and we will assume if we're going to spend less dollars that they will go back into General Funds so that we will reduce the amount of the use of the reserves. Thank you, Mr. Lieutenant Governor.

PRESIDENT FOLEY: Thank you, Mr. Speaker. Proceeding now to the agenda, General File, 2017, senator priority bill. Mr. Clerk. [LB233]

CLERK: LB233 is a bill by Senator Smith. (Read title.) Introduced on January 11; referred to the Revenue Committee; advanced to General File. There are committee amendments, Mr. President. (AM127, Legislative Journal page 403.) [LB233]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Senator Smith, you're recognized to open on LB233. [LB233]

SENATOR SMITH: Thank you, Mr. President. LB233, as originally introduced, was the Department of Revenue's annual cleanup bill. The bill was advanced to General File with a committee amendment on January 26. However, after several discussions with Senator Stinner, it was decided that there needed to be a bill that could be used as a revenue and budget

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reconciliation mechanism, and LB233 was determined to be that tool. Therefore, the provisions of the original LB233, with the committee amendment, were amended into LB217 which we passed yesterday. There is a committee amendment to LB233, and I will go ahead and open on that at this time. Thank you, Mr. President. [LB233 LB217]

PRESIDENT FOLEY: Thank you, Senator Smith. As the Clerk indicated, there are amendments from the Revenue Committee. Senator Smith, you're recognized to open on the committee amendment. [LB233]

SENATOR SMITH: Thank you again, Mr. President. Again, LB233, including this committee amendment, have been put into LB217. Senator Stinner has an amendment coming that strikes the original provisions of LB233 and the committee amendment and that becomes the bill. Senator Stinner prioritized LB233 and we agreed to allow the bill to be used as a vehicle for what he is proposing in AM998. Portions of AM998 were the subject of a public hearing on March 28 via AM707, which I will be withdrawing here shortly. But again, some of those topics covered at that hearing are now part of AM998. With that I close on my opening to the bill and to the committee amendment, AM127, and let Senator Stinner introduce AM998. Thank you, Mr. President. [LB233 LB217]

PRESIDENT FOLEY: Thank you, Senator Smith. Mr. Clerk. [LB233]

CLERK: Mr. President, before we proceed, Senator Smith, I understand you wish to withdraw AM707 as an amendment to the bill. [LB233]

SENATOR SMITH: That is correct. [LB233]

CLERK: Mr. President, Senator Stinner would move to amend with AM998. (Legislative Journal page 1028.) [LB233]

PRESIDENT FOLEY: Senator Stinner, you are recognized to open on AM998. [LB233]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, I do want to thank Senator Smith for allowing me to co-opt his bill. And I do appreciate the Revenue Committee holding a hearing past their due dates to accommodate me as well. AM998 is part of my efforts to shore up the state's biennium budget, 2017-2018, 2018-2019. As you heard from Senator Smith, all the provisions of the bill and prior amendments would be stricken and replaced with provisions under my amendment. There's two elements in this. One of them is an angel tax credit for \$4 million; it asks that it be suspended for one year. The other one is the

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personal property tax exemption to be suspended which is about a \$15 million for the two years, and it all adds up to about \$35 million. The personal property tax, I've had conversations with the Governor, he would rather I find something else, and so we're in that finding mode right now. Obviously, over the next two, three days, Forecasting Board budget, we have a lot of cards to be played. So I'm asking that this advances to Select File. I will hold it there; we'll try to find some other additions that we can put in to help this balanced budget. So I would ask that you vote green on AM998 and pass the bill to Select File so we can proceed with the rest of the agenda today. Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Stinner. Debate is now open on LB233, the committee amendment, and Senator Stinner's amendment. Senator Harr. [LB233]

SENATOR HARR: Thank you, Mr. President, members of the body. Senator Stinner was correct that we had a special hearing for AM998. We never voted to pass it out. So I want it on the record that that was not voted out. It's still remaining in committee. I'm happy to hear that it's going to stay on Select, but we're playing fast and loose with the rules, folks. I think we need to be very careful as we start talking about the budget, which we will start this afternoon, of how we want to balance the state's budget and what we're doing. We're not in a recession right now. Now, you can argue parts of our economy are, but overall the state is not. We have a large budget deficit and that's before any proposed tax cuts that are being debated. So if we're cutting and we're moving to Select, cutting personal property taxes, getting rid of Angel Investment, ask yourself how are we going to be able to afford these programs if we cut our revenue stream even further. It's programs like this that we will not be able to afford. So ask yourself what is important. This is a very important day of setting priorities of who we want to be as a state and where we want to be not just today but ten years from now. Because this bill doesn't have a fiscal note--I'm not going to go down that road--we don't know how much it's going to cost, but we're passing it on to Select because of the way we do things. I guess I did go down that road. But that's a small amount compared to what we see permanently in other bills. So let's be very careful, let's be cognitive of what we're doing, pay attention. I will agree to support this because I heard this is being parked on Select. And it's my understanding that this will not be the bill that passes. I hope that remains true. I'm not quite sure what that means either. Here we have a bill that was originally a cleanup bill, that then we moved something into it that isn't going to be the bill still again, and it won't be until Select that we know what this bill is or is not. That's pretty dangerous. And that's building a lot of trust in you all that we'll do the right thing. So I'll support it because I want to trust Senator Smith and Senator Stinner, but let's be very careful. And I would just ask and remind Senator Smith and Senator Stinner that we are trusting them and not to violate that trust. Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Harr. Senator Schumacher. [LB233]

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SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. One focused comment, and I was pleased to hear that the property tax credit provisions for the personal property are still open to discussion with the Governor's Office and in Senator Stinner's mind. Couple years ago, we passed a property tax credit bill that basically said a taxpayer got the first \$10,000 worth of their personal property, their typewriters, their wagons, their whatever free. It wasn't taxed. And the state would pay for that with a credit from our General Fund. And that was supposed to amount to somewhere in the neighborhood of \$15 million a year, give or take. And the county assessors did a very good job of educating the taxpayers that, look, file your property tax returns, you will get this \$10,000 per taxing district exemption. Now, just in a couple days will be the deadline for all those tens of thousands, maybe hundreds of thousands of forms to be received by the county assessors. And I know in my counties, and I would guess in all counties because assessors kind of play to the same music, they sent out a notice saying, 2017, you get the first \$10,000 free. That is not \$10,000 in money, it's \$10,000 in tax. And the taxpayers have been told that. When they filled out the forms, they had a sheet telling them that. I don't think we can retroactively in good conscience, even though legally we might be able to, retroactively go back on our word that the county assessors relied on and the taxpayers relied on. And I think, regardless of what financial pinch we find ourselves in, our word is more important than one year's revenue on this particular item. We have given people our word. We have given them something to rely on. And so that year should...that first year, 2017, should not be in the bill. With respect to other items, I echo Senator Harr. And that is, we are in very, very dangerous territory, not only with the way we are doing things, but financially. I won't have to worry about it. Senator Harr and Smith won't have to worry about it, but you folks who just came in will. With all the things we are doing in the budget to cut it beyond bare bones in areas that we know we are going to have legitimate increased state expenses whether that's child welfare, the penitentiary, old folks, baby boomers, God knows what else you're going to face, and pray there is no drought. Okay? We have committed to a very, very, very precarious situation by cutting and cutting and cutting, let alone the prospect of automatic triggers going into effect on tax cuts. I trust you folks better to make a decision whether a tax cut is appropriate in the year 2022 than some trigger that we think we're smart enough to design today firing and it taking 33 of your votes to unfire it. The decisions we will be making in the next few days will have dramatic impact upon the work and the struggles you are going to have... [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR SCHUMACHER: ...in four and six years. I don't envy you a bit. In that respect, term limits is a good thing because I won't have to hassle with it, but these are important decisions. There are tens, if not hundreds of millions of dollars in revenue laying in Revenue Committee that will never advance to the floor because of political ideology. And that was an alternative we could have taken, but we're probably too far down the road to take it. So God bless America. Thank you. [LB233]

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PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Krist. [LB233]

SENATOR KRIST: Thank you, Mr. President; good morning, colleagues; good morning, Nebraska. A lesson in rules, I guess, confirmed with the experts, the Clerk, the committee counsel. It is not necessary to have an amendment that is heard in committee to a specific bill be voted out of that committee by the membership, okay, just for emphasis. It is now owned by...that amendment is owned by the person who has put the amendment up, and specifically Senator Stinner and the Chairman of the Revenue Committee has allowed that process to happen. I, for one, am glad that it happened. I'm happy, I'm elated because finally we are talking about an offset and putting money back into the system. I have three bills that are sitting in Revenue that are probably worth near \$500 million, \$600 million in tax offsets, benefits, incentives, that could be brought to the floor and added back into revenue. One of them in particular, I think, is about \$200 million added back. And it, basically, would be a reprieve for a year or two years. So I support the concept, I support LB233, I support the amendment, but I would caution this body, Angel Investment or the first \$10,000 may not be the right targets. But we're not going to find that out if we kill this bill today. We need to pass this bill today in its form, not "Mickey Mouse" around with it, not try to amend it on the floor where it would be very difficult to look at the consequences both intended and unintended, but between now and the time that LB233 finally is on Final Reading and it's signed by the Governor, a few of those offsets, a few of those dollars, could be returned to our budget. Will it be pleasant? No. And there will be some behind that glass that will lobby for anything that we want to bring back, anything that we want to suspend for two years, anything that we deem appropriate. As Senator Schumacher said, we are going to be making those decisions in the next 20 days. And let's hope it's only 20 days. We have to pass a balanced budget. We have been presented with one by Appropriations. There are tweaks that can be made, there's money that can be brought back on the table. And in these times, all of those positive efforts should be analyzed. So I'm going to support LB233 today, and hope there will be no more amendments to it so we clearly see this is one option, now what are the other options that could be amended into it? Please understand, the last thing I want to do is look at a homeowner and say, you've just lost \$10,000, the first \$10,000 of your deduction. The last thing I want to say is to the Angel Investment folks, for two years or a year, things will be suspended. The last thing I want to do is look at big business and say, you know, those incentives that we have given you in the past, we're going to ask you to participate in the bleeding because we're all going to have to take some cuts, but it's a necessity. At this point, it's a reality. Thank you for listening, and I just want to emphasize once again, LB233 is a must in order to keep this tool in our tool box until the end of the session. Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Chambers. [LB233]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I'm going to enjoy these next few days watching the scrambling, listening to the talk of our word meaning something

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when I know it doesn't, knowing as I do, and most of you...in fact, there was a song sung by Gordon Lightfoot called "The Wreck of the Edmund Fitzgerald." And one of the lyrics said: The crew all knew, as the captain did, too, certain things were happening. There are things we know. And I think that the Speaker may have been trying to carry out his duty or whatever, but to suggest that a person should not offer an amendment to the budget committee bill unless he or she can tell where to get money or where money is going from/to is preposterous. He first started by talking about the hard work that the budget committee did, a whole committee working for months, calendar months, then said, when we finally get that bill out here, then on the fly you're going to have to come up with things that it took the Appropriations Committee all this time to arrive at, so, in effect, don't debate the budget bill, let it go as it is. So I'm going to watch. I listened to what Senator Harr said and he is quite correct. There are going to be a lot of--he didn't use this term--there are going to be a lot of shenanigans played. The Governor is going to have a lot to say about what goes on here. He's going to dictate things. You can look at the senators who got money from the Governor--and if you don't have that list, I can provide it for you--and you will know how they're going to vote. You'll know how they're going to vote. The cost of legislators in a state like Nebraska is not high as it is in other states, but the result is the same. And to pretend in a political environment that what I am talking about is not going to happen, is to be disingenuous if you're going to say it in a nice way, dishonest if you are going to be a little closer to being honest, or outright lies if you're going to tell it the way that it is. I could make a list right now and tell you on given issues who is going to vote which way and others could do it too. You all know it. I've watched you on bills that are not as significant as the Appropriations bill. I listened to what was being said during the first days of the session. Then I watched people who was full of fire--they had taken the flames, so to speak--just slowly recede into the background and become increasingly quiet. I've watched people who made statements when they were running for office, and the only way I know is by having read things in the newspaper about their principles and so forth. Then I watched the way they vote. There is no correlation. The public knows that politicians are not telling the truth when they are running for office. Lying is as American as apple pie when you're talking about what politicians have to say. I am probably the most disliked person in this state, and I don't mind it. But I'll tell you what, I'm probably the one, if a poll were taken, who people would say is likely to tell you what he believes, what he stands for, and then will back it up with action. And that's why I'm so much disliked, because at some point I'm going to say something or do something that somebody in this state will find offensive. So when you put all the offended people together, I'm 100 percent disliked. But then those very same people, when they can't get contact with their elected representative,... [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR CHAMBERS: ...will call me and write me letters and mention the name of their senator and how they not only cannot talk to that senator, but they're treated rudely by the staff who answers the phone and will be told things that it's not appropriate for a staff member to say,

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because the decision should be made by the senator. I'm saving all these letters, because should I live long enough and the spirit hit me, I may produce a memoir. And I will use the letters and the names of the people who signed them, and when they call the name of the senators and how rudely they were treated. But I'm going to listen and pay attention and participate. Thank you, Mr. President. [LB233]

PRESIDENT FOLEY: Thank you, Senator Chambers. (Doctor of the day introduced.)
Continuing debate. Senator Linehan. [LB233]

SENATOR LINEHAN: Thank you, Mr. President. I would like to ask Chairman Stinner if he would yield to a question. [LB233]

PRESIDENT FOLEY: Senator Stinner, would you yield, please? [LB233]

SENATOR STINNER: Yes, I will. [LB233]

SENATOR LINEHAN: Thank you, Senator. Could you just quickly explain again what the personal property tax credit exemption is? Would that exempt a car for less than \$10,000? [LB233]

SENATOR STINNER: That would be anything that you would put on a depreciation schedule and turn in to the county. [LB233]

SENATOR LINEHAN: So it's not... [LB233]

SENATOR STINNER: So farmers, manufacturing, railroads, those types of folks that pay personal property tax, the first \$10,000 would be exempt. Now, I'm going to tell you that that won't be in the bill, that that is going to be stripped out of the bill. The Governor has already said he does not like this. What I am trying to do is just pass this forward to Select as a placeholder. I think Senator Krist put it the best--there are other options out there that we need to look at that will satisfy all the tests that need to be had, so. [LB233]

SENATOR LINEHAN: Okay. Thank you. I just wanted to clarify that. So if we pass this, this morning, we understand that that has to be replaced, that funding mechanism, correct? [LB233]

SENATOR STINNER: It will be, yes. [LB233]

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SENATOR LINEHAN: Okay, thank you very much. I appreciate what the Appropriations Committee has done to bring this to the floor, and I also appreciate the Speaker's thoughts this morning that if we're going to take money out, put money back, it seems reasonable to me if we want to spend more that we find a place to spend less, just like we do when we do our own books. So I will support this, this morning, moving forward with the understanding that I am not, on Select, going to support doing away with the personal property tax exemption. Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Linehan. Senator Smith. [LB233]

SENATOR SMITH: Thank you, Mr. President. And very thoughtful and accurate comments previously made by Senator Krist. I appreciate him getting on the mike and clarifying what we were doing here with the bill and the amendments. Again, LB233 was voted out of committee, and AM707, though not voted out of committee, was the mechanism by which we had a public hearing. We do need to move AM998, AM998, in and AM127 and LB233 forward to Select. Does not mean that we have to agree with everything that's in these bills at this point in time. But we do need to move this process forward. And during the time between here and Select, I'm sure there's going to be further conversations. But I, again, I wanted to thank Senator Krist for his clarification as to what we are doing here today. Thank you, Mr. President. [LB233]

PRESIDENT FOLEY: Thank you, Senator Smith. Senator Erdman. [LB233]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. As I sit and listen to the conversation today, it reminds me of what we have done in the past here on the state level is we need to balance our budget, so we kick the can down the road, and we shift it over to property tax; works all the time. So I wonder if Senator Smith would answer a question for me. [LB233]

PRESIDENT FOLEY: Senator Smith, will you yield, please? [LB233]

SENATOR SMITH: Yes. [LB233]

SENATOR ERDMAN: Senator Smith, you just stated that we must move AM998 forward. What happens if we don't? [LB233]

SENATOR SMITH: Well, I think it's probably going to possibly interfere with some of the reconciliation that we may have to do between the budget and the revenue sources for the state. I don't want you to misunderstand in any way that I agree with everything that we have in AM998 at this point, I do not, but I do believe that it's a necessary mechanism. [LB233]

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SENATOR ERDMAN: Okay. Thank you. That is Senator Smith's opinion. My opinion may be different than that. I don't know that we need to move this until we know what it says or what it's going to do. This is a property tax increase. I didn't come here to vote for property tax increases. And I'm not going to vote for this because we need to make some decisions here that make sense, not just kick the can down the road or pick up the low-hanging fruit or do what's easy. If it were easy, we wouldn't be here, we would have had this already solved. So I don't think that this is a necessity that we move on. We throw that up against the wall to see if it sticks and if you get 25 votes, then that must have been the opinion of everyone and it must be right. That doesn't make it right. So as this bill advances through, the whole body starts to work on the budget, there are going to be a lot of discussions. There are going to be a lot of discussions about the Roads (sic) Department, about the Brand Committee revenue, there's going to be a lot of discussions. Just because the Appropriations Committee came out with a budget, as the Speaker said correctly, they came with a balanced budget, balanced based on what? On collecting more property tax from the property taxpayer? Balanced on what? Taking some of the low-hanging fruit from the people who need services? So what do we do here? Earlier in this century they took away jail reimbursement. They used to do that, they gave their word they were going to do jail reimbursement, they took that away, never have replaced it. So we just keep taking things that balance the state's budget and we don't pay any attention at all as to who suffers over what we do and what we force them to take...what we take away from them. So I'm red on this until they prove to me that they've got to have this for some specific reason that makes more sense then trust me. So that's where I'm at on this one. Thank you for your time. [LB233]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Briese. [LB233]

SENATOR BRIESE: Thank you, Mr. President; good morning, colleagues. I rise in opposition to AM998 to LB233 in its current form. I want to thank Senator Stinner and members of the Revenue Committee for their efforts and leadership through these trying times. And I recognize the difficult situation that we are in here, but AM998 clearly is the wrong approach. And I appreciate Senator Stinner's offer to find other sources of revenue to replace the elimination of the personal property tax exemptions. Obviously, I wasn't here then, but the intent of the Personal Property Tax Relief Act of 2015 was to provide property tax relief for small businesses and agriculture and it is providing property tax relief, not a lot, but some. And I am not willing to take that away from these folks. We've talked numerous times in the last few weeks about the need for property tax relief and why it must be a priority. According to the information I passed out last week, the Legislative Fiscal Office reports that Nebraskans paid in excess of \$1 billion annually more in property taxes and sales or income taxes in the last few years. AM998, in its current form, would increase that discrepancy, and I would not support it. We've shored up our state finances far too many times at the expense of property taxpayers, and that has to stop. Property tax relief must be the priority and AM998 in its current form is simply not consistent with making property tax relief our priority. So I support any effort to replace the personal

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property tax portion of AM998 with other revenue. And I guess at this point, I am willing to send it on to Select with the understanding that the personal property tax exemption will be preserved. To the extent it is not preserved, then I will certainly be red at that point. Thank you very much. [LB233]

PRESIDENT FOLEY: Thank you, Senator Briese. Senator Chambers. [LB233]

SENATOR CHAMBERS: Thank you, Mr. President, members of the Legislature. And now it begins. I would like to ask Senator Hughes a question if he's willing to yield. [LB233]

PRESIDENT FOLEY: Senator Hughes, will you yield, please? [LB233]

SENATOR HUGHES: Of course. [LB233]

SENATOR CHAMBERS: Senator Hughes, during this particular part of our legislative season, I don't want to take anything for granted or ascribe to people things that they've said and conclude that that's still their opinion now, so that's why I am going to ask you this question. Are you a farmer? [LB233]

SENATOR HUGHES: Yes, I am. [LB233]

SENATOR CHAMBERS: Do you make your living farming? [LB233]

SENATOR HUGHES: Yes, I do. [LB233]

SENATOR CHAMBERS: Do you understand, in a general way, the dynamics of farming and the language used by people who are in farming to describe various farming activities? [LB233]

SENATOR HUGHES: I'd like to think so. [LB233]

SENATOR CHAMBERS: Are you aware that I come from the city, Senator Hughes? [LB233]

SENATOR HUGHES: Yes. [LB233]

SENATOR CHAMBERS: Are you aware or would it surprise you to know that I do not have the knowledge of farming or farm nomenclature that you have? [LB233]

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SENATOR HUGHES: Not at all. [LB233]

SENATOR CHAMBERS: I'm going to see if you will help me then. What is the meaning of the term "pig in a poke"? [LB233]

SENATOR HUGHES: That would be something that is caught and not worth much. [LB233]

SENATOR CHAMBERS: Thank you. I would like to ask Senator Friesen a question or two if he's willing to yield. [LB233]

PRESIDENT FOLEY: Senator Friesen, will you yield, please? [LB233]

SENATOR FRIESEN: Yes, I would. [LB233]

SENATOR CHAMBERS: Senator Friesen, I know you are a farmer, am I correct? [LB233]

SENATOR FRIESEN: That's correct. [LB233]

SENATOR CHAMBERS: What is your understanding of the expression "pig in a poke"? [LB233]

SENATOR FRIESEN: Well, it's kind of a phrase that's used that you think you have something, but sometimes it's not there. [LB233]

SENATOR CHAMBERS: Or could it be that somebody offers you a sack and tells you what's in it, but you don't see it, but you accept it on faith, and then when you open the sack, what you were told is in there is not in there? And that could be considered a pig in a poke? [LB233]

SENATOR FRIESEN: That could be a description. [LB233]

SENATOR CHAMBERS: And a city person could interpret it that way, correct? [LB233]

SENATOR FRIESEN: I would assume so. [LB233]

SENATOR CHAMBERS: Thank you. I don't want Senator Erdman to take this wrong, and I'm going to explain why I say it. Curses upon you, Senator Erdman. I thought I was going to be the

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only one to vote red on this bill. I thought I would be the only one unwilling to push it forward and accept what is being told to us by what all is going to happen down the line when I've heard and watched all session, this year and other sessions, when such a thing is said. And General File, which is where the most debate should occur, is where the least is to occur, and in some cases none is to occur. So there is a lyric from a song by Harry Belafonte. He was a little boy in the West Indies and he wanted to know about the birds and the bees, and everybody who told him was so embarrassed that they'd never tell him what really happened. And after each one told him, Belafonte would say it was clear as mud, but it covered the ground, and the confusion make me brain go round. So then he began to ask other people, and the same kind of reluctance to be forthright was found. So toward the end, he said that he had traveled the world and all the great men upon this earth had confused him since his birth. He said he'd been over land; he'd been over sea trying to find the answer about the bird and the bee, and now that he is 93, he doesn't give a "d," you see, if...and then he repeated what all these people had said. The pig in the poke... [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR CHAMBERS: ...Belafonte's song will describe to a great extent what's going to be done during this discussion of these issues. It will be clear as mud, but it will cover the ground. And I'm not willing to say that my ability to function in the Legislature is going to be restricted by what people on the Appropriations Committee did or following the lead that the Speaker is trying to give us. I don't work for the Speaker. I don't work for the Appropriations Committee. And I'm going to have my say, and I may not have too much to say on this particular bill, but I'd like to speak one more time, so I'll turn on my light. [LB233]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Krist. [LB233]

SENATOR KRIST: Those of you who know me know that I don't work for anyone. I'm probably one of the most independent people, including Senator Chambers, in this body. And I have to tell you that if you are a former school board member, a former county commissioner, you never worked under the deadlines and the rules that you are working with right now. If you don't keep LB233 in place as a placeholder to potentially...and I'll ask you to look at three of my bills, LB12, LB467, and LB468. There's almost a billion dollars of offsets here that we could choose from to put money back into our General Funds. But you can't do that on day 79 or day 80 unless you have a vehicle with its tires inflated to move forward. This isn't a political speech. This is not me trying to persuade Senator Chambers to trust. This is me telling you how I'm going to vote. Those of you who know me know that I don't...very rarely look for even a vote count. Sometimes I don't trust the vote count. But I'm telling you, the rules are the rules. And unless we have a vehicle with the tires inflated to move forward, we could end up in a very bad position. Let's say

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hypothetically that the Forecasting Board comes out with another \$50 million deficit. The only way that we would have to move forward without something like this as a vehicle would be to try to cut our way out of a billion-dollar budget shortfall. I was here in 2009, and we did it. We cut our way out of it, but it was painful. And you all saw it at the county level and the local level. You saw what happened when those services were removed. You saw what happened when we cut our way out of an issue instead of offsetting revenue. So this is an impassioned plea from someone who's been here for eight years to say keep LB233 alive; handle those constituents who might call you up and say, oh, you're trying to take money out of my discount for this, discount for that, my homeowner's...taxes are going to go up. No, no, that's not what this is about. This is about exercising your authority, your right, your obligation to balance a budget, and leaving yourself a tool in the toolbox. Again, look at LB12, look at LB467, and look at LB468. Any one of those issues could be up there in place of AM998. And between now and the time we come back for Select File, after we see the Forecasting Board, after we start the debate on the budget, after we get to a point where we realize that we can't continue to cut our way out, we will have a vehicle to move forward. Thank you, Mr. President. [LB233 LB12 LB467 LB468]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Friesen. [LB233]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. I think what the...yeah, what we're talking about when we are starting the discussion now on the budget and how we're going to approach it, and so I will support moving this bill forward knowing that some changes will be coming. But again, I do not look favorably upon the removing the property tax credit relief that's there. It's small. It doesn't amount to that much, but we have set that process in place last year, and I would like to see it carried through. In the end, it does a lot for small business, and I think they deserve that small amount of relief that we have been doing, because, again, the tax numbers are obvious that we are burdening the property taxpayer much more than we are the income and sales. So when we look at what we're doing here, we are setting the table, so to speak, for the budget talks. And this will be a piece of the puzzle and everybody needs to just look at the bigger picture of where we're going, and I agree that the revenue forecast coming out tomorrow will determine, again, how big a direction we have to take. But in the overall picture, when I am looking at it, it doesn't look to me like we are doing enough in the cutting portion of spending versus the one-time sweeping of funds. And to me, when we're doing this many dollars in just trying to delay or find one-time money, we are not solving the problem looking ahead. It's just going to put us in a bigger problem two years from now. And so I'll agree with Senator Schumacher when he says, you know, he won't be here. I don't know if I'll be here, but in the end someone will be here and to burden them with even bigger problem than we have today is not fair. So we do need to keep the bigger picture in mind and not lose our focus, but we need to be responsible in how we do our spending and how we look at revenue income in the state. Thank you, Mr. Lieutenant Governor. [LB233]

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PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Chambers. [LB233]

SENATOR CHAMBERS: Thank you, Mr. President. And I will finish the statement, and this is my third time. I'm having so much fun this morning. People are solemn. Smile. Don't worry, be happy. These are glorious times. Why, do you realize that before we adjourn today, America may be at war with North Korea? Do you realize that a battleship may be vaporized off the Peninsula of Korea? Do you realize that a missile may drop in the middle of South Korea? That a missile, just for good measure, may land on Japan? Think of all those wonderful things, then you're going to let this little piddling stuff we're talking about ruin that glorious outlook. That will make America great again. Why, you will go back to the old days of voodoo economics, and you all know who was President when voodoo economics were the rage. You can do that again. The Forecasting Board, that means you predict what's going to happen because you don't know for sure. I'm not supposed to reveal this, but I saw a truck unloading a cargo near the facility where the Forecasting Board will meet. And there was a big box of tea leaves and a big box of fortune cookies. And they were going to make tea and eat fortune cookies, the way I view it. But sometimes there are leaves left after you make tea. And some people who know how to do it look at those leaves and they can tell things, Senator Friesen, that the rest of us cannot. There are other people who have such a grip on what is to come that they take little strips of paper and they bake it inside of a pastry. And you open that pastry and voila, there is a prediction of what is going to happen to you. That is the Forecasting Board. "Trust, but verify," I won't explain that. Sam Cooke had a song, "A Change is Gonna Come." I like that song, but I won't sing it. There was a lady, she had lyrics to a song that I like: wishing and hoping and singing and praying. I like that. That gives those "gloomy Guses" something to look forward to. I am sometimes prescient. That means you can kind of look ahead. And I handed out a rhyme this morning, and I didn't call names, and I don't on occasion unless I intend to. I'm going to read from this rhyme: This poem is a verbal hat, / And problems it can spawn / Only if it fits one's head, / And that one puts it on. / Sure as shooting, that's the truth, / For I've no cause to lie. / Each does know his/her own head / Better far than I. / I did pen my little poem / Only for my pleasure, / Unlike literal hat makers, / Heads I do not measure. / Metered rhyme is all it is, / Rhyme compressed in meter. / If one sees oneself herein, / 'Tis in the eye of the reader. / Do not get heartburn or gas, / Plain common sense employ. / Let the words be merely words, / Read them and enjoy. A guilty conscience needs no accuser. I'm not accusing anybody of anything. [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR CHAMBERS: I'm just giving my view of how things are going to proceed. This morning may be the most civil exchange that will occur during the budget discussions, and maybe not. But there are going to be some difficult days ahead, and I might decide to make that list and put it in an envelope, seal it, and give one to each member of the Legislature with the injunction that it not be opened until the end of the session to see how correct that I was. But I

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don't trust you. And if it's information too good for me to keep, why should I expect you to keep it? Mr. President, I have enjoyed myself so much this morning that in the interest of collegiality, I will give up the few seconds I may have remaining. Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Chambers. That was six seconds. Senator Harr, you are recognized. [LB233]

SENATOR HARR: Thank you, Mr. President. Thank you, Senator Chambers. Folks, I'm reminded of when I went to go buy my first shotgun that I got for eighth grade confirmation. And I wanted...my dad wanted me to have a .410. And the guy who was selling the shotgun said, don't handicap the boy, get him a 20-gauge, or better yet, get him a 12, he can grow into it. My question to you today is, why do we need AM998? Why do we need AM127? If the purpose of this is to get a vehicle to Select, we don't need those two amendments, we can send LB233 there. And if the goal is to have something to work with, why wouldn't we give ourselves a better arsenal than just the personal property and Angel Investment? Why wouldn't we throw the whole boat? You heard Senator Krist say he has a billion dollars in cuts. Why don't we amend that on to here? Senator Schumacher has a bill, AM373 (sic--LB373); it had \$600 million. Why are we handicapping ourselves? Why are we coming in with a .410? I understand what they're trying to do. We're trying to pass a shell bill out of committee, and then past Select...or past General to get it to Select. And then once we get to Select, then we're going to try to start negotiating. Why aren't we doing it today? We know what the budget is. We know what's been proposed. Maybe we don't know what the Forecasting Board is going to say tomorrow, but we have a good idea of what they're going to say, we can read the receipts, we can look at the tea leaves. When we go on to Select, we have to be careful about giving ourselves a .410. We are limiting how much time we can debate. It's going to make it easier for people to filibuster. Think about that. Why don't we want to have the conversation today? Why shouldn't we have the conversation today? We have all the information we need to make decisions. Why are we kicking the can down the road? Would Senator Schumacher yield to a question? [LB233 LB373]

PRESIDENT FOLEY: Senator Schumacher, would you yield, please? [LB233]

SENATOR SCHUMACHER: Yes, I will. [LB233]

SENATOR HARR: Thank you. Senator, you have a couple of bills that create revenue, is that correct? [LB233]

SENATOR SCHUMACHER: More than one. [LB233]

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SENATOR HARR: Okay. Would you be amenable to amending that onto LB233? [LB233]

SENATOR SCHUMACHER: I think that from the...what we call the "kitchen sink" bill, which is about \$700 million, there are several items in there that would be very interesting to debate on the floor, not having been released from Revenue Committee, but I think as Senator Krist pointed out, it's still legitimate to amend into a bill. We have had a hearing on them. And, yeah, I am certainly interested. In fact, Senator Briese has stolen a couple of those ideas and put them in an amendment that he has that's up on LB461; maybe he wouldn't mind if we borrowed his form and brought those right over. So, yes. [LB233 LB461]

SENATOR HARR: Okay. Thank you. Folks, when are we going to have the conversation? When do we want to have the conversation? I think today is a good day to have it so that we know when we are making these budgetary decisions, hey, by the way, you want to increase spending here, you got to find revenue. [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR HARR: Thank you. You heard what the Speaker said; we got to find a place to find that additional revenue. Well, let's talk about it now with LB233 if you think we need further cuts so that we can save some of those revenue programs that we would otherwise have to cut like Angel Investment, like personal property tax, like historic tax credits. Let's have that conversation today. We are not in the first days of this session. We have to have that conversation eventually. Why not today? I'll support the bill, but I sure would rather have the conversation today instead of limiting myself to what may or may not happen in Select. Thank you, Mr. President. [LB233]

PRESIDENT FOLEY: Thank you, Senator Harr. Senator Schumacher. [LB233]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. We'll focus on another part of this puzzle is the Cash Reserve. Now some days back in history, somewhere before I got here, but in the 2000s,...2006 or '07 or so, they had a long discussion about what's a good amount to have in the Cash Reserve. And the discussion, basically, came up with a solution that was kind of a compromise, but it was two months' revenue, which for figures close enough and good enough for government work was about \$700 million in today's budget terms, two months' revenue. I think we're going to be looking at a situation where we may have closer to \$300 million or \$400 million left over after our spending spree this year. There's another side of that coin though that I think we should articulate. Maybe it should be three months' revenue; instead of looking at \$300-400 million in the Cash Reserve, looking at a billion. Now why would you want to have that much money organized on standby in a Cash Reserve? We've heard a lot

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about growing Nebraska. It's an easy phrase to throw out there. It's good for campaigning. But it's very little substance in how it has been used. A tax cut will grow Nebraska. Yeah, .85 percent in eight years is going to grow Nebraska if those triggers all hit? And we ignore what we have to cut in order to hit those triggers? Think about that. If you're making \$500,000 a year, those few people who are, that will save you about \$4,000-some-odd in state tax, but because you can't deduct it on the federal side, you'll pay more federal tax so you'll net out about \$2,700. And in ten years, you'll be able to move from a Chevy to a Mercedes. That's not growing Nebraska at all. But think about it. The other day, there was a news article that said Westinghouse nuclear division was up for sale because of Westinghouse's financial difficulties and the Chinese were thinking of buying Westinghouse's nuclear division. And the federal government was looking for someplace, somebody to try to get into the action of keeping that in this country. What if we had an extra \$300 million? Now granted, in the context of that operation, that would be small, but talk about a targeted investment, a targeted incentive to bring Westinghouse's nuclear division to Nebraska. We can't do that unless we have a pile of money organized. We can't even dream about it or speculate about it. That would be growing Nebraska because anybody with a brain knows that nuclear power is the power of the end of this century, and it is our opportunity, or would be our opportunity to seize it at this time and make for us what gambling is to Las Vegas, what silicon chips are to Silicon Valley, what music is to Nashville, Tennessee; what biomedicine is to Massachusetts. That's what organized capital can do. That's why we need a higher Cash Reserve... [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR SCHUMACHER: ...rather than a lower Cash Reserve. That's what imagination requires us to do. That is on the fringe of what you should be thinking about, that and things like that. Opportunities like that are how you really grow this state, not some claptrap about tax cuts that are so small in most people's cases that they don't amount to a sack of peanuts a week for a family of four. Are we having fun yet? Thank you. [LB233]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Kuehn. [LB233]

SENATOR KUEHN: Thank you, Mr. President, and thank you, colleagues. I'd like to echo some sentiments that have been expressed by some of the other senators here this morning with regard to what we're doing here with regard to procedure versus the substance of that procedure. I fundamentally disagree with AM998. I understand the concept of keeping a vehicle alive in LB233, given the time restrictions with bill introduction and having that vehicle available. What I disagree with is the idea of amending that vehicle and asking individuals to vote on something that is conceptual with the understanding that, oh, we're going to substitute it out later, or this really isn't the bill. So both Senator Harr and Senator Chambers expressed sentiments that I

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would like to reinforce and agree with in that if LB233 is our vehicle, if that's what we want to keep alive as a body and that's the decision to be made to have options available in the coming 19 legislative days, then why bother with AM998 or AM127, why have this debate on General File. Figure out what that is and let's actually have a legitimate debate about something substantive and what the bill actually is going to be as it moves forward. My concern is not only in terms of what it means for us, but also what voting on these amendments that maybe those of us paying attention to the debate or insiders and those who are familiar with the fact that AM998 is going to later be replaced, we have people and constituents who are outside of this Chamber who are working or taking care of their families or engaged and they're going to look on-line or look at the resources available and they're going to see that the AM998 advanced and they're going to see who voted for it and they're going to wonder why. They're going to read an amendment and they're not going to know the inside baseball that we in this Chamber may be aware of. So I don't understand. In the sake of being open and honest with our constituents and with what we're doing, why would we advance an amendment that we know is not going to be what we want it to be moving forward? So if the question is to have a vehicle alive, strip the vehicle down and let's build it from the ground up as we go forward. I can't support AM998 because I don't support what it is in the bill, in the principle and the ideas of the removing of personal property tax exemption. So I don't want to put a vote up on the board that individuals are going to look at and that I have to then go through a rather convoluted logic of why I voted that way. So it makes more sense to me if we're going to move this vehicle forward that we simply withdraw the amendments and keep the vehicle and whenever it is there, it's there. If we're going to have a discussion on General File, let's have a substantive debate and let's continue to move it forward. I get a little bit frustrated with the idea of just saying, trust me, we'll move it forward, we'll fix it, we'll address these issues, because things happen, discussions come up, circumstances change. And the next thing we know, it's on Select File and advances forward to Final Reading, and then we're kind of put into a position where we have to make a decision on Final Reading on something that never really went through the true three rounds of debate. And I agree with the sentiment that has been expressed by our colleagues this morning that the time for these debates is on General File; it's when we have the most substantive time and opportunity to discuss it on the floor. And I don't support this idea of shell amendments. I get a vehicle. I get a shell bill. I don't understand shell amendments. And for that reason, I'm not supportive of the procedural issue that we're trying to go forward here. So if the idea is to keep LB233 alive, I would encourage us to not advance AM998, not advance AM127 or even just put LB233 on a Speaker hold until something can move forward with it and let it sit on General File... [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR KUEHN: Thank you, Mr. President....so we have the opportunity to debate it and discuss it completely and thoroughly and openly both as a body, as well as transparently with our constituents and stakeholders. Thank you, Mr. President. [LB233]

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PRESIDENT FOLEY: Thank you, Senator Kuehn. (Visitors introduced.) Mr. Clerk. [LB233]

CLERK: Senator Chambers would move to bracket the bill until May 1. [LB233]

PRESIDENT FOLEY: Senator Chambers, you're recognized to open on your bracket motion. [LB233]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, May 1 would be a week from now. May 1 is known as May Day. That term applies to different ideologies--some people call it Law Day--but it has significance. And I think instead of spending a lot of time on the procedure, my approach to a bill like this, based on what I've heard, is to add to this bill all of the items that Senator Harr mentioned, add what Senator Schumacher mentioned, and other substantive provisions, put them all in the bill. Then move it and let there be some discussion about what may wind up in the bill. Then we begin to prune it and take things out of it instead of putting a little bit of something with which people may not agree with the promise that at a future day we're going to do what we ought to do today. Why put off until tomorrow what can be done today? Either because it is too unpleasant and difficult to deal with it right now, the mental, psychological, emotional resources are not readily at hand. So instead of reaching a stage where you might want to commit suicide, pretend it doesn't exist and move it on and hope that at a later date everybody will be more capable of dealing with it. That later date will come, but nobody is going to be in a better condition than we are today. I'm not going to say that what is being provided to us by this procedure is necessarily a stratagem, but it could be. We don't have to do anything. Contrary to what people say, we don't even have to...we don't even have to pass a budget bill. We don't have to pass it this session. We don't have to pass it in a special session. And if the Legislature refuses to pass a budget bill, is the court going to order that we all be put in jail until we pass a budget bill? We don't have to do anything. And I just want to make the record clear. There are too many times slogans are accepted as immutable laws of the universe. And if that immutable law is violated...first of all, if it's immutable, it can't be violated, but people are very careless about words and the meaning of words. If that immutable law is violated, the entire universe will fall apart. The Milky Way will turn into curdled cream, although milk is not cream. I can mix metaphors. Stars, moons, planets will go flying off in all directions because the state of Nebraska's Legislature did not pass a budget bill. There's no need for anybody to panic. When the ninetieth day comes, a budget bill of some kind will have been passed. If not, the Governor will call us into special session and most people will have been whipped down by then and a budget bill will pass. But we can only live in this instant. The instant before this one is the past. We cannot reclaim it and change it. The instant we have not yet reached is the future. We can only live and exist in this instant. Life consists of what you might call an infinite, not literally, but an infinite series of individual instants or instances. And they are strung together like pearls on a string and they make a necklace which comprises our life. But that entire necklace comprises individual pearls. We are dealing with a pearl right now.

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If I wanted to be sarcastic, I should say I'm not going to cast pearls today. And those who are familiar with the "Bibble" can fill in what that might imply if I were to say it, which I've stated, but I haven't said it. When I say it, that means I'm expressing it as my view, my recommendation. Now, why are we here? That is a question that has puzzled philosophers throughout the ages. And what I'm saying has as much relevance as the discussion that has occurred before, except mine is going somewhere. There was a man who was going to try to speak to some people who had no connection to reality at all. In the old days, they would have applied the term "crazy," and the place he was speaking was called the "crazy house." But he felt he had a way to reach these people and he was going to start his discussion with a question. And the question that he put to those people, I would ask Senator Briese if he wants to make a wager, but he is too wise to do it, but I would ask him could he tell me what that question was and he would probably say no. So I won't wager. Here was the question that this genius posed to those people: Why are we all here? And somebody said, because we're not all there. And that was the perfect answer. So those people who were deemed to have nothing going on upstairs answered the question that had puzzled philosophers throughout the ages. And you know why? Because different people look at the same thing and see something different. And we're looking at this horse and seeing different things. Some people who like it see a full-blood Arabian. Others see a quarter horse. Some see a plow horse. Some see a wild mustang. Some see a broken-down old nag. Some see an old gray mare who ain't what she used to be. But we're all looking at the same thing. We see different things because we bring different eyes to it based on our experience, our understanding. And I'm trying in this methodology to show you new people something about what you're going to be dealing with. You see the kind of activity already--and I'm not going to say anything is nefarious about it--you see the kind of activity already in play that surfaces when we're talking about the budget bill. Different oxes are going to be gored. You will know whose ox is being gored when you hear plaintive voices crying out. The oxes of mine that I'm concerned about, the three: the least, the last, and the lost. And if I can take time on something like this, I want you to be aware of the time that I can take when we get to those issues that mean something to me on this budget bill. I don't think this discussion this morning is a waste of time. I think it does indeed set the table. And those who have eyes to see will perceive what is happening. If they have ears to hear, they will understand. If they have a working brain, they will comprehend. But if they lack those facilities in operational mode, then it is a waste of time. But I think this discussion should continue and I'm going to insist and make sure it continues. Elvis Presley had a song about the ghetto and he talked about how circumstances would produce an angry young man. Then it reaches a point where it says a crowd gathered 'round an angry young man / Face down in the street with a gun in his hand. [LB233]

PRESIDENT FOLEY: One minute. [LB233]

SENATOR CHAMBERS: And he mentions the things that led from that angry young man, face down in the street with a gun in his hand, who first started as a baby boy being born in the

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ghetto; and at the time of that birth, his mama cried because she knew what kind of world it is, she knew the kind of world he was coming into, and she knew what that world was going to do to him. And at the tail end of the song, his mama cried. She knew from the beginning how it would end. Thank you, Mr. President. [LB233]

PRESIDENT FOLEY: Thank you, Senator Chambers. Speaker Scheer, you're recognized. [LB233]

SPEAKER SCHEER: Thank you, Mr. Lieutenant Governor. At this point, I think it's only prudent on my part in the body to move forward to the next item. I am going to place a Speaker's hold on LB233, and that will give them opportunity to put together some semblance of what Senator Smith and Stinner are looking at in relationship to the bill. I bring it forward so that everybody has equal and fair opportunity to discuss the merits of the bill as presented rather than making assumptions what it may or may not be on Select File. So with that, I will place a hold and we will move to the next item. [LB233]

PRESIDENT FOLEY: Thank you, Mr. Speaker. Moving on to the agenda: General File, 2017 committee priority bill. Mr. Clerk. [LB233]

CLERK: LB451 is a bill by Senator Murante. (Read title.) Introduced on January 17; referred to the Government Committee, advanced to General File. There are committee amendments, Mr. President. (AM1137, Legislative Journal page 1126.) [LB451]

PRESIDENT FOLEY: Senator Murante, you're recognized to open on LB451. [LB451]

SENATOR MURANTE: Thank you, Mr. President; members, good morning. If I may, Mr. President, I'd like to just begin opening on the committee amendment. [LB451]

PRESIDENT FOLEY: Please proceed on the committee amendment. [LB451]

SENATOR MURANTE: Thank you. Mr. President, members, LB451 and LB314, which is contained within LB451 with respect to the committee amendment, LB451 was introduced by my office on behalf of our county election administrators, and LB314, which is the thrust of AM1137, was introduced on behalf of the Secretary of State's Office. LB451, introduced on behalf of our county election commissioners, cleans up provisions relating to local election administration. LB451 makes multiple changes to election law. First, it moves the date that certain political subdivisions must certify information regarding offices to be filled in an upcoming election to the appropriate filing official from July 1 of an even-numbered year to June

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15 of an even-numbered year. Second, it changes provisions for filling a vacancy in the Legislature. Currently, if a vacancy exists within 60 days of a general election, the vacancy will be filled in that election. A senator appointed during that intervening period shall only serve until the new senator takes office. Under the bill, the 60-day period would be expanded to February 1 of a year that has a general election, or if the vacancy occurs within the first year of office. This means that if a vacancy occurred on or after February 1 of a year that has a general election, or within the first year in that office, the vacancy would be filled at the next general election. Third, the bill makes the same changes for filling a vacancy in the office of Board of Regents. Fourth, the bill codifies procedures for delivering an early ballot to a qualifying voter and for a voter returning an early ballot. Finally, the bill closes a loophole that currently allows a candidate to fail to file a statement of financial interest and still appear on the ballot under certain circumstances. With this provision, while this provision has a \$1,200 fiscal note from NADC, my staff has spoken to NADC and I'm confident that the commission will take steps to implement the bill with its current resources. I introduced LB314 on behalf of the Secretary of State. It has two operative provisions. Section 1 strengthens the time before an election in which...it lengthens the time before an election in which a city must file a proposed economic develop plan with the election commissioner or a county clerk in the following ways. If the plan is to be voted on in a special election, it must be filed no later than 50 days prior to the special election. This is an increase from the current 41-day requirement. If the plan is to be voted on in a primary election, it must be filed no later than March 1. If a plan is to be voted on in a general election, it must be filed no later than September 1. Section 2 allows the Secretary of State to use funds appropriated from the General Fund for its centralized, computerized voter registration list. Currently, the Secretary is limited to using funds in the Election Administration Fund for these purposes. That fund is currently empty. The remainder of the sections make no substantive changes, but conform statutes to previously enacted legislation. The AM1137 also makes three changes to the original bill. First, it alters the minimum number of days prior to an election that an election notice must appear in a relevant newspaper. Current law sets the requirement at 40 days. The original bill increases this to 45 days. The amendment reduces the increase to 42 days. Second, the original bill eliminated the prohibition of election commissioners running for office. The amendment reinstates this prohibition, but limits it to filing for public office. And finally, the amendment clarifies language as it relates to ballot envelopes and military voters. I would like to thank, in particular, our Secretary of State's Office, the numerous election administrators who were involved in the crafting of LB451, the many members of this Legislature who have offered input on the various provisions of this bill. And I would encourage your adoption of AM1137 and LB451. Thank you, Mr. President. [LB451 LB314]

PRESIDENT FOLEY: Thank you, Senator Murante. Debate is now open on the LB451 and the committee amendment. Senator Vargas. [LB451]

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SENATOR VARGAS: Thank you very much, President. Colleagues, I want to thank you for having this conversation. I wanted to ask Senator Murante a few questions so we can clarify some things on the record and just have a little dialogue about the omnibus bill. [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR VARGAS: Great. Can you provide a little background on this changing the date for the qualification for the Governor to be able to appoint a suitable person, what the rationale was for changing that date to be "February 1 during a calendar year in which" rather than keeping it as is, yeah, what, why is the change needed now? What is the rationale? [LB451]

SENATOR MURANTE: Sure. The change was really made two-fold, first,...really three-fold, first, for the benefit of voters; second, for the benefit of the election administrators; and third, for the benefit of candidates, people seeking or who may want to hold a public office that is recently vacated by a member of the Legislature, by a member of the Board of Regents. It helps the election administrators because right now the deadline is so close to both ballot certification and the deadline for getting on a ballot by petition that it became nearly impossible for our election administrators to know that a vacancy exists and then to conduct a special election on the ballot at the upcoming November general election for an office that they didn't know whether or not a vacancy would even exist or whether a special election would be necessary. So the deadline was too close for them to practically conduct that special election. Second, to force candidates to...potential prospective candidates who may want to fill a vacancy, that they don't even...they don't know in advance that a vacancy is going to exist, of course, so they then have to make the determination...to acknowledge that a vacancy exists, make the determination that they want to run for office. The only method to get on the ballot is by petition, so they have to gather between 1,000 and 1,500 signatures, all of which would have to be done in a matter of days or weeks, was overly burdensome to potential candidates. And finally, the voters would not have an opportunity to vote in a primary. They would have a much more limited opportunity to vet the prospective candidates that were before them. So for a number of reasons, the laws that exist now was just deemed to be bad public policy. [LB451]

SENATOR VARGAS: So my concern...my concern hearing that is, or question more, is if it is about making sure that there is time and the right process for candidates to be on and all for the general public, but the alternative would be somebody...an appointed person would be longer in office, that doesn't really give the general public the ability to choose whether or not that person is the right person. So let's say it is 2018, and in current law right now, if I were to resign in June, what would happen? [LB451]

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SENATOR MURANTE: Under the current law, if you were to resign in June of 2018, the Governor would presumably have an opportunity to make an appointment. He would be under no obligation to do so, but he would have the opportunity to make an appointment, and the position of District 7...the state senator for District 7 would be filled at the upcoming November general election. [LB451]

SENATOR VARGAS: Great. And so, with this change, what would happen, what would be the scenario? [LB451]

SENATOR MURANTE: With the change, the Governor presumably would make an appointment and that appointee would serve the remainder of the term. [LB451]

SENATOR VARGAS: So the Governor's appointee in...currently in that election, there would be an election in 2008... [LB451]

PRESIDENT FOLEY: One minute. [LB451]

SENATOR VARGAS: ...in the general election now, but changing this would extend that so the appointed would have finished the remainder of their term, and the public would not be voting on that person...wouldn't have a chance to have this, let's say, special election and general election, right? Is that correct? [LB451]

SENATOR MURANTE: In that window of time between what is functionally February 1 and September 1, yes. [LB451]

SENATOR VARGAS: Okay. Given that clarification, I am not in support of that, partly because I think we have an opportunity for the public to have a space to vote for a candidate and is still given that due process. But by doing this we are extending that to not have the public choose on a candidate to fill a vacancy with where it currently is in statute. And I think that is something we should address. This would give no voice to the public to choose a candidate and would only give a voice to the appointed, if that's what I'm hearing in this scenario... [LB451]

PRESIDENT FOLEY: Time, Senator. Time, Senator. [LB451]

SENATOR VARGAS: ...be a new appointed person for a difference of...thank you very much. [LB451]

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PRESIDENT FOLEY: Thank you, Senator Vargas and Senator Murante. Senator Morfeld, you're recognized. [LB451]

SENATOR MORFELD: Thank you (recorder malfunction). Thank you, Mr. President. Would Senator Murante yield to a few questions? [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR MORFELD: Senator Murante, I just want to ask you a question or two about Section 7 in AM1137. And I just want to clarify...do you need a minute to get there? [LB451]

SENATOR MURANTE: Go ahead. [LB451]

SENATOR MORFELD: I just wanted to clarify the part where the...where you're discussing the oath, and I believe this deals with overseas voters and then also military voters as well. [LB451]

SENATOR MURANTE: That's correct. [LB451]

SENATOR MORFELD: In terms of the oath, can you clarify what you're doing with the oath and what the purpose of that is? I'm a little confused. I'm trying to read through the language as well. [LB451]

SENATOR MURANTE: Sure. I believe what you're referencing is relative to the statement of residency. Is that essentially what...the question that you're asking? [LB451]

SENATOR MORFELD: Yes, residency and why we're moving the oath, and then my next question on that is what happens if a military member forgets to sign the oath, what happens to the ballot, things like that. [LB451]

SENATOR MURANTE: Sure. So the rationale was in some instances there are members of the military who are overseas who have refused or feel morally conflicted about stating that they are a Nebraska resident, even though they legally are, and so they have been reluctant to sign a document saying that they live in Nebraska when they're stationed in Afghanistan or Iraq or something like that. So the purpose of that provision was to not cause that sort of conflict and make sure that more ballots of our overseas military folks are counted and not rejected. [LB451]

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SENATOR MORFELD: Okay. And does that remove the secrecy sleeve then as well or...because it's... [LB451]

SENATOR MURANTE: The secrecy...? [LB451]

SENATOR MORFELD: Because it's taking the oath and putting it on the actual ballot, is that how I understand it, or is that...or am I reading it wrong? [LB451]

SENATOR MURANTE: No. And for the most part, we are...many of these ballots now are being collected electronically, which was part of our... [LB451]

SENATOR MORFELD: Yeah. [LB451]

SENATOR MURANTE: ...challenge with writing the envelope provision and things like that. [LB451]

SENATOR MORFELD: Yeah. [LB451]

SENATOR MURANTE: So it has...it should not affect that. [LB451]

SENATOR MORFELD: It should not affect that. Okay. Okay. I think that's all the questions that I have for now. If I have any, I'll ask you off the mike, Senator Murante. Thank you. [LB451]

SENATOR MURANTE: Thank you. [LB451]

PRESIDENT FOLEY: Thank you, Senators Morfeld and Murante. Senator Geist. [LB451]

SENATOR GEIST: Yes, thank you, Mr. President. And I, too, would ask if Senator Murante would yield to questions? [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR GEIST: First off, I'll just say, and you know that as we talked off mike already, that I'm not in support of this yet, but there is an amendment coming, I understand, that will take care

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of the concern that I had. But just so we get that concern on the record, it's on page 2 and it starts...well, the full sentence, line 9 and goes to 11: "The election commissioner shall not hold any other elected office," and then it's been stricken, "or become a candidate for an elective office during his or her term of office or within thirty days after leaving office." And we've discussed back and forth what the issue about that is. My concern is the appearance of impropriety of the election commissioner being able to actually run for office before they file, which is what that has been changed to, because we know, as people who have just, many of us, anyway, who have just come through an election, you file for as a candidate just a few weeks before you enter the primary election. And in my case, for instance, I was running seven months prior to filing. And out of concern for the impropriety...well, actually, first, I think it is important, since you said you would answer a question, I should ask you one. If you would tell me a bit about the intention that you had and then... [LB451]

SENATOR MURANTE: Sure. And I want to be clear, this was a problem or...a problem is an overstatement...but this was an issue that was identified by our election commissioners. But our election commissioners have made it clear that if it's a policy discussion, none of them have a desire to run for public office at this point, so it is the policy question of if we as a Legislature are going to say that election administrators, the people who are running the elections in our 93 counties should not be entitled to run for office, then why do we allow 87 election administrators to run for office, and in point of fact, they are themselves elected officials; and to the extent that there is an equal protection concern, why is it that a handful of our election administrators could run for office whenever they want to and a handful are forced to quit their jobs and wait a month. And I have been on the Government Committee for a long time and I have yet to really hear a policy rationale as to why two people that are similarly situated are being treated so differently. [LB451]

SENATOR GEIST: Thank you. Thank you. And then my concern that I expressed was that of one of the appearance of impropriety. For someone who their sole job is elections, so we discussed it and agreed, and you can concur or not if you would like, that to return to the original language that this...where it would read, "The election commissioner shall not hold any other elective office or become a candidate for an elective office during his or her term of office," and then put the period there. And I'm sure you have that amendment coming. So...got it. Anyway, I wanted to make sure that my concern was on the record and that that was agreed to. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Geist and Senator Murante. Items for the record, Mr. Clerk? [LB451]

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CLERK: Mr. President, your Committee on Enrollment and Review reports LB492, LB274, LB209, LB307, LB517, LB268A, LB320, LB458, LB200, LB508, LB382 to Select File, some having Enrollment and Review amendments. Thank you. (Legislative Journal pages 1208-1211.) [LB492 LB274 LB209 LB307 LB517 LB268A LB320 LB458 LB200 LB508 LB382]

PRESIDENT FOLEY: Continuing debate, Senator Chambers. [LB451]

SENATOR CHAMBERS: Thank you. Mr. President, when Senator Murante finishes what he's doing, I would like to ask him a question. But in order that he can continue with what he's doing at this moment, I will make a few comments. When you have a bill like this that is highly technical, deals with a lot of issues and they're very important, it's hard for people who are not dealing with those issues all the time to see the significance of all the changes that are being made. They could be considered like landmines in a way. You set them in succession, then they go off in succession farther down the line. And people are asking, how did this happen? Why would the Legislature do this? Well, at the time it was being done, so many other issues were before us. And as Senator Geist pointed out something that is of interest to her so she can take the time to really delve into that, Senator Vargas mentioned an item that is of interest to him, and it is that issue that I would like to discuss with Senator Murante if he's back at his position. [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR CHAMBERS: Now, Senator Murante, I'm going to simplify this for the sake of getting to the question that I want to ask. Let's take a four-year term for the Legislature and divide it into four years, individual years. A person serves the first year. Then in the middle of the second year, that person dies or quits. There are two calendar years, two and a half calendar years remaining on the term. Are you with me where I am so far? [LB451]

SENATOR MURANTE: Yes. [LB451]

SENATOR CHAMBERS: Okay. Now the way it is now, when that person who is appointed by the Governor at the one-and-a-half-year point in that term, when that half year is served, then another election occurs. And are you saying that that election will not impact the person who had been appointed, but that person's appointment will bridge that election and he or she will serve the half year that brings you to the election, midterm for some people, beginning for others, but will come to that election, bridge it and serve the remaining two years so that the appointment

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will be for two and a half years? In essence, is that what the provision would amount to?
[LB451]

SENATOR MURANTE: Maybe at a 30,000-foot level. It really boils down to in that second year, if a vacancy exists, when in the year the vacancy exists would determine whether a special election at the upcoming November election would take place. [LB451]

SENATOR CHAMBERS: And what change are you making with what you're proposing?
[LB451]

SENATOR MURANTE: It would say if that vacancy exists, basically, by February 1, then it would be filled at the upcoming November general election. [LB451]

SENATOR CHAMBERS: But if not by then? [LB451]

SENATOR MURANTE: Then the gubernatorial appointment would serve the remainder of the four-year term. [LB451]

SENATOR CHAMBERS: I see clearly now what you're saying, but I disagree with that. People have become accustomed, who follow elections, to having that appointee stand for election if he or she wants to continue serving. We just had something involving Senator Kintner where the Governor even said he should resign. Then somebody would be appointed and Senator Kintner could then run again to fill out that remaining part of the term and it would give the public a chance to show whether or not they were concerned with what he had done... [LB451]

PRESIDENT FOLEY: One minute. [LB451]

SENATOR CHAMBERS: ...to the point where they would not retain him in office by electing him again. When I first ran for this office, a person had been appointed to serve just a few months of the term...the person who was serving died before the first two years were over. A few months remained in the second year and this individual was appointed for that period. I don't think he was at any regular term of the Legislature, but they had a special session and he was at the Legislature at that point. I will stop now because I can't complete the whole thing. I'll turn on my light. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Chambers. Mr. Clerk. [LB451]

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CLERK: Mr. President, Senator Murante would move to amend the committee amendments with AM1192. (Legislative Journal page 1211.) [LB451]

PRESIDENT FOLEY: Senator Murante, you're recognized to open on AM1192. [LB451]

SENATOR MURANTE: Thank you, Mr. President; members, good morning. This amendment reflects the statement of Senator Geist. What you could basically do, if you go to the green copy of the bill and look on page 2, it pertains to election commissioners being a candidate for office, and it would reinstate the stricken line, "or become a candidate for an elective office during his or her term," place a period there, and then continue striking "or within thirty days after leaving office." So it would reinstate the existing language as it relates to the prohibition of an election commissioner being a candidate for an elected office during his or her term. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Murante. Continuing discussion, Senator Vargas. [LB451]

SENATOR VARGAS: Thank you very much, President. I stand in support of this amendment. It's actually something that both Senator Geist and I were talking about with Senator Murante to make sure that there is...there is a rationale as to why when we're changing this that it is grounded in something. As it was before, there wasn't a real rationale as to why we would potentially create some impropriety...some ethical impropriety with having an election commissioner be in office, be an election commissioner, and then also be a candidate for office, may not necessarily be filed for office, but what this will do is ensure that if you are an election commissioner, you will have to resign or finish your term before you can become a candidate. And I think that that is an actual good compromise for this. So I'm really happy that Senator Murante was able to work with us on that and thank him for that. I do want to continue with this conversation on the potential changes on what we've been discussing, what Senator Chambers was asking Senator Murante. The concerns I have with this section of this omnibus bill that have to do with changing the dates for when we are appointing somebody, whether or not we actually have an election in an in-between year or whether or not they finish out the remaining term of that senator or an elected office, is that there isn't a reason we need to change this right now, at least to my understanding. I will ask Senator Murante a question on that, but if there's not a reason why we're changing it, why are we changing it? If the concern is that we need to have the public should have a say in who they are electing to office at the soonest possible time when there is a vacancy if that is within our law, we should be supporting that law. And what this is doing, in my understanding after some of the questions asked, is it is superseding that. It would basically state that if there is a specific timetable, if somebody were to resign and there was an appointment by the Governor, that they might not have this election possible happening in the in-

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between years and they would complete the remainder of that person's office rather than have the public decide who is best suited for that position and allow democracy to play its role. That is a very big concern for me. It's something that I hope to actually work out with Senator Murante to be able to find some way forward, but as it is, I can't support this because it is exactly taking away what we are all here, we were all, for the most part, elected and at some point we will all be chosen by the public to remain in our seats. And I think that is a democracy we want to be able to continue to support. But by changing this, we are superseding that and creating a scenario...a couple different scenarios where we would not have that ability, that people would not have the right to be able to vote for somebody, and whoever the Governor...whoever is in that position would appoint somebody that would not be left up to the people. So I do stand against this, and I'll ask Senator Murante a few more questions about this if he would so yield. [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR VARGAS: Okay. Thank you very much, Senator Murante. Can you tell me a little bit as to why is this something that needs to be done now? What was sort of the call to action, why we need to address this? Was there a specific scenario that came up or was this based on something else? [LB451]

SENATOR MURANTE: Well, to directly answer your question, I mean, obvious...the bill doesn't apply to any potential vacancy that could exist in 2017, right? So it would only be applicable in a year that contains a general election. So if you're asking about urgency, it certainly wouldn't apply to anyone that is currently in the body, and it could not, potentially, apply to anyone that is in the body in 2017 in the event that anyone were to leave office for any reason. [LB451]

PRESIDENT FOLEY: One minute. [LB451]

SENATOR MURANTE: It's simply an identification of a challenge that has been brought forward and it's not a reactive solution; hopefully, it's more proactive. [LB451]

SENATOR VARGAS: And you said a challenge has been brought forward. Can you describe the challenge and who brought this forward? Is this something that's been proposed in the past? Is this... [LB451]

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SENATOR MURANTE: I have introduced this...the concept in the past before, a couple years back. I think it might have been my first year in the Legislature I introduced the concept. But this was the election commissioner's bill, so it was part of a collaborative discussion between Douglas, Sarpy, Lancaster in particular, and then various other election administrators and myself over the course of the last year. [LB451]

SENATOR VARGAS: Okay. And you said this...a challenge, so is there a challenge that arose, an actual scenario that prompted this, not a scenario, an actual situation that has happened that prompted a need to change this? [LB451]

PRESIDENT FOLEY: Time, Senator. [LB451]

SENATOR VARGAS: Thank you very much. [LB451]

PRESIDENT FOLEY: Thank you, Senator Vargas and Senator Murante. Senator Morfeld, you're recognized. [LB451]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, at the outset, I just want to note that Senator Murante did give me the courtesy of several weeks before we...this bill came up today, came to me and asked me if I had any concerns with the bill. I'll be honest, I didn't see this provision. I didn't have any concerns with the bill at the time. So I do want to note that Senator Murante did give that courtesy and I didn't note there were any issues. But as we find things out, as debate happens, things come up, I will support Senator Vargas' upcoming amendment to strike this portion of the language out. I think it is incredibly important that once a vacancy has been made in one of our legislative seats, that the people that that seat represents has every opportunity to elect a person that they feel is suitable to represent them down at the Legislature as soon as possible. Now, do I think there should be a special election? No. But it should be as soon as possible if before the next general election there is time to put that name on the ballot, which in the current case there is, to put that name on the ballot and put that person up to a vote of the people. Now, if after that election the vacancy occurs and a person serves out two sessions, I totally understand it, I get it. But if it happens before and there is time under our current framework to ensure that the people of that district have a voice in choosing who the replacement is, I think it is incredibly important that we provide that opportunity. And I would like to continue the conversation that Senator Vargas had with Senator Murante, if Senator Murante would be willing to yield to a question. [LB451]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB451]

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SENATOR MURANTE: I would. [LB451]

SENATOR MORFELD: Senator Murante, right before Senator Vargas ran out of time, he asked if there was an instance or a scenario that you felt like this was absolutely necessary to lead with this type of amendment to our current statute. [LB451]

SENATOR MURANTE: As I told Senator Vargas, it is...if LB451 and the amendments that are currently on the board are all adopted and passed, it would not...it could not impact anything in 2017. [LB451]

SENATOR MORFELD: I understand that, but is there...I fail to see the overriding policy rationale of extending this beyond two sessions when the people have the opportunity to put a name on the ballot, to be up for election, whether it be that appointee or not. [LB451]

SENATOR MURANTE: Okay. So, the question on the table is not whether or not there should be a line on the calendar when a special election, in the event of a vacancy for Legislature, is conducted at the upcoming general election. The question on the table is where is the line? Right now, the line is right about September 1. [LB451]

SENATOR MORFELD: Yep. [LB451]

SENATOR MURANTE: That creates enormous challenges for our election commissioners, for anyone who might want to hold that public office in the case a vacancy exists, and for the voters to make an informed decision on such a short time line and such a short campaign. And the only method of getting on the ballot at that point is by petition. So you actually have to go out and collect signatures to even get on the ballot, and if nobody does, then you have a vacancy that's on the ballot that is only going to be elected as a write-in candidate. So there are innumerable problems as...the policy as it exists right now, in my view. Moving it back to February 1, moving that line back to February 1 eliminates many of those challenges and what it functionally allows us to do is if there's a vacancy that exists at a time where you can conduct an entire election, you can...beyond the primary, any candidate can file for public office and it's a normal election, then that normal election would be conducted. But this abbreviated...you have five days, seven days to collect 1,500 signatures is burdensome, and to me, the challenges outweigh the concerns that have been brought forward. [LB451]

PRESIDENT FOLEY: One minute. [LB451]

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SENATOR MORFELD: Okay. Your rationale actually helps me understand where you're coming from a little bit more, makes me a little bit more comfortable with it. I need to think about the time line a little bit and it sounds like we'll just have a little bit more debate. I don't want to extend this too long. And I appreciate Senator Murante's courtesy. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Morfeld and Senator Murante. Senator Murante, you're next in the queue. He waives the opportunity. Senator Chambers. [LB451]

SENATOR CHAMBERS: Thank you. Mr. President, members of Legislature, since Senator Vargas is going to offer an amendment, most of what I say will be on that amendment. But I want to indicate how I got into the Legislature. There was a man named Senator Danner who had died during the second year of his term. Governor Tiemann appointed a very elderly black gentlemen from the community who was known as what we call an "Uncle Tom." It was felt that Governor Tiemann did that as a slap in the face of the black community. I was asked to run against him, because at the next election, which would have been at the end of the second year of Senator Danner's term, then I would run. I tried to get other people to run. Nobody was interested. I had been very active in my community from the time that I was in high school. My pedigree goes way back. When interviews were taken in those days on television, and it was a lot different from the way it is now, people would ask me, a kid, to be in these televised interviews, issues related to police problems--I was even made the chairperson of what was called the Police-Community Relations Council a few years later, before I got in the Legislature--problems with housing, the Public Housing Authority. The OHA was segregated at that time. Twenty-Second Street won't mean anything to anybody, but for a line of demarcation that I can discuss, any housing east of 22nd Street was all white, any housing west was all black--total segregation. I was called about those kind of problems, slumlords, problems in the schools, and many of them involved teacher violence against the students. So I was well known in my community where I've lived all my life, contrary to what an idiot suggested not too long ago, and that is going to play into what I'm talking about now. I ran and I won. But this man named Althouse, and black people refer to him as "Outhouse," he wasn't sure of his age. He was a fool by any definition of the term. He stood on the floor and said words to the effect--God put the white man in charge and what black people need to do is join hands with the white man and go along and sing "God Bless America." What he said was reported in the Omaha World-Herald, in the Lincoln Journal, and at that time they had a newspaper called The Lincoln Star. All three newspapers gave a very similar account. And guess what happened. The members of the Legislature at that time give him a standing ovation. That's what infuriated people; and they felt that I would be the only one who could come down here and deal with a bunch of racists like that because even in those days I was not afraid of anybody, the police, or anybody else. So that election took place and I won. I served the final two years of Senator Danner's term; and as people say: the rest of it was not only history but historical and historic. Here's what could have happened, and I'm glad that my situation can

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be used, it doesn't have to be theoretical. This person whom I defeated with more than 80 percent of the vote had been prevailed on, I believe, by the Republican Party to run against me. I mentioned it during the session before the election. He was in the balcony--he was stalking me, some people said--and he looked very odd, carried himself in a way that caused people around here to say,... [LB451]

PRESIDENT FOLEY: One minute. [LB451]

SENATOR CHAMBERS: ...staff members especially, he was creepy. A woman who had attended a meeting of the "Repelican" Party had contacted me in a tizzy. She said, they've got somebody to run against you and there will be a bombshell. I said running against me is no bombshell, people have done it before, but it's something else. I think what the bombshell was, was this residency challenge that he was going to bring. Had the Legislature decided not to accept the committee's recommendation that I be seated, I would have been out of the Legislature, but at the next election I could have run again. And if I was out of the Legislature at that point, it would have been this year, before half of my term was up. So the time I've served wouldn't even count. And I would run and win again. [LB451]

PRESIDENT FOLEY: Time, Senator. [LB451]

SENATOR CHAMBERS: Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Geist, you're recognized. [LB451]

SENATOR GEIST: Yes, thank you, Mr. President. I just wanted to make sure that the body knows that because I appreciate Senator Murante bringing AM1192, it does solve the issues that I had and because of that I can now support LB451. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Geist. Senator Crawford. [LB451]

SENATOR CRAWFORD: Thank you, Mr. President. Well, we've been having a lively conversation off the mike about this principle about, if someone is appointed, whether it makes more sense to make sure there's full time for a regular election process or whether it's the case that one should create an opportunity for some abbreviated process so that the voters get a say. So at this point, I will continue to listen. But at this point I have to say that I agree with the rationale that Senator Murante laid out that it's appropriate to make sure we have an election situation where you can have the primary and the general election and that people who want to

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run for the office know what that situation is by those appropriate time lines. And I think that, yes, that is true that someone may be in the seat for a bit longer before they're up for an election, but I think in contrast you would have a situation where it would be very difficult to find and empower candidates to run an effective election on those short time lines, and so I understand the rationale of having the February 1 time line so that it fits our current primary and general election time lines. So I will continue to listen, but at this point I believe I agree that having a time line that allows those processes to work well, and for the people who may want to run against the appointed candidate, to have the opportunity to do so effectively makes sense to me. And so I will support the February 1 time line, unless I hear something in the debate that causes me to change, understand that in a different way. I am in support of AM1192, and I appreciate Senator Murante and Senator Vargas and Senator Geist working together on that to clarify that to make sure that we have a situation where the election commissioners are not running for office. And I'm supportive...not filing for office, but I understand that the concern is to make sure they're not announcing or raising money or doing other things as well, and I think that's a very appropriate amendment, and I thank them for their work on that and I will be supporting that amendment. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM PRESIDING

SENATOR LINDSTROM: Thank you, Senator Crawford. Senator Chambers, you are recognized. [LB451]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I don't see Senator Vargas, but I'm...I would like to ask Senator Vargas a question if he will yield. [LB451]

SENATOR LINDSTROM: Senator Vargas, would you yield to a question? [LB451]

SENATOR VARGAS: Yes. [LB451]

SENATOR CHAMBERS: Senator Vargas, I saw you back there negotiating with the "Godfather," not godfather in my sense, but godfather in the sense of an offer that can't be refused. But anyway, are you and Senator Murante working on this particular issue or are you going to offer an amendment? [LB451]

SENATOR VARGAS: I'm actually working on the issue. I have an amendment coming, but want to be able to talk with Senator Murante about what we can do to work on this, potentially, between now and Select. [LB451]

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SENATOR CHAMBERS: But at some point, we definitely will deal directly with the issue. [LB451]

SENATOR VARGAS: That's my intent. [LB451]

SENATOR CHAMBERS: Okay. [LB451]

SENATOR VARGAS: You would have to ask Senator Murante that question. [LB451]

SENATOR CHAMBERS: Good enough. With that understanding, there's not additional comment I have to make on the bill at this time, but I will say this. I will do all I can to derail the session around that issue, because before I came here...and Senator Council may not have been aware of how devastating it was. They have a way in Douglas County of hiding things they're going to do with a lot of verbiage and not calling intention to it. The election commissioner in Douglas County was given the authority to close polling places, open other polling places, and people, especially elderly people, of which I'm one now but I can get around, have been going to for years. Some of them stayed in highrises, and their polling place was in that highrise. What the election commissioner did, because a lot of black people were in these highrises, was to move the polling place several miles away. These people had no transportation. There was no reason to move it, but that's what he did. It was such a nefarious action that even the Secretary of State had indicated it should not have been done. The U.S. Justice Department got involved. And I took a walk with a person who was working with Channel 3 at that time to show the distance that had to be covered by some of these elderly people who didn't have transportation. So I'm not going to trust anybody who tells me that there's not anything nefarious in this piece of legislation. I think it would have 33 votes no matter what I might say. But I'd have to be given the amount of time necessary to reach a cloture vote. And if I lost it there, because I think a fundamental right of people is being undermined, I would then feel that every remaining bill before the Legislature is fair game for me. That's not saying I would attack every bill, but I'm saying I would have many opportunities. And should this bill be enacted and the Governor...I know he would sign it because he's against things that will cripple the voting rights of black people. I know that. I know Senator Murante wants to do that. There's no need in pretending. They can say what they want to, but I'm a black man and I'm going to stand up and speak up for the rights of black people. So when they bring that kind of discriminatory action, somebody handed out an article where the Texas Legislature was found to have deliberately engaged in racist activity. Texas is not the only one. Nebraska is notorious for it. And Senator Murante is right hand-in-glove with them. He's a nice fellow. He's a "goodfella." And some people knows what "goodfella" refers to, but he's not a "goodfella" when he's going to try to undercut the constituency that I represent. You all are going to see me angry if that happens, and you don't want to see me angry. You know where I got that from? [LB451]

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SENATOR LINDSTROM: One minute. [LB451]

SENATOR CHAMBERS: A fellow on television who turned green when he was going to turn into something. It was called "The Hulk." He was a little shy, retiring guy such as myself, accommodating, easy to get along with, but when they made him angry his eyes changed and his body swelled up and tore out of his clothes, and he was a monster, but he did good. He only did good. The only ones he hurt were those who were evil. You don't want to see me angry. But Senator Murante is courting that with his nefarious attempt to amend the Nebraska Constitution and some other things that he has in mind. But I'm going to focus on these issues that come up. And the one that we're talking about now is the one that I'm interested in. [LB451]

SENATOR LINDSTROM: Time, Senator. [LB451]

SENATOR CHAMBERS: Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: Thank you, Senator Chambers. (Visitors introduced.) Senator Vargas, you're recognized. [LB451]

SENATOR VARGAS: Thank you very much, President. Colleagues, thank you for this discussion. Obviously, this is very, very important not only for elections but for democracy and for clarifying what we can do moving forward. I did have a few follow-up questions for Senator Murante if he would yield. [LB451]

SENATOR LINDSTROM: Senator Murante, would you yield, please? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR VARGAS: Fantastic. Can you talk to me a little bit more around the rationale as to...from the election commissioner's perspective as to why this needs to be addressed and how the change in the February date specifically addresses that and why February was chosen? [LB451]

SENATOR MURANTE: Sure. So February was chosen because it would allow candidates to be nominated at primary election, so we would dispense with the necessity of only having nominations by petition, so that's, generally speaking, a good thing. We want people nominated at primary elections because it allows more people to have input into the nomination process. But second, especially as we get close to that September deadline, the prospect of needing to count...from the perspective exclusively of the election commissioners, the prospect of needing

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to identify that a vacancy exists, to get to the ballot certification deadline where they have to certify that the office will be on the ballot, they have to do that to the Secretary of State's Office, and then also having to certify the signatures of everyone who was out trying to collect signatures to get on the ballot would have been a very daunting task, in a very short period, in a potentially very short period of time. [LB451]

SENATOR VARGAS: And how...when we're looking at Omaha and the general election, if it is a daunting task in such a...and requires that many more months, but we have a primary election and a general election pretty much within a month or two-month span in Omaha, why couldn't it be done in a shorter span? [LB451]

SENATOR MURANTE: Well, in the case of...first of all, in my view, the policy question of whether Omaha should be--and Lincoln, for that matter--should be conducting a primary and a general election five and six weeks apart is...it's very bad public policy to begin with. So to be...from the outset, I don't agree with that particular public policy as it exists right now, but you also...you don't have the petition issue; and the conduct of elections is sort of...it is one thing because a polling place is a polling place. They have the same election workers. They have a schedule. There's...everything is known. The election calendar is known in advance. When we come to vacancies, there are many unknowns. How many candidates are going to...whether a vacancy exists, when the vacancy exists, how many candidates are going to run for the office, how many signatures is necessary, because the signature threshold is a percentage of votes cast at the previous election, not a static number, so that has to be identified. It just adds, in the middle of an election, a series of unknowns that are all time consuming to figure out. [LB451]

SENATOR VARGAS: So it's different, but there are...they, obviously, figure out a way to do it. It is different. My concern is that, obviously, we're trying to fix a problem that hasn't been a problem, has actually come up as a problem, but had unintended consequences on the back end. Colleagues, this is telling me that there's more work we need to be done on this. And I actually got a chance to talk with Senator Murante to work on this. My hope is that we can work on this between General and Select. I had offered an amendment. I pulled it because I...and similarly to what we did earlier with Senator Geist, we were able to work on something. I think that this is a good opportunity for us to make sure that democracy and our individuals that are looking at how we have better representation... [LB451]

SENATOR LINDSTROM: One minute. [LB451]

SENATOR VARGAS: ...to represent us, that they can vote for that person no matter what, and we are doing everything we can to support that specific right. But if we're not doing that and creating a potential loophole or unintended consequences to supersede that, that that would be a

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detriment to what we're actually here for, which is to have a representative democracy. And so I want to work with Senator Murante on this. I'm hoping he will work with me on this, like he said off the mike, so that we can get to a place that addresses some of the concern that both the election commissioners and him mentioned around the time line and the certification and not potentially having a primary, while also ensuring that we are not superseding the ability for voters to have a say in who they're electing and not having just an appointment finish out their term for a long extended period of time when we could have an election and somebody could be picked by the public. And so last question, Senator Murante, for us to work on this... [LB451]

SENATOR LINDSTROM: Time, Senator. [LB451]

SENATOR VARGAS: Thank you very much. [LB451]

SENATOR LINDSTROM: Senator McCollister, you're recognized. [LB451]

SENATOR McCOLLISTER: Thank you, Mr. President; good morning, colleagues. Would Senator Murante yield to a question or two? [LB451]

SENATOR LINDSTROM: Senator Murante, would you yield? [LB451]

SENATOR MURANTE: I would. [LB451]

SENATOR McCOLLISTER: Thank you, Senator. If an incumbent is successful in a primary, in a primary re-election, then a vacancy occurs. What happens now in that instance? [LB451]

SENATOR MURANTE: So if a vacancy occurs postprimary... [LB451]

SENATOR McCOLLISTER: Yes, sir. [LB451]

SENATOR MURANTE: So you're talking about...let's take yourself, for example. You're up for re-election next year. [LB451]

SENATOR McCOLLISTER: Yes, sir. [LB451]

SENATOR MURANTE: Let's say the primary comes and goes. You've been renominated and for whatever reason you choose... [LB451]

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SENATOR McCOLLISTER: And then I trump. [LB451]

SENATOR MURANTE: Do you choose to...you choose to decline the nomination, you hit the lottery and want to move to Hawaii. In that case, a ballot vacancy would exist. The ballot vacancy would be filled by petition. That person...any candidate, because a vacancy exists on the ballot, would have the opportunity to go out. The signature...the number of signatures necessary, I believe it's 10 percent of the votes cast in your district in the previous gubernatorial or presidential election, and whoever would get that many signatures would appear on the general election ballot. [LB451]

SENATOR McCOLLISTER: By moving that process to February, don't we eliminate the opportunity for the constituents in that legislative district to choose their candidate even though it may be abbreviated? [LB451]

SENATOR MURANTE: Okay, so this bill doesn't deal with specifically the questions you asked me first. So the question that you asked me was, if you've run the course of your four-year term, you're in your fourth year and you're post-primary, you've already had your primary, and a vacancy exists. This bill doesn't deal with that. [LB451]

SENATOR McCOLLISTER: Okay. [LB451]

SENATOR MURANTE: This bill deals with if you're in that second year, if there is a general election on the ballot but it's not...you're not up. You're up in two years, so you're about halfway through your term. [LB451]

SENATOR McCOLLISTER: I see. [LB451]

SENATOR MURANTE: When does that...when is that vacancy filled in that off-year general election? [LB451]

SENATOR McCOLLISTER: Correct. The February 1, I would venture to say, is a bit arbitrary. Given the fact that nonincumbents are obligated to file March 1, would that perhaps be a better day? [LB451]

SENATOR MURANTE: Well, the filing...February 1 was chosen because of the filing deadlines because then you do give nonincumbents an entire month to determine whether or not they're going to run for the public office and engage in the primary. By moving it to March 1, now we're past the filing deadline, and I don't know how...we would have to come up with some vehicle or

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mechanism to get people on the primary ballot, which is doable, it's possible, but there's nothing currently in state law that would allow for it. [LB451]

SENATOR McCOLLISTER: Thank you, Senator Murante. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: Thank you, Senators McCollister and Murante. Seeing no one else in the queue, Senator Murante, you're welcome to close on AM1192. [LB451]

SENATOR MURANTE: Thank you, Mr. President; members, good morning. AM1192 is the product of some negotiations and discussions and concerns that were brought to me by Senator Vargas and Senator Geist. It pertains to election commissioners being allowed or not allowed to run for a public office and be a candidate for public office and returns the language of current state law back as it relates to them being a candidate for public office. And I encourage your support of AM1192 and the committee amendment and the bill. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: The question is, shall the amendment to LB451 be adopted? All those in favor vote aye; all those opposed vote nay. Please record. [LB451]

CLERK: 30 ayes, 0 nays on adoption of the amendment to the committee amendments. [LB451]

SENATOR LINDSTROM: The amendment is adopted. Returning to LB451. Seeing no one else in the queue, Senator Murante, you're welcome to close on AM1137. [LB451]

SENATOR MURANTE: AM1137 contains the changes that we discussed and have been discussing on the floor. Would Senator Vargas yield to a question? [LB451]

SENATOR LINDSTROM: Senator Vargas, would you yield? [LB451]

SENATOR VARGAS: Yes. [LB451]

SENATOR MURANTE: Senator Vargas, you were about to ask me a question and your time expired. I believe your question for me was going to be whether I had committed off the microphone to working with you on this bill. Was that the question you were going to ask me? [LB451]

SENATOR VARGAS: That was my question, yes. [LB451]

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SENATOR MURANTE: All right, I am committed to working with you, Senator Vargas, between General and Select File to find a way which satisfies the concerns of me and the election commissioners relative to appointments and vacancies and also addresses your concerns of ensuring that voters have an opportunity to choose up or down on whatever...on the vacancy and the filling of the vacancy. So I'm happy to try and come up with some sort of solution with you and then committed to doing that. And with that I would support...I would encourage your support of AM1137. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: The question is, shall the amendment to LB451 be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB451]

CLERK: 34 ayes, 0 nays, Mr. President, on the adoption of committee amendments. [LB451]

SENATOR LINDSTROM: Returning to discussion on LB451. Senator Chambers, you're recognized. [LB451]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, earlier today I said I don't trust people. I'm going to go against that right now. I'm going to trust Senator Vargas and Senator Murante to act in good faith. I don't know what the outcome will be, but I don't think there will be any shenanigans there. And I like to call attention to things that are happening. This bill is going to be massaged by a person of Italian ancestry, Latino, African. The bill is in the hands of the people who lead to what is called diversity. So you can believe that it probably is going to be one of the best-cooked political cakes that will emerge from this Legislature. And my two colleagues, I salute you. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: Thank you, Senator Chambers. Seeing no one else in the queue, Senator Murante, you're welcome to close on LB451. [LB451]

SENATOR MURANTE: Thank you, Mr. President, members. Well, today we have had an election bill, we've had a Godfather reference, we've had a Goodfellas reference. I don't know what more you want from me or what could be done to get you to vote green on a bill. So I will just say vote yes on LB451. Thank you, Mr. President. [LB451]

SENATOR LINDSTROM: Thank you. The question is the advancement of LB451 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB451]

CLERK: 37 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB451]

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SENATOR LINDSTROM: LB451 advances. Mr. Clerk for announcements. [LB451]

CLERK: I have nothing at this time, Mr. President.

SENATOR LINDSTROM: Next item, Mr. Clerk.

CLERK: Mr. President, Select File, LB300. Senator Wishart, I have Enrollment and Review amendments. (ER52, Legislative Journal page 973.) [LB300]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB300]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB300. [LB300]

SENATOR LINDSTROM: You've all heard the motion. All those in favor say aye. All those opposed say nay. Ayes have it. [LB300]

CLERK: Senator Krist would move to amend with AM946. (Legislative Journal page 954.) [LB300]

SENATOR LINDSTROM: Senator Krist, you're welcome to open on your amendment. [LB300]

SENATOR KRIST: Thank you, Mr. President. I don't know how to follow the act that was the United Nations that preceded me, but I will try. On General File, if you recall, we had a discussion on the civil side of the house of whether or not we could have look-back options and it was pointed out by Senator Hilgers, Senator Chambers, and Senator Schumacher that it was unwise to proceed with that still in the bill even with the clause that we added. So it is my intention at this time with AM946 to pull out that look-back option and only looking forward in terms of the statute of limitations. And I would emphasize, though, also for legislative intent, on page 1 of the amendment--there is only one page--line 13, I'll reiterate: "An action against any person or entity other than the individual directly causing an injury or injuries suffered by a plaintiff when the plaintiff was a victim of a violation of" this section, which is the sexual abuse. That legislatively I want to make perfectly clear, the action against any person or entity is public or private. Public or private entity is covered in there. It is only an extension of the process for the person who has been injured and the person who has inflicted or the perpetrator of such injuries. So I ask you for a green light on AM946 and then to move LB300 to Final Reading. Thank you, Mr. President. [LB300]

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SENATOR LINDSTROM: Thank you, Senator Krist. Senator Hilgers, you are recognized.
[LB300]

SENATOR HILGERS: Thank you, Mr. President. Good morning, colleagues. I rise in support of AM946 and appreciate Senator Krist's work on this amendment and the discussion we had on General File. Just to lay some record and to lay out a little bit of what the amendment does, if you recall the discussion we had on General File, the question was whether or not the Legislature could retroactively extend a statute of limitations period that had already been closed, in other words, the limitations period had passed; the particular accused party may have repose; and the question was whether we had the power to open that period again. In fact, I think Senator Chambers had the metaphor of the water flowing through a closed cup. And there was some question with the constitutionality of that. What AM946 does, it has two provisions. It essentially says this extension applies in two cases. One is on or after the effective date, in other words, after this bill...if this bill becomes law after the effective date, that makes...it's a going-forward provision, makes a ton of sense. The other provision, this is in Section 1(a)(ii). It says, "prior to the effective date," so if the act occurred before the bill becomes into law, but only if that action was not previously time barred. So in other words, what that language does is says...it doesn't impact. It can't be read to imply that pre...acts predating the legislation do not have their limitations period closed. So I think that's important language to have in there to ensure that LB300 does not close periods that otherwise would be open. And the remaining language, I think, captures the goal of the discussion from General File. So I appreciate Senator Krist's work on this. I appreciate the discussion on General File. And I would ask for your green light on AM946. Thank you, Mr. President. [LB300]

SENATOR LINDSTROM: Thank you, Senator Hilgers. Senator Lowe, you're recognized.
[LB300]

SENATOR LOWE: Thank you, Mr. President. I'd like to thank Senator Krist for making it public, that the public entities would be included in this. That was one of my concerns on this bill. So I'd just like to thank him for doing that. And if you would like any more time, I'd be glad to give it to you, Senator Krist. [LB300]

SENATOR LINDSTROM: Senator Krist, you're yielded 4:34. [LB300]

SENATOR KRIST: Is there anyone else in the queue? [LB300]

SENATOR LINDSTROM: No, Senator. [LB300]

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SENATOR KRIST: I'll just make this my closing. Thank you for your courtesy, Senator Lowe. I ask you for your green vote on AM946 and LB300. And again I say this is on behalf of those who are looking for closure for a horrific experience during their life and remind you that on the 27th of April, if you have some time, the Supreme Court will be hearing a trial that will actually discuss this subject matter of civilly looking back and looking at that waterfall that's been described. So I may see you again next year with an amendment to this particular part of the statute. And I ask again for a green vote on AM946 and LB300, and thank you for your attention. [LB300]

SENATOR LINDSTROM: The question is, shall the amendment to LB300 be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB300]

CLERK: 35 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB300]

SENATOR LINDSTROM: The amendment is adopted. [LB300]

CLERK: I have nothing further on the bill, Mr. President. [LB300]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB300]

SENATOR WISHART: Thank you. I move to advance LB300 to E&R for engrossing. [LB300]

SENATOR LINDSTROM: All those in favor say aye. All those opposed say nay. LB300 is advanced. Next item. [LB300]

CLERK: LB253, Senator, I have E&R amendments pending. (ER59, Legislative Journal page 1079.) [LB253]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB253]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB253. [LB253]

SENATOR LINDSTROM: You heard the motion. All those in favor say aye. All those opposed say nay. The ayes have it. [LB253]

CLERK: I have nothing further on the bill. [LB253]

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SENATOR LINDSTROM: Senator Wishart for a motion. [LB253]

SENATOR WISHART: Mr. President, I move to advance LB253 to E&R for engrossing. [LB253]

SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. All those opposed say nay. LB253 is advanced. Next item. [LB253]

CLERK: LB223 does have Enrollment and Review amendments pending. (ER62, Legislative Journal page 1089.) [LB223]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB223]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB223. [LB223]

SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. All those opposed say nay. They are advanced. [LB223]

CLERK: I have nothing further on the bill, Mr. President. [LB223]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB223]

SENATOR WISHART: Mr. President, I move to advance LB223 to E&R for engrossing. [LB223]

SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. All those opposed say nay. The ayes have it. LB223 is advanced. Next item. [LB223]

CLERK: Mr. President, LB259. I have Enrollment and Review amendments first of all, Senator. (ER66, Legislative Journal page 1135.) [LB259]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB259]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB259. [LB259]

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SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. All those opposed say nay. They are advanced. [LB259]

CLERK: Mr. President, Senator Hansen, I have AM1106 but a note you wish to withdraw. Senator Hansen would move to amend, Mr. President, with AM1186. (Legislative Journal page 1212.) [LB259]

SENATOR LINDSTROM: Without objection, so withdrawn. Senator Hansen, you're welcome to open on AM1186. [LB259]

SENATOR HANSEN: Thank you, Mr. President, and good morning, colleagues. AM1186 contains provisions of AM1106 that I just withdrew as well as some suggestions by PRO. It's a series of technical changes mainly regarding notice requirements and postmark dates. It's a friendly amendment they suggested to me this morning and wish to advance. AM1106, which is included in AM1186, also changed the effective date of this act. In talking with stakeholders, we had already created some staggered effective dates such that some provisions came in time before others, and this is just pushing the last round of implementation back from 2018 to 2019. With that, I'd ask for your green vote on AM1186. Thank you, Mr. President. [LB259]

SENATOR LINDSTROM: Thank you, Senator Hansen. No one else in the queue, Senator Hansen, you're welcome to close. Senator Hansen waives closing. The motion before you is the advancement of the amendment AM1186 to LB259. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB259]

CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of the amendment. [LB259]

SENATOR LINDSTROM: The amendment is adopted. [LB259]

CLERK: I have nothing further on the bill. [LB259]

SENATOR LINDSTROM: Senator Wishart. [LB259]

SENATOR WISHART: Mr. President, I move to advance LB259 to E&R for engrossing. [LB259]

SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. All those opposed say nay. LB259 is advanced. Next item. [LB259]

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CLERK: Mr. President, LB268. E&Rs first of all, Senator. (ER67, Legislative Journal page 1136.) [LB268]

SENATOR LINDSTROM: Senator Wishart for a motion. [LB268]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB268. [LB268]

SENATOR LINDSTROM: You've heard the motion. All those in favor say aye. Those opposed say nay. They are adopted. [LB268]

CLERK: Senator Kuehn would move to amend with AM1191. (Legislative Journal page 1213.) [LB268]

SENATOR LINDSTROM: Senator Kuehn, you're welcomed to open on AM1191. [LB268]

SENATOR KUEHN: Thank you, Mr. President; good morning, again, colleagues. LB268 is a concept which Senator Schumacher has brought forward a couple years now, with the idea of Medicaid estate recovery, which is an idea which I fully embrace. And I want at the onset, since this is the first time I've spoken on LB268, thank Senator Schumacher for his willingness to continue to work and address some of the concerns about how this works for all business owners. AM1191 is an opportunity, at this point in time, for me to have a discussion on the floor with Senator Schumacher and just ask some questions with regard to some of the language that is in the bill so that we as a body fully understand and have full legislative intent about some of the ideas that are happening here within the bill. So fundamentally in terms of technical, if you look at page 35 of the green copy, what AM1191 does is it strikes lines 1 through 11 of page 35 which deals with a death certificate. And to make sure that I understand and the body understands and there's a record for what's happening with regard to this, would Senator Schumacher yield to a few questions? [LB268]

SENATOR LINDSTROM: Senator Schumacher, would you yield? [LB268]

SENATOR SCHUMACHER: Yes, I will. [LB268]

SENATOR KUEHN: Thank you, Senator Schumacher. So a couple of questions with regard to...we'll start with the amendment and then I've got a couple other just language questions that I want to ask. First of all, on page 35 it talks about the filing of a death certificate that no certified copies of the death certificate can be issued for up to ten days following the death of the

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individual. In prior versions of this bill, a record of application for Medicaid assistance had been noted on the death certificate. That's not included in LB268. So could you explain the rationale for why lines 1 through 11 are there on page 35? [LB268]

SENATOR SCHUMACHER: Yes, I can. First of all, it says that within ten days after the filing of a certificate of death--that's when the undertaker sends it down to the vital statistics people--and prior to the issuance of any death certificate, the department will search its records to determine if there's a bill. And if there's a bill, then contemporaneously with or before it will file what's called a demand for notice in the county of residence. There's a probate procedure that has been long on the books that is already typically used by the department and it says, if you have a bill against somebody who passed away and there's no probate that's filed, you can file this paper saying, hey, I'm owed money, and that's filed with the courthouse. It can be filed electronically. And what this does is says when they get a death certificate over at DHHS, they check their computer, check the Social Security number--Social Security numbers are on death certificates--to see whether or not there's a bill. And if there is a bill--I would presume they do this electronically, even though I suspect they could do it on paper--they send the county court in that county of the residency of the decedent a statement saying there's a bill of this amount, or as yet to be determined if it's still in progress, to the county court so that an heir, a holder of a joint tenancy, a payable on death certificate, or whatever, can have a place to go to find out if there's a bill they have to worry about. [LB268]

SENATOR KUEHN: Okay, so do you...and that's legitimate. Do you have concerns, however, that that ten-day period may, especially if there isn't an application for Medicaid or Medicaid was never provided, do you have concerns that may slow down the probate process or any of those types of issues? [LB268]

SENATOR SCHUMACHER: The ten-day period should not slow anything down. If they don't find a bill there, then of course they don't have an obligation to file a demand for notices. As a practical matter, in the probate experience I've had, you don't get a death certificate within ten days anyway. [LB268]

SENATOR KUEHN: Okay. Thank you, Senator Schumacher. Next question, just so those who want to follow along at home, on page 20 of the green copy, which is looking at specifically lines 5 through 8, it talks about this idea of commercial reasonableness. And one of the issues that you have in this legislation with regarding the look-back period for Medicaid benefits looks at this term "commercial reasonableness." Could you lay out for legislative intent a little bit more in terms of what you mean? And I'm not an attorney and I did not stay at a Holiday Inn Express last night, so I'm not sure I understand the commercial reasonableness or how that applies out legally. [LB268]

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SENATOR SCHUMACHER: Basically, let's say that I have an apartment building. And I want to qualify for Medicaid, and in order to do so I've got show that I don't have an income. And so what I do is I put the apartment building in what's called a life estate with one of my kids where I say: I give you, dear kid, the remainder interest, after I'm gone it's yours, but I hold back the right to the income. And the reason that I do that is because then I get a stepped-up basis, or the kid does when I die, and there's no capital gains on the building, otherwise I possibly could give it to them outright. Now, I don't want to have any income from that building even though I have a right to the fruit from that tree. And I've held back the right from the fruit from the tree, even though I've given the tree away. Well, I just lease it to the kid really cheap and, therefore, I don't have much for income, my taxes and insurance are more than my income. I have zero for income when I fill out my paperwork with DHHS to qualify for Medicaid. This says that I have to disclose that I have such a lease with my kid and the department is to look to see whether or not it's in line with other commercially reasonable leases of the same kind of property in my area; and if it's not, then the difference between what I am getting and what I could be getting is counted as income whether I like it or not. [LB268]

SENATOR KUEHN: And what is the period in terms of the look-back with regard to that commercial reasonableness? [LB268]

SENATOR SCHUMACHER: Commercial reasonableness is at the time that the lease was entered into, so if I make a lease that's commercially reasonable with my kid, but it turns out that the property is, after some years of inflation, is renting for a whole lot more, it's that look-back period. [LB268]

SENATOR KUEHN: Okay, so it's not...it's greater than just the five years. Potentially you would consider that to be an indefinite type of look-back? [LB268]

SENATOR SCHUMACHER: It's at the time that I...they look at it now, is it commercially reasonable and was it commercially reasonable at the time it was entered into? [LB268]

SENATOR KUEHN: Okay. I will say I have some degree of concerns on that. I fully understand where Senator Schumacher is going with the idea of people intentionally hiding assets as they go forward. I do have concerns about some of the language with regard to that those leases must be negotiated between arm's length with nonrelated parties in the sense that, you know, the commercial real estate is one issue, but certainly whether that's parents leasing farm ground to a child which they wish to give them a break at some point in time, requiring an arm's length negotiation, whether that's a family who owns a home that they rent to a child. I have some problems with that commercial reasonableness terms as well as the idea that the burden of proof for commercial reasonableness rests with the applicant. If the state is going after these dollars, I

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truly believe that the burden for demonstrating that there are dollars that could be obtained lies with the state and not with the individual. On page 23...I don't know where we're at for time, Mr. President. [LB268]

SENATOR LINDSTROM: One minute, 37 seconds. [LB268]

SENATOR KUEHN: Okay. And my light is on next, so if I'm first in the queue, I'll just keep going through. On page 23, it talks about...in section (6)(iii), it talks about this idea of a growth factor, which is, "Growth factor means the actual value of the real estate at the time the lien is enforced divided by the actual value of the real estate at the time the consideration was paid." Senator Schumacher, could you elaborate a little bit on this idea of the growth factor and what you're looking at with that particular language. [LB268]

SENATOR SCHUMACHER: Yes, basically, the growth factor there is...let's say--let me just think of a simple situation... [LB268]

SENATOR LINDSTROM: One minute. [LB268]

SENATOR SCHUMACHER: ...that I have a piece of land and I put it in one of these things that I just described. And the child puts a building on the land and had certain investment in the land. This...and then when...if the state should claim the land, and incidentally, none of this happens unless the people go on Medicaid. If they never touch Medicaid none of this happens. The child would be able to say wait a minute, I put a building on that land and so my interest in the land grew with inflation and with the change in market, so I get to claim more than it actually cost to keep. [LB268]

SENATOR KUEHN: Okay, so this would ensure that improvements or investments by the related party would not be subject to recovery under this act? [LB268]

SENATOR SCHUMACHER: To the extent of their investment plus growth. [LB268]

SENATOR KUEHN: Okay. And, again, the burden of proof for showing consideration paid for the real estate... [LB268]

SENATOR LINDSTROM: Senator Kuehn, time. You're on your next five minutes. [LB268]

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SENATOR KUEHN: Okay. Thank you, Mr. President. ...is, again, rest for the...with the transferee or the successor in the interest. Why, when this is a recovery action by the state, did you feel you wanted the burden for proof to be on the transferee and not on the state? [LB268]

SENATOR SCHUMACHER: Because commercial reasonableness should be easy enough to prove. And the transferee is in the best position to know the particular market circumstances and for him to lay out, look it, this is what the neighbor's paying for a lease like this, this is what the rent is being gotten by this apartment building down the road for a lease like this. That's fairly easy to do, and a lot of this is administrative common sense with the department. They're not going to haggle over a situation where it's close. [LB268]

SENATOR KUEHN: I applaud your positive outlook on administrative common sense. I didn't know that was an actual phrase and I'm a little bit skeptical about that one in general. [LB268]

SENATOR SCHUMACHER: Sometimes I am too. [LB268]

SENATOR KUEHN: Okay. So thank you, Senator Schumacher. I appreciate that conversation. I, again, applaud the concept that we have here with LB268 and I'm not opposed to the idea of Medicaid estate recovery. I think it's important that individuals who are receiving the benefits are entitled to those benefits, and I fully understand what Senator Schumacher is doing here. I do have a few concerns, and I'll visit greater detail with Senator Schumacher about that, about whether...its potential for resolution or not with who the burden of proof is upon for demonstrating these claims, as well as maybe fleshing out a little bit some of the commercial reasonableness issue. I fear that that has the potential to become a bit of a bureaucratic nightmare and put a significant burden on what that means. He does include that the department shall promulgate rules and regulations regarding commercial reasonableness, so I think he's taken some good-faith efforts to specify that legislatively. I worry a little bit about what happens with that rules and regs process and how that may further complicate the situation. So with that, Mr. President, I would ask that AM1191 be withdrawn and we can proceed forward as the body desires on LB268. [LB268]

SENATOR LINDSTROM: Continuing on with debate on LB268. Senator Larson, you are recognized. [LB268]

SENATOR LARSON: Thank you, Mr. President. I just had...listening to the debate between Senator Kuehn and Senator Schumacher, would Senator Schumacher yield to a question? [LB268]

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SENATOR LINDSTROM: Senator Schumacher, would you yield to a question? [LB268]

SENATOR SCHUMACHER: Yes, I will. [LB268]

SENATOR LARSON: I was looking at the committee statement and I tried to look at the transcripts from the hearing, but I didn't see them up yet to read the transcripts from the hearing. In the hearing it said the Nebraska trial attorneys testified in support of the bill. What specifically...what specific part were the trial attorneys so interested in because this does look to me...I mean it's a claw back kind of in terms of people that are misusing these Medicaid dollars to get those back. So I guess my question is, why were the trial attorneys so interested in this? [LB268]

SENATOR SCHUMACHER: That was kind of an interesting wrinkle in the development of the bill. Basically at a point the trial attorneys said, you know, we...this about Medicaid recovery, so we'd like you to consider this being also in the bill. And this is a situation where somebody may have been in a car accident and have a settlement coming through a lawsuit or at least a claim made against the party that hit them in a car. But the trial attorneys say, gee, if we go to work and we file a lawsuit and we claim...and we win, we get some money, there's nothing in it for us because the department is going to take it all, and that's under existing law, too, and so we want you to put a percentage in there that we get to keep for our hard work of chasing down this accident, the person who caused this accident. And much to my surprise, the department did not oppose that. The department said, yeah, and we want to give them more because this is so important, we know there's a lot of claims out there, but people aren't chasing them because the attorneys, there's nothing in it for them, the department will seize it all, so, yes, we're all for this, and we're even more for it than they were for it. So that's why it's there. [LB268]

SENATOR LARSON: Okay, so essentially the...I mean you adequately represent the trial attorneys with the chasing of lawsuits, I think, in that assessment, and I can understand to a certain extent why you're there. In listening to Senator Kuehn, if someone were to, on this section that said that you have to...it is up to the individual's family to determine what is commercially reasonable, not the...and prove that to HHS, correct? [LB268]

SENATOR SCHUMACHER: Commercially reasonable is not a new concept to the law. Commercially reasonable looks at the market situation, what things are bringing. [LB268]

SENATOR LARSON: So...but it's up to...the question was, it's up to the individual and their family to prove to HHS that it was commercially reasonable, correct? [LB268]

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SENATOR SCHUMACHER: Right. They've got to show that it's commercially reasonable. [LB268]

SENATOR LARSON: So...but who decides whether or not it was commercially reasonable? [LB268]

SENATOR SCHUMACHER: DHHS, first of all, has regulations they can promulgate. And secondly, if there is a spat, if they can't work it out and come to an understanding commercially reasonable and DHHS issues an order which the family feels is unreasonable, then the Administrative Procedures Act is provided for and they can take an appeal to the district court. [LB268]

SENATOR LARSON: Okay, so your...HHS has to...gets to decide whether or not what the family is presenting is commercially reasonable. And then if the family disagrees with that,... [LB268]

SENATOR LINDSTROM: One minute. [LB268]

SENATOR LARSON: ...you know, they've provided this information, the family disagrees with it, they have to go to district court, it's...so HHS will have guidelines in their rules and regs of what is and isn't commercially reasonable? I mean specifically related to agricultural property, I mean, the rent for...in terms of will they have it for grassland versus, you know, row crops versus irrigated land. I mean, what is commercially reasonable? How...who in HHS knows what is commercially reasonable? I mean, there are a number of things here. Is it a deviation of percentage off of the average in a county of rental ground? Where are they getting this average? What...how is any of that figured out? [LB268]

SENATOR SCHUMACHER: Commercially reasonable is determined in almost any real estate transaction where one is trying to acquire a piece of property. [LB268]

SENATOR LARSON: I'm asking how HHS figures...what is HHS going to use? [LB268]

SENATOR LINDSTROM: Time, Senators. Senator Schumacher, you're next in the queue. [LB268]

SENATOR SCHUMACHER: Thank you, Mr. President. Commercially reasonable, where does that fit into here? This fits in the limited situation where somebody has rented something to a relative and comes in and says we want to go on welfare. I own a farm; I own an apartment

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building; I own a something. I've rented it to my kid, and I want to go on welfare. And the department says, that's fine, let's...don't you get some lease money for it? And the answer is, yeah, I do, but it's not enough to pay the property taxes. Well, that doesn't sound right. It's a big, pretty apartment building, and a big, pretty apartment building should be...this should bring you this amount of money, looking at it under the income approach--in fact, very similar in some respects to the approach we're being asked to consider under farmland and income evaluation in one of the tax bills before us. And, well, you know you rented it way, way too cheap. You rented it for \$50 an apartment when this...you should be computing it at \$200 an apartment. And so, basically, under those circumstances DHHS, under its rules and regulations, can say, you know, the family did not prove that this is a commercially reasonable lease. This is administrative law. As a practical matter, neither side is going to want to do a district court action, and this is a test of reasonableness of what is...what would this lease bring on the market? And that is an appraisal question that the fair market deals with all the time. And it affects this bill only to the extent that the situation I just described where you have a lease below market value to your kids. Not hard to determine what farmland is renting for, what apartment buildings are renting for, and that's the function of DHHS pursuant to rules and regulations. Not unlike the situation where we have ag land that is supposed to be valued under the income approach. In fact, I think in the original draft of the bill, maybe in the existing bill, it talks about what a lease will bring for...in the case for ag land, ag land, and uses that in the income-approach calculations. This just simply says, is it...are the kids paying a fair rate for the land so that the parent is not saying I don't have any income when, in fact, they own a piece of land which would...should be producing income? I would ask your support for the bill at this time. Thank you. [LB268]

SENATOR LINDSTROM: Thank you, Senator Schumacher. Senator Larson, you are recognized. [LB268]

SENATOR LARSON: Thank you, Mr. President. And I appreciate the outlining of what Senator Schumacher is trying to do in terms of commercially reasonable and the rules and regs process. And, you know, I've heard on this floor from many people, well, the bill doesn't outline this, the bill doesn't outline that. Well, you know, we start getting "nitpicky" about every little aspect of a bill because someone isn't perfectly happy that that bill outlines every little detail. And if we hear, well, rules and regs can take care of this, like we just heard from Senator Schumacher, they then go on and say, well, it should be outlined in this bill. Why should we trust rules and regs to do this? We heard administrative common sense or administrative sense. Well, I've made that argument a number of times on certain bills, and I get a response of, well, some off-the-wall...well, this is...this could happen, this might happen, this should happen. Colleagues, I guess part of my point here is, what is happening is we have to either trust the process all the time and when it's not just ours or we don't trust it at all. And that's something that I think is important here because I think we all get frustrated at times on this floor when we hear the what-ifs or this could happen and we try to explain in sense that that is not what's going to happen. There are

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safeguards in place. But some just choose not to listen and continue to try to pick something apart because not everything, every little thing is detailed out. And then we get accused of poorly writing a bill. So, again, I guess, that is a process I'm sitting here trying to understand of why we can trust administrative sense here, but not trust administrative sense on many other things. So as we move through this process, I do have a lot of questions in terms of how this...who in HHS is deciding this, and the administrative function to create these rules and regs, and maybe I'll start with that now. Would Senator Schumacher yield to a question? [LB268]

SENATOR SCHUMACHER: Yes, I will. [LB268]

SENATOR LARSON: Senator Schumacher, does HHS have the authority? Do...are we certain they have the authority to make these rules and regulations from the federal government? [LB268]

SENATOR SCHUMACHER: They would have authority to promulgate rules and regulations regarding commercial reasonableness and guidelines for that and where you go for source materials such as the university. You were in Revenue Committee when Senator Brasch explained some of her criteria in that tax bill. They would have the authority from the Legislature. [LB268]

SENATOR LARSON: Okay. Are there concerns...are there possible concerns within LB268... [LB268]

SENATOR KRIST PRESIDING

SENATOR KRIST: One minute. [LB268]

SENATOR LARSON: ...that...with any of the rules and regs that HHS might not have the authority to make some of those rules and regulations? [LB268]

SENATOR SCHUMACHER: If we give them the authority and the framework, the framework being as it is specifically stated in the bill, commercially reasonable and consistent with income and lease terms, derived in the relevant market area, negotiated at arm's length between nonrelated parties, that's their guideline. If we give them that authority I don't think there's any question that they'd have the authority. [LB268]

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SENATOR LARSON: Okay, so you...if you will not be open to an amendment if we have to pull it back off of Final Reading of any sort to...if HHS comes back and says there needs to be a fix in terms of the rules and regulations that we can discuss. This is the final version that... [LB268]

SENATOR KRIST: Time, Senator. [LB268]

SENATOR LARSON: Thank you. [LB268]

SENATOR KRIST: And you're next in the queue. This is your third time. [LB268]

SENATOR LARSON: Thank you. So you are not willing under any circumstance to pull this back? Because I guess I've heard that there are possible concerns of what HHS can do in terms of rules and regs or possibly. Would you be willing to pull it back if necessary? [LB268]

SENATOR SCHUMACHER: If it's necessary to make good law, I never close the door on something. If there is some...the mights and the maybes and the possibles turn into reals, of course, I want this bill to be as good as possible. [LB268]

SENATOR LARSON: Okay. [LB268]

SENATOR SCHUMACHER: So if you...if there's a rational explanation for a need for an amendment or further definition of commercially reasonable, of course I'm open to it. [LB268]

SENATOR LARSON: Well, I'm glad to hear, you know, you open up in terms of the mights and maybes and could happens because I hear that from you a lot of the might and the maybe or this could happen or some far-off theory of what might happen on any bill, and I guess I'm glad to hear you say on especially LB268 that, you know, we can all come up with the mights and the maybes, but we have to have administrative sense of what's actually going to happen or the actual effect of a bill. And I think that's important for the body to hear that we all can come up with mights and maybes or this could happen. But that's not necessarily the truth or the common sense of what is going to happen with the bill. And I think we all have to realize that and understand that moving forward when we continue to debate bills that we can all pick apart something and say the might, the maybe, and, you know, we can't trust rules and regulations or we can't trust this, but in the end with LB268 we are being asked to trust. Thank you, Mr. President. [LB268]

SENATOR KRIST: Thank you, Senator Larson. Senator Schumacher, this is...you're the only one left in the queue. [LB268]

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SENATOR SCHUMACHER: Okay, I basically just ask the body's continued support for LB268. If there is a different definition, I would have thought we would have already heard of it as there was some substantial time between General File and now. Of course, if there is a better way to say commercially reasonable and fair market value and arm's length transactions, things customarily having common definition in the appraisal and the evaluation technique, I'm certainly open to that. Like I said, I think if there was a clear-cut, better way to do things we probably should have heard about it today, but I'm open to things. This is basically a very simple proposition even though some of the language, after you got the lawyers, the title associations, and the bankers involved, looks a little bit legalese and complicated. But it basically says, look, folks, you pay your own nursing home bills before the kids get it. Thank you. [LB268]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Hansen for a motion. [LB268]

SENATOR HANSON: Mr. President, I move we advance LB268 to E&R for engrossing. [LB268]

SENATOR KRIST: All those in favor, aye. Opposed, nay. It advances. Mr. Speaker, you're recognized. [LB268]

SPEAKER SCHEER: Colleagues, we had an error on the agenda today. LB268 does have an A bill and we inadvertently did not put it on the agenda, so I'm going to amend the agenda as we're here and ask that LB268A be brought up on Select so that it can stay with the bill. [LB268 LB268A]

SENATOR KRIST: Mr. Clerk. [LB268A]

CLERK: Mr. President, LB268A, I have no amendments to the bill. [LB268A]

SENATOR KRIST: Senator Wishart for a motion. [LB268A]

SENATOR WISHART: Mr. President, I move to advance LB268A to E&R for engrossing. [LB268A]

SENATOR KRIST: You've heard the motion. Senator Chambers, you're recognized. [LB268A]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, Senator Larson, poor baby's feelings were hurt. He's gone now. He's like Pilate. Pilate asked Jesus, what

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is truth? Then he walked out without waiting for an answer. Senator Larson brings junk legislation, gambling bills, poorly written bills that he doesn't understand. He throws a rock into the pool, then he leaves. So I decided since this was Senator Schumacher's bill, the time is running out, I wouldn't say anything. But when I saw Senator Larson walk out while the answer was being given, it shows that you ought to just let him babble like he does. He doesn't know what he's talking about. He is rarely here, and he takes that silly position all the time, and I hope he can hear me, and he should take issue with me on the floor because I'm the one who shows that is he doesn't know what he's talking about. And I'll continue to do it, but if I hurt the poor baby's feelings then I apologize because I love children, and I guess since he behaves like a child I should embrace him as I do these little babies that you see me with in the pictures, and so I will do the same with Senator Larson. And if he didn't hear me, others can tell him. Thank you, Mr. President. [LB268A]

SENATOR KRIST: Thank you, Senator Chambers. You've heard the motion. All those in favor, aye. Opposed, nay. LB268A advances. Mr. Clerk. [LB268A]

CLERK: Mr. President, a Reference report for a gubernatorial appointee. Senator Blood would like to add her name to LB589. (Legislative Journal page 1213.) [LB589]

And Senator Ebke would move to recess the body until 1:30.

SENATOR KRIST: You've heard the motion. All those in favor, aye. Opposed, nay. We are recessed until 1:30.

RECESS

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Please record, Mr. Clerk.

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

SPEAKER SCHEER: Thank you. Are there any items for the record?

CLERK: Mr. President, amendments to be printed to LB519, LB63, and LB333. That's all that I have. (Legislative Journal pages 1214-1215.) [LB519 LB63 LB333]

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SPEAKER SCHEER: Thank you, Mr. Clerk. We'll proceed to the first item on the afternoon's agenda.

CLERK: Mr. President, LB328, the first bill this afternoon, it's a bill introduced by the Speaker at the request of the Governor. (Read title.) The bill was introduced on January 12, referred to the Appropriations Committee, advanced to General File. I have no amendments to the bill, Mr. President. [LB328]

SPEAKER SCHEER: Thank you, Mr. Clerk. Senator Stinner, you're welcome to open on LB328. [LB328]

SENATOR STINNER: Thank you, Mr. President and members of the Legislature. LB328, introduced by the Speaker at the request of the Governor, is the first piece of the budget package for the upcoming biennium and is part of the Governor's biennium budget recommendations. The bill makes appropriations each year of the biennium for the salaries and benefits of the 49 state senators. It is a separate appropriations bill required by the State Constitution, funding the \$12,000 annual salary of each Senator and the corresponding employer payroll contribution for Social Security. LB328 contains the emergency clause and becomes operative on July 1, 2017. Total appropriations for each year are \$632,982 in General Funds; \$588,000 is for salaries. There are no committee amendments. And I would ask you to vote green on this. Thank you, Mr. President. [LB328]

SPEAKER SCHEER: Thank you, Senator Stinner. Seeing no one in the queue, you're welcome to close on LB328. Senator Stinner waives closing on LB328. The question before us is the advancement of LB328 to E&R Initial. All those in favor, please vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB328]

CLERK: 35 ayes, 0 nays, Mr. President, on the advancement of LB328. [LB328]

SPEAKER SCHEER: LB328 does advance. Mr. Clerk, next item. [LB328]

CLERK: LB329 is a bill introduced by the Speaker at the request of the Governor. (Read title.) Introduced January 12, referred to the Appropriations Committee, advanced to General File. There are Appropriations Committee amendments pending. (AM592, Legislative Journal page 1121.) [LB329]

SPEAKER SCHEER: Thank you, Mr. Clerk. Senator Stinner, you're welcome to open on LB329. [LB329]

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SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, LB329, introduced by the Speaker at the request of the Governor, is part of the Governor's biennium budget recommendations. It provides for funding of salaries and benefits of certain state officers, as required by the State Constitution and current laws of the state of Nebraska. With your consent, Mr. President, I would request we move on to AM592. [LB329]

SPEAKER SCHEER: Please proceed. [LB329]

SENATOR STINNER: Thank you, Mr. President. The committee amendment, AM592, becomes the bill. The amendment provides for the Appropriations Committee's recommended funding of salaries and benefits of certain state officers as required by the State Constitution and current laws of the state of Nebraska. Most adjustments from the original bill amounts are a difference due to a calculation of benefits. AM592 authorizes administrative transfers of appropriation and salary limits among budget programs within the Supreme Court. The bill includes appropriations for salaries of all judges, elected constitutional officers, the Parole Board, and the Tax Commissioner operative July 1, 2017. General Fund appropriated amounts are just over \$27.8 million for fiscal year '17-18 and \$28 million for the fiscal year '18-19. Cash funds appropriation for judges' salaries in Workers' Compensation Court are just under \$1.4 million each year. The amendment contains the emergency clause. Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Chambers, you're recognized. [LB329]

SENATOR CHAMBERS: Mr. President, members of the Legislature, you know I like to quote people. Well, I think Lyndon Johnson would say on occasion: My fellow Americans, I come before you today with a very heavy heart. I cannot do what I would like to do. So I'm going to make a point. We cannot alter the salary of the Governor and the Attorney General, because I know politically that would not be done. I'm not going to offer an amendment to reduce their salary, but I think when an oath of office is taken by an official, that oath ought to be honored. We all take an oath to uphold the constitution and, by implication, the laws of the state. The Governor is given the explicit charge to see that the laws are faithfully and efficiently administered. In order for him to faithfully administer the laws, he has to first obey the law; the same with the Attorney General. For a period of months they knew that the Food and Drug Administration of the United States had indicated that for all practical purposes sodium thiopental could not be imported into this country. The Washington, D.C., Circuit Court of Appeals, which is one step below the U.S. Supreme Court, had issued an order directing the FDA not to approve the importation of sodium thiopental into this country. There had been direct communications between the administration of this state and representatives of the FDA that sodium thiopental could not be legally imported into this country. The Attorney General violated

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his oath of office by deliberately telling the Governor and the state at large that Nebraska, not having been a party to the lawsuit that resulted in that decision by the Washington, D.C., Federal Court of Appeals, its ruling does not apply to Nebraska. When an order of the kind that was issued by that court is put forth, it binds every state in this country. More specifically, when it limited and restricted what the FDA could authorize, there's no way Nebraska could have gotten outside of that. The FDA is the spigot through which any of this drug would have to pass, and that spigot had been turned off by the federal court. I'm taking my time because the Governor and the Attorney General don't understand if you don't speak very slowly. I think I speak English fairly adequately. They were going to try to get this done anyway. So disregarding the standard methodology for making purchases on behalf of the state, they contacted this rogue drug dealer in India, whose last name is Harris, who had stiffed Nebraska... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...in the past on these drugs to try to circumvent the FDA's rule. They even suggested, the Attorney General and the Governor's administration, that they could go to the Drug Enforcement Administration--it used to be called agency--and circumvent the FDA, trying to play one federal agency off against the other to find a successful way to commit an illegal act. Had what the Attorney General and the Governor and the poor tag-along director of Correctional Services, who is like a little puppy dog on a leash and could only go where his master dragged him, if they had succeeded in what they wanted, they would have violated federal law. They knew they were trying to violate... [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: Thank you. [LB329]

SPEAKER SCHEER: But you are next in the queue, so you may proceed. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. They knew that they were acting in violation of the federal law. But they persisted and persisted and persisted. Finally, the U.S. Attorney for this area pointed out that if you get these drugs you're violating federal law. Then they said, oh. But there had been articles in the newspapers pointing this out to them. The death penalty has always been a corrupting force, always. It led to the Governor of this state, the Attorney General of this state, the director of Correctional Services undertaking a conscientious--based on how you might use that word if you mean assiduous and determined--effort to violate federal law by bringing these drugs in. I had suggested that the Attorney General, if he really believed that that order did not bind Nebraska, go to court and challenge it. He didn't do that, but he filed an action in the Supreme Court joining Oklahoma to have action

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taken against Colorado because they had legalized marijuana. And the argument that Nebraska in their hypocrisy and ignorance of the law said, the FDA, the federal government, have said that marijuana is a prohibited drug. So now they want to appeal to what the FDA said to bring an action against Colorado, while at the same time trying their best to violate what the FDA said about it being illegal to try to import sodium thiopental. And all this was being done because the Governor is obsessed with the notion of killing people. I think his obsession is so deep that if he were to go to these people who get their degree, a medical degree first and then additional training so they can qualify as what's called a psychiatrist, they would find a diagnosable mental ailment or disconnect in the Governor. No Governor in this country has shown the singleness of purpose, the willingness to violate federal law to be in a position to kill people. But being a spoiled rich brat, he's accustomed to having his spoiled way, and who is the federal government to stand in his way? When you have people who do not regard their oath, they see and feel no obligation to adhere to that oath, they are unworthy of the office which they hold. But who can call the Governor to account? Who will call the Governor to account? I tried to call the Attorney General to account, all without success. So I'm using this opportunity, this bully pulpit to point out that the Governor is a lawless person. He is a scofflaw. So is the Attorney General, the top law enforcement officer in this state. Now, we've got people on this floor who talk about people who violate the law. Senator Groene wanted to declare war on the students in the classroom, but not a peep from him on his Governor who is trying to violate federal law or his Attorney General who wanted to violate federal law or any of these other so-called conservatives who believe in the law and the constitution. In that, Senator Groene is not alone. I just saw him drinking some pop and I thought it might make him choke as he was swallowing it if I called his name. I'm watching you, Senator Groene. [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: That's one of the wonderful things about being in this Legislature. You have a chance to talk to people who otherwise wouldn't be within your reach. We are streamed all over the world--I don't know if you all knew that--if "streamed" is the right word. I'm trying to learn some "high-techese" so it sounds like I know something about these gadgets that you have on your desks. But I think it's reprehensible when the top people in the state openly, notoriously, and contemptuously attempt to violate the law. One of the first questions asked of people who want to become citizens in this country is about the slogan that no person is above the law. And what does that mean? It means... [LB329]

SPEAKER SCHEER: Time, Senator, but you're the next in the queue and this is your third time at the mike. [LB329]

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SENATOR CHAMBERS: Thank you, Mr. President. My third time on this particular proposition. It means that no person is above the law. The rule of law is what the question says. What is meant by the rule of law? And the answer is that no person is above the law, from the President on down. Nixon found that out. Spiro Agnew found it out. Others have found it out. But it does not apply across the board. It certainly doesn't apply to the Governor, to the Attorney General, to the director of Correctional Services. They have placed themselves above the law and there is no way to call them to account except by this Legislature which could and has the power to impeach. But do you think this Legislature would attempt to impeach the Governor? Certainly not. The Attorney General? Certainly not. So they have carte blanche to disobey the law. And then when they talk about the death penalty, what has to be done for these victims and their families? Maybe what I ought to do is offer a motion so I can talk longer on this bill and show how I can extend debate on any bill that I choose. But now I'm not doing it just to take time. I am doing it because I think things need to be said on the record which nobody else dares to say, but which everybody is aware needs to be said. So while I am finishing up my third time on this bill I think what I ought to do is give my colleagues an opportunity to join the Governor in being angry and outraged about what I am doing. But you know what I do, brothers and sisters, friends, enemies, and neutrals? I demonstrate what a legislative assembly and a constitutional democracy--as it's called--ought to do. We ought to discuss the issues of the day. And we should make a reality of that slogan, "rule of law." I realize that work has been done on this bill by the Appropriations Committee, but I did a lot of work on trying to stop the Governor, the Attorney General, and the director of Correctional Services from shaming this state, from setting it naught the concept of the rule of law. And I'm going to assume my responsibility if nobody else does. This is not a place where we should be interested primarily in being popular. We should be interested in being right. We should be interested in telling the truth. And in the same way that Senator Groene and his colleagues can wage war on students in a classroom, it's easy to do that, but to stand up to the Governor? [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: No way. To stand up to the Attorney General? No way. To listen to them you would think that we're dealing with Blackboard Jungle in all the grade schools around this state. And you know why they are interested in grade schools? Because in high schools the kids are big enough to fight back. And if a teacher wanted to lay violent hands, he might have some violent hands to meet in return. The Legislature becomes infected with the wrongful attitude evinced from the President, through your Governor, right on into this Chamber. And if your attitude could be translated into action, you'd be doing worse things than you accuse these children of doing in these classrooms when they are unruly, when they won't be obedient immediately. You all won't even be obedient to your oath. [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

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SENATOR CHAMBERS: Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Chambers. Mr. Clerk, for a motion. [LB329]

CLERK: Mr. President, Senator Chambers would move to bracket the bill until June 2. [LB329]

SPEAKER SCHEER: Senator Chambers, you're welcome to open on your amendment. [LB329]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I told my colleagues when we started this session that you're going to waste a lot of time. We're going to get to the end of the session, there will be things we have to do, and you're going to panic. And I also pointed out that everything that the Legislature feels is necessary to be done will be done, and despite what I said this morning about our not having to do anything if we choose to so behave, we will enact a budget this session or in a special session, but a budget will be enacted into law. There are some portions in it that I think are unconscionable, and I believe they need to be fought. What do I have to fight with? I'm only one vote, but there's a rule book and that rule book to some extent evens the playing field. But in the case of myself, it gives me the advantage because I have what it takes to use those rules to fight for those who have otherwise no voice, no power, no compassion. That's the role that I have chosen to fulfill to the best of my ability. And I think with the assistance of the rules, that ability is amplified considerably. The sun also rises. Tomorrow will come. No matter what happens today there will always be another tomorrow unless your President, in making America great as I suggested this morning, may do something to provoke a war with North Korea. He thinks it's like Monopoly where everything is make-believe, alternative facts. But if there develops a rocket's red glare and bombs bursting in air, it suddenly won't be funny and he will say, oops, I miscalculated. Well, you all put him in office. Your Governor supported him. You all supported him. And the Governor supported him after this man insulted the Governor's family. Donald Trump insulted this Governor's family and said that there was a lot about them that could be told. And after the Governor's mother said that Donald Trump was unfit, his daddy wound up donating \$1 million or more to Donald Trump. This man insulted the Governor's mama. In the streets you call that "playing the dozens" when you insult somebody's parents and offer unflattering implications about others of their forebears. That's what Donald Trump did. Now they love him and they worship at his altar. That's why they're not worthy of any respect. How can Donald Trump respect any of these big shots in this country? He talked about that fellow who is the Speaker of the House. He made fun of Ted Cruz's wife, showed how ugly she is, how physically ugly she is, that woman who used to be with Hewlett Packard, flashed her picture and said, look at her, is anybody going to vote for somebody who looks like that? Insulting women, then the women voted for him; boasted about grabbing women's privates and they voted for him; said that Cruz's daddy had something to do with the assassination of John Kennedy and Cruz fell in line behind him. What kind of people are

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Americans? How can anybody in the world respect Americans? You talking about keeping young, rural people in Nebraska. What do they see in Nebraska that would make them want to stay here? Name one white politician in Nebraska that these white urban and rural children would look up to and say, that's who I want to be like, that's my example, that's what integrity means, that's the one who stands for it and if I pattern my life after that person, then I'm going to be all right. Which politician would any of you who have children hold up for your children to emulate as a role model? You want them to be like Donald Trump? You want your eight-year-old grandchild to be grabbing the privates of little eight-year-old girls in his class? That what you want? Is that what you want? That's what you tell them you want. How do you know when he's lying? When his mouth is moving. I'm still offended at what Spicer said relative to the Holocaust and the fact that Trump will not fire him, did not even comment. I saw the other day where antisemitic incidents have grown by 86 percent in the first part of this year over what they had been at this time last year. You think that bothers anybody on this floor? I don't know if there are any Jewish people on this floor, but whether there are or not, how cannot that be troubling? Any time any group in this country--and as a black man, I know what I'm talking about--is singled out because of what they are and subjected not only to insults but physical abuse, why is not that a concern to everybody? Why are you going to talk about human rights violations in China, in Syria, in any of these countries that you say don't respect human rights? They just look at America. They say, well, how do you treat black people? We don't treat the ones you criticize us about as badly as you treat black people. Native Americans, you stole their country. How do you treat them? How about the gay and lesbian people? We can't get a bill through here that says they should not be discriminated against. And yet the top officials and the U.S. government want something done about Chechnya because they say that gay men are being arrested and hounded and oppressed. Why do you have to go to Chechnya? You don't need to talk about Chechnya. Charity abroad is often oppression at home. You've got plenty of gay men in this country to be concerned about, lesbian women to be concerned about, transgender people to be concerned about. And for all you religious people, they have transgender angels. You didn't know they had transgender angels? The "Bible" refers to every angel that was spoken of with a masculine pronoun, with a masculine pronoun, but there's one of those people who said, beware of how you entertain strangers for some have entertained angels thereby unawares. And some of those being entertained are females. Well, if all the angels were male in the beginning but now you've got female angels, you had to convert some of those male angels into females so there are transgender angels. And if that's not the case, what are you doing when you refer to a woman as an angel? Are you saying she's one of the boys, because every angel in the "Bible" is a man, is a male. When the "Bible" talked about the sons of God, meaning angels,... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...came down to the earth and took females as sex partners and based on those unions, giants were in the land, what do you do with that? Doesn't it mean anything to

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you? Because what you say is full of hypocrisy. The better sounding the words are, the more likely you are to violate those words. And I have the opportunity to have a captive audience, whether you're in this Chamber or in your office or wherever you are, to be exposed to what I say whether you listen to it or not. And why will I continue to do this? Although I don't believe there's anything supernatural, meaning people who can do miracles, take a few little fish and little pieces of bread and feed 5,000... [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Kolterman, you're recognized. [LB329]

SENATOR KOLTERMAN: Good afternoon, Mr. President. Colleagues, I just had to take this opportunity to ask Senator Chambers if he'd yield to a couple of questions. [LB329]

SPEAKER SCHEER: Senator Chambers, would you please yield? [LB329]

SENATOR CHAMBERS: A couple times 10,000. [LB329]

SENATOR KOLTERMAN: Thank you very much, Senator Chambers. You think people don't listen to you, but I've been listening to you all day. And you came up with some pretty good songs this morning. I think you were singing Gordon Lightfoot, weren't you? Was that this morning you were talking about that? [LB329]

SENATOR CHAMBERS: I didn't sing it, but I referred to him and "The Wreck of the Edmund Fitzgerald." [LB329]

SENATOR KOLTERMAN: Okay. And there was a couple of others, weren't there? [LB329]

SENATOR CHAMBERS: Not by Gordon Lightfoot, although there were others that he wrote: Sundown, you better take care. If I find you... [LB329]

SENATOR KOLTERMAN: The ones you were talking about this morning, though, you mentioned three different songs. Is that correct? [LB329]

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SENATOR CHAMBERS: Yeah. One dealt with the ghetto by Elvis Presley. [LB329]

SENATOR KOLTERMAN: Correct. [LB329]

SENATOR CHAMBERS: Harry Belafonte... [LB329]

SENATOR KOLTERMAN: Correct. [LB329]

SENATOR CHAMBERS: ...had sung a song and I quoted some of the lyrics from that song. [LB329]

SENATOR KOLTERMAN: Well, I just wanted to let you know, you just missed a golden opportunity because you were talking about the sun coming up, and what musical would that play right into? [LB329]

SENATOR CHAMBERS: I don't really go to musicals, so I have no idea. [LB329]

SENATOR KOLTERMAN: So I've got you stumped. [LB329]

SENATOR CHAMBERS: Yes. [LB329]

SENATOR KOLTERMAN: How about Annie? Have you ever seen the musical Annie? [LB329]

SENATOR CHAMBERS: Have I seen what? [LB329]

SENATOR KOLTERMAN: The musical Annie. [LB329]

SENATOR CHAMBERS: Oh, Little Orphan Annie? [LB329]

SENATOR KOLTERMAN: Yeah. [LB329]

SENATOR CHAMBERS: I've heard about it, but I've never seen it. [LB329]

SENATOR KOLTERMAN: All right. Well, you need to expand your culture a little bit. [LB329]

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SENATOR CHAMBERS: I'll accept that. [LB329]

SENATOR KOLTERMAN: With that having been said, we do need to move this on because Stinner behind me here, Senator Stinner is getting a little nervous. He forgot where he was at. [LB329]

SENATOR CHAMBERS: He's what? [LB329]

SENATOR KOLTERMAN: He forgot where he's at in his process. [LB329]

SENATOR CHAMBERS: Okay. [LB329]

SENATOR KOLTERMAN: But with that, I'd yield the rest of my time to you, Senator. [LB329]

SENATOR CHAMBERS: Thank you. [LB329]

SPEAKER SCHEER: Senator Chambers, 3:05. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Kolterman. Sometimes it's best to ride with the tide and go with the flow, especially when you cannot dam it, d-a-m. I say that because there are Christians who would put an "n" on the end of that word and I don't use Christian language, except by quotation. And you know what? I'm as serious as a heart attack while I'm talking, because now we're dealing with the legislation that's going to go right to the heart of what it is we should be doing as a Legislature, not property tax relief for big ranchers, big farmers. You know what I would do if I were a farmer and I had an exceptionally bountiful crop and I made a lot of money? If I didn't want to spend...pay taxes, I'd buy two pickups instead of one. I would invest in a combine with a body as broad as an SST--that's a supersonic transport--one of those huge airplanes. I'd go to John Deere and I'd say, what's the biggest, most expensive implement that you have that has a motor? He'd say, well, what do you have in mind? I'd say, I don't care what it is, I just want it to be the biggest that you've got. He says, I've got this. I say, I'll buy it. And I don't pay taxes. I make a lot of money if I have a bountiful crop. Then when nature intervenes and it's not so bountiful, then I want to say, let's not value the land as land, but how much can be produced in income. I want to have it every way, just so it becomes my way. And that's what I see happening. I see a very bad rural-urban split. I keep hearing rural people saying don't worry about the children... [LB329]

SPEAKER SCHEER: One minute. [LB329]

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SENATOR CHAMBERS: ...in the rural areas; they don't need legal counsel as children in the urban areas, because the judges out here are all fair, the prosecutors all care about these children. And I don't think the parents even care about them because I heard "Governor" Groene...I know I said "Governor." Want to see if you're listening. Before you think you caught me, I want you to know that I said it and knew it. A teacher drags a child, nine-year-old child, by the feet 93 feet through a hallway and all the little children watching. What kind of example is that being shown? And Groene supports that guy, blames the child. If a child is autistic, it's the child's fault. Well, if the child was born that way, it's the parents' fault and the child ought to suffer. [LB329]

SPEAKER SCHEER: Time, Senator. You're next in the queue though. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. He got that from the Bible. It says, the fathers have eaten sour grapes and the children's teeth are set on edge. Maybe the parents didn't even misbehave in such a way that a child is born with what we call a disability. But whether it's the parents, whether it's happenstance, those who say they're pro-life and always say you love zygotes when the two cells meet, you love the embryo when there's some growth, and you love the fetus, but you don't love the child. So it's easy to say in these schools we want to give people who also don't love these children the authority to strap these children in chairs and put them in what they call a time-out, isolation, or quiet room so they don't have to be seen, they don't have to be heard. And those are the kind of people who are in these classrooms. And these people, as cruel as some of them are, not all teachers are like this, not all people of any group are like the same thing. But there are enough of them for us to be concerned. I hear you all often say, if one life is saved, how much value there is to whatever it is you're trying to put forth. But if I say there are hundreds of children who are mistreated in this state in these schools, you don't care about those children. Senator Lowe, I wanted one time to see him talking to Senator Blood together. Then there's a song that I would sing. (Singing) Swing low, sweet... [LB329]

_____ : (Singing) Chariot. [LB329]

SENATOR CHAMBERS: No, not chariot--just sweet. I would leave it right there. But they don't come together, so I don't have a chance to do it, so I got to do it when I can create my opportunity. (Singing) Swing low, sweet...bless you, my children. Now, if we could behave that way toward each other all the time, couldn't somebody write the lyrics to a song? "What a wonderful world that would be," and we have the opportunity to do that. And the reason I condemn the Legislature so much is because we have the power to make this corner of the world where we are better. I don't care about combines, Senator Friesen. I don't care about tractors, Senator Hughes. But I care about children. I care about old people. I care about poor people. I care about hungry people. I care about abused animals. I care about those that you all don't care about. You know why I know you don't care? Because you're going to be talking about spending

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hundreds of millions of dollars and you're going to be talking about cutting programs from those who need the help the most. Your Jesus is the one who said, the physician goes to those who are sick. It is the sick who have need of the physician. You all are the physicians. The "Bible" says that you all are set in authority by God. Now, I don't believe that and you all don't believe it either, but say that it's true just for the sake of argument. If that's who put you in this position, wouldn't you have an obligation to behave in a way that is pleasing to the one who put you here? If we know there's hunger in this state, we can end it immediately. We can end hunger in this state. [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: We can expand the reach of medical care to all the people who are sick in this state and their children. But that's not going to happen. We could make sure that people don't have to sleep under overpasses, be out. Somebody mentioned and they realized I was singing...saying the words to that song by Elvis Presley. I think it started something like: On a cold and rainy Chicago morn...cold and windy, there are people who live in conditions like that. And the Legislature is comfortable because they are dry, they are warm, they are well fed. And they believe that what happens for them or convince themselves that what happens for them happens for everybody. All I'm doing, brothers and sisters, is taking a little of your time today. [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Chambers. (Visitors introduced.) Returning to floor discussion, Senator Chambers, you're recognized. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. I don't see "Brother" Erdman here right now. But he was making a point on one of the bills and he talked about this individual that had one lamb and this other person had a whole lot of sheep, and he took the one lamb. And I...some of you all would have known the story he was talking about. There was a king named David. He was king over Israel, and David was a lecherous, cruel, heartless man, and he was also a Peeping Tom. He saw this beautiful woman that may have been sung about by the Four Seasons, by the name of Sherry. But Sherry had a red dress on, but when David started peeking where he shouldn't have been peeking he saw Sherry with no clothes on taking a bath. And he said, since she always takes a bath, she is a she...I'll call her "Bathshe" ...that's not...I'll call her Bathsheba. And so David lusted after this woman and she happened to be married to his top general. And if "Brother" Erdman were here, he could tell you the name of that man. I'm not sure I've got it

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right, but I think his name was Uriah and I believe it was Uriah the Hittite. And David said, what can I do even though I'm the king to get that man's wife and not look bad doing it? Then it hit him. A forerunner to Donald Trump, he called his generals. He said, now you're going to attack this city. My top man is Uriah. He likes to be where the battle is hottest. Senator Bostelman understands this. Senator Brewer would understand it. Senator Krist would understand it. So he said...David said, the hottest place where the battle will be will be at the gates of the city and that's where Uriah will be. So when the battle is being waged at its hottest, that's when I want all of you to withdraw and leave Uriah there. And they did what their king told them to do and Uriah was killed and that's when David took Bathsheba. There was an old prophet and he had a name; I think his name was Nathan. I've had my speculation confirmed. Prophet's name was Nathan. And he came to David and he said, David--because prophets spoke in parables, metaphors, similes, analogies--he said, there was a very rich man. He had thousands of sheep. As far as the eye could see, you saw his sheep. And there was this one poor man who lived near him. He had one ewe lamb, e-w-e. And this rich man took that poor man's one ewe and David was outraged. In fact, David was wrath, w-r-o-t-h. That's the way the "Bibble" spoke in those days. David was wrath, wrathful and he began to say what should happen to such a man as vicious as that. And that old prophet, as they would do in those days,... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...stood ramrod straight, pointed that bony finger at David and said, thou art the man, and David was smitten. I don't think it changed him though. He couldn't bring Uriah back alive. He couldn't restore the husband to this woman who was now a widow because of him, and people praised David. I want Senator...oh, there's "Brother" Erdman. I want him to know I listen to things that he says and I can fill in some of the gaps and some of the characters. And when I close on this motion, I'm going to tell you another story and it's going to implicate Senator McDonnell, Senator Kolowski, and Senator Clements is pretty tall,... [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: ...Senator Groene because he's pretty large. Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Chambers. Seeing no one wishing to speak, Senator Chambers, you're welcome to close on your motion. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. I think this is a welcome moment for my colleagues, but I haven't decided whether I'm through yet or not. Saul was the king of Israel. He didn't do the things that God wanted him to do, just like this Legislature doesn't, and so a new

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king had to be found and Samuel was sent to look for a king. It was Sam. Sam was sent to the house of Jesse to look for a king. And Samuel said, Jesse, God needs a new king and I was sent to your house, so bring all your boys out here and let me see them. Fine, strapping boys, some as big and muscular as Senator McDonnell. He doesn't realize it, but Senator Halloran is in this story too. Some...one tall and willowy like Senator Clements, kind of laid-back, quiet, self-possessed. One was thickset, intellectual, like Senator Kolowski. One was kind of squat and lower to the ground than the others but not short, something like Senator Groene. So Samuel looked at them and he said, uh-uh. He said, not one of these is the king. Jesse had decided what a king should look like. So Samuel said, I was sent here so you've got to have another son or sons. Don't you have another son? He said, oh, yeah, I got a little fellow. He's out there with the sheep, about the size of Senator Halloran. And Samuel said, bring him in here. And here come little David. Not only did he look like a sheep, he smelled like a sheep. But he shouldn't be underestimated, because he bearded a lion in the den, bearded a lion in the den and killed that lion. That's what little David did. David was small but mighty. You can't judge the fight in the critter by the size of the critter. So soon as David came, Samuel said, this is the one, this is to be the king. And Jesse said, what? How can this be? And that's when that famous statement was uttered: Man looketh on the outward appearance, God looketh on the heart. And he has looked and he has seen the heart of little David and that who will be your next king. Those are wonderful stories, aren't they? But they don't mean anything. They are stories that you tell to children to entertain them, to chase away the ghosts that they might think otherwise are lurking around them when they have to go to sleep at night. And to show how people terrify their children even when it comes to praying, they give them what you call that insurance prayer: Now I lay me down to sleep. / I pray the Lord my soul to keep. / If I should die before I wake, / I pray the Lord my soul to take. Why should a little child be worrying about dying? Why should the stories about death even cloud the child's mind when the child on other occasions can see how fearful adults are about death? We do so many things that hurt our children,... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...that cripple our children unknowingly, unintentionally, but the damage nevertheless is done. That old notion of children should be seen, not heard, I wish they would say children should be seen, not hurt. And if we didn't hurt them, then we'd begin to see them not as things and objects but those we should nurture, those we should cherish, and then we would want to hear them. We would want to hear what's inside of them and give them guidance, not by threatening them by saying, when I went to school they had a paratrooper who was a teacher and, by God, he had paddles on the desk. That's crazy, but that's the stuff I heard here. That's what they grew up under and violence begets violence and they were treated as though they were things to be beaten with paddles so now they think these children today ought to be beaten with paddles as they were. And Senator Groene... [LB329]

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SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: Whew. You saved us all. Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Thank you, Senator Chambers. The question before us is the adoption of the bracket motion to June 2, 2017. All those in favor please vote aye...Senator Chambers. [LB329]

SENATOR CHAMBERS: Call of the house and a roll call vote. [LB329]

SPEAKER SCHEER: There has been a request for a call of the house. All those in favor please vote aye; all those opposed vote nay. Please record. [LB329]

CLERK: 15 ayes, 5 nays to place the house under call. [LB329]

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 Groene, could you check in, please? Senator McDonnell, Ebke, Morfeld, Harr, Kuehn, Kolowski, and Larson, please return to the floor. The house is under call. We're all accounted for. Machine vote, Senator Chambers, or did you want a roll call? [LB329]

SENATOR CHAMBERS: Roll call vote. [LB329]

SPEAKER SCHEER: Regular order? Senator Chambers, regular order? [LB329]

SENATOR CHAMBERS: As you like it. [LB329]

SPEAKER SCHEER: That's the way I like it. Roll call, regular order. Mr. Clerk. [LB329]

CLERK: (Roll call vote taken, Legislative Journal page 1216.) 0 ayes, 45 nays, Mr. President. [LB329]

SPEAKER SCHEER: Bracket motion fails. Mr. Clerk. [LB329]

CLERK: Senator Chambers would move to reconsider that vote, Mr. President. [LB329]

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SPEAKER SCHEER: Senator Chambers, you're welcome on your reconsideration motion. Raise the call. [LB329]

SENATOR CHAMBER: Thank you. Mr. President and members of the Legislatures, do you see how I have united everybody this afternoon? Now, do you think you can show that same unanimity when we're talking about serious issues on these bills? Hitler united Europe against Germany. And there was a guy before him who did that earlier. There are more ways than one to crack a walnut. I could take all afternoon if I chose to do so on this bill. I'm making motions now that relate to procedure. How many sections are there to this bill? How many officers are named in this bill? Each one of those could be the subject of a motion, then a reconsideration motion, and all of the time could be taken, but I'm not going to take all afternoon. I'm doing what your President does and you love him. This is just a show of force. I'm not going to unleash the nuclear option, which is to take the whole afternoon. You applaud when you see that armada, as he calls it, menacing North Korea. I'm just menacing you. You love it when Trump does it. Why don't you love it when Ernie does it? He's making America great. Am I not making the Legislature great? You all are going to have to realize that things that happen in this world are interconnected to and with other things that are happening. And children learn from their elders, and they imitate their elders. Do you think a child on his or her own would pick up a cigarette and light it and try to smoke it? They see adults doing things. And when the child does what the adult does, the adult wants to knock the devil out of the child. Children are what we make them. They reflect us. They echo us. So is it self-hatred that you see when you look at that child? Senator Wayne wondered why everybody was making a red vote, and I told him because they don't like me. And Belafonte had a song about that. It said, I wonder why nobody don't like me. And then he began to pose questions as to why it was that way, and as children didn't like him because he was ugly and they said mean things to him. And the mother of the children said don't say that and tried to bring peace in the family, but she really couldn't succeed. So you all ought to get an album--it was on vinyl by Harry Belafonte at Carnegie Hall, it may have been--and listen to some of these songs that were sung in those days that told a story, not like Henry VIII, although I like that one, too, and it's somewhat clever. But if Senator Stinner is in the Chamber, I'd like to ask him a question. [LB329]

SPEAKER SCHEER: Senator Stinner, would you please yield? [LB329]

SENATOR STINNER: Yes, I will. [LB329]

SENATOR CHAMBERS: Senator Stinner, could reasonable people differ on every proposition that is contained in the budget that was put together by the Appropriations Committee? [LB329]

SENATOR STINNER: I believe so. [LB329]

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SENATOR CHAMBERS: And how is a determination made as to which side is right or correct? [LB329]

SENATOR STINNER: Well, there's a vote on each one of the issues. [LB329]

SENATOR CHAMBERS: Does that show which side is correct or does it show which side is going to prevail because it has the most votes? [LB329]

SENATOR STINNER: It's which side prevails. [LB329]

SENATOR CHAMBERS: And to prevail does not necessarily equate to being right, does it? [LB329]

SENATOR STINNER: It depends on how your interpretation of right is. [LB329]

SENATOR CHAMBERS: Then words have meaning? [LB329]

SENATOR STINNER: Yes. [LB329]

SENATOR CHAMBERS: Do sometimes words carry consequences? [LB329]

SENATOR STINNER: Yes, they do. [LB329]

SENATOR CHAMBERS: In the Legislature, would you rather be right or would you rather prevail? [LB329]

SENATOR STINNER: That's a good question. I have to think about that for a while. [LB329]

SENATOR CHAMBERS: Ask me. [LB329]

SENATOR STINNER: I always think that being right is the best way, and it's right how you look at what right is. [LB329]

SENATOR CHAMBERS: And that means that on occasion, you're not going to have enough votes to be on the prevailing side, is that correct? [LB329]

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SENATOR STINNER: That is correct. [LB329]

SENATOR CHAMBERS: And if you do what you think is right and you don't prevail, how long would you be willing to have that be your fate and you remain in the Legislature and still hold to what you believe and push for it? [LB329]

SENATOR STINNER: How long would I...well, I will tell you that I would probably try to prevail on a subject such as...that I deeply believed in as long as I was here. [LB329]

SENATOR CHAMBERS: Thank you, Senator Stinner. And Senator Stinner answered all the questions in a way that I would answer them had they been put to me. I know that I am going to be on the side that does not prevail most of the time. I know that, but I'm not deterred. I don't go hide. I don't raise issues like Senator Larson and then skip out of here and you don't see me. But he's not the only one who does that. If I'm going to be in my office, I'll let you know if I intend to be there, and then I come up here and let you know that I've been watching you and I've been following you and paying attention. And I'd venture to say that you all would be happier if I were not here until you needed me. I'm like strong medicine. You keep it in a bottle and keep it away from children and you take it in small doses. In small doses it's a curative. In a dose that's too large, it becomes a toxin. Then you need an antitoxin. But it would be a good thing if people on this floor were at least honest. People don't have to agree with me in order for me to respect them. I respect people who make it clear what their principles are and their conduct accords with their principles. But what do they care whether I respect them or not? Oh, they care all right, and you know how I know? Because when they really need something and they need somebody to tell them the truth and they need to go to somebody who knows something, then I get visits to my office, I'll get phone calls. And if I can help somebody, I will. And one of my principles relates to the quality of legislation that ought to come from this body. If it's a bill that is likely to make its way into law, then I will take probably more time than anybody would like to have taken to look at the grammar, to look at the way notions are expressed, to see if it's clear enough so the ordinary citizen who is going to be bound by that law could understand it, and then I begin to offer corrective amendments. Sometimes people get irritated, then suddenly it becomes clear what it is that's being done. And they'll read the result and they say that makes more sense. [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: You know what an English teacher told me the other day out here? He takes transcripts of our debate and he covers the name of the speaker. And guess which one is always taken as being most clear and precise? Since I don't boast and at the same time I'm too modest to state how modest I am, I'm not going to tell you who that person is. But there are

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people who pay attention to what we say. So when you are all in here waging war on children, they're listening to you, they're watching you, and they're learning from you and they're finding out that they don't really count. So then on other occasions when you decide you're going to sound the right way and you talk against bullying--yet that's what you wanted to put in the schools--you then become a hypocrite to them. They don't pay attention to what you say. Children are not as dumb as you think they are. [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBER: Remember how it was when you were a child and what you understood. Did you say time, Mr. President? [LB329]

SPEAKER SCHEER: Yes, Senator. Thank you, Senator Chambers. (Visitor introduced.) Senator Chambers, you're recognized. [LB329]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, if Senator Stinner is in the house, I would like to ask him a question if he would respond. [LB329]

SPEAKER SCHEER: Senator Stinner, would you please yield? Senator Stinner? Senator Stinner, would you yield, please? [LB329]

SENATOR STINNER: Yes, I will. [LB329]

SENATOR CHAMBERS: Senator Stinner, I'm not married anymore, but if I were married and my wife were under the balcony, would I more or less behave better than might be the ordinary? [LB329]

SENATOR STINNER: I'm sure trying. [LB329]

SENATOR CHAMBER: Thank you, Senator Stinner. I couldn't resist that. Now I know why he answered those questions so intelligently. I wish his wife would come here every day. But at any rate, I'm not going to take much more of your time today. But I want to let you know that if I choose to do it, I could do it. And when we have those late nights, don't count on that time being spent doing what you want to do. The time belongs to whoever is big enough to take it. The Beatles had a song and one of the lines was: If you're big enough to take it...something about something don't come easy. And I like that song. I just don't remember all the words. But that part about if you're big enough to take it, and that applies here: if you're big enough to take it. And the word "big" does not refer to physical girth or height. It has to do with something that is

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not seen. It's that something which little David's father did not see because he knew his son, but he did not know him well. So you could say he knew of his son, but he didn't know what his son was made of. There was something inside of little David that it took a prophet to see. And the prophet saw it because he spent time talking to somebody to whom others did not speak. So sometimes it might make sense when you read somewhere else in the "Bible": Beware of how you entertain strangers, for some have entered angels thereby unawares. You didn't know. When you want to test somebody, don't go dressed up in a suit, don't step out of a chauffeur-driven limousine. Wear ordinary clothes that might be tattered and torn and you look so forlorn. You might even manufacture a limp, and you look like somebody who would never be invited to dinner. Then you approach people and you see that they won't make eye contact with you because you are not a person, you belong to the kingdom of "thingdom." You hear all this talk about veterans. Do you all realize that there are veterans who drink, that there are veterans who don't bathe, that there are veterans who carry a stench? Are those the ones you're talking about? Donald Trump will make a photo op for himself by having a well-groomed veteran in a wheelchair surrounded by a typical American family and he'll pin a piece of metal and bits of ribbon on him and Donald Trump is a hero. What about that guy's brothers who... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...don't have family, who doesn't have a place to lay his head at night, who does not bathe regularly, who has bad teeth and bad breath? Is that the veteran you care about? No. I have yet to see anything in the way of supposed respect for veterans where you go out and round up the ones that are rejected by everybody else. Didn't these put their life on the line? Didn't they lose limbs? Aren't their minds broken? Why don't you invite them to the White House? Why don't you set the example? You set a day aside and say, these are the veterans who need your help. And I'm going to set the tone as the Pope did when he invited refugees to stay in the Vatican. [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: He couldn't bring everybody there, but he could set an example. [LB329]

SPEAKER SCHEER: Time, Senator. Senator Chambers, you're recognized. [LB329]

SENATOR CHAMBERS: You know what else that Pope did? That Pope went to women's prisons and he went to male prisons also. The Pope washed the feet of prisoners, the scum of the earth, those unfit to be in polite company, but they're fit to be in the presence of the Pope. Will you ever be in the presence of the Pope? All your finery--you're a big shot from the Nebraska

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Legislature, you have a combine as big as a supersonic jet, you have acres and acres of farmland, you raise livestock, you might marry a rich widow--are you going to be invited to the Pope's house? Now, if I can judge you like this, what about that one that you all talk about in the "Bibble" when time comes to judge? I don't really know what's inside of you. I can only judge you by what you show. And I see enough that would keep you out of heaven if what the "Bibble" says about it is right. But see, I don't have to judge you. You'd be fortunate if I did, because I don't think anybody's done anything bad enough to burn forever, burn forever and ever and ever. I'm not godly enough to be that way. And also, I don't have a heart. It takes a heart to be able to let somebody burn forever and ever and ever, and you're burning what you made. You're burning what you created. You're burning that which acts in accord with the nature you put into it. It would be as foolish as me having an adding machine to my left hand, a typewriter to my right hand, and I destroy the typewriter because it doesn't behave as an adding machine and I destroy the adding machine because it doesn't behave as a typewriter. I am the maker. That which is made can be made only the way I make it. It cannot make itself, and I'm going to destroy it for being what I made it. God needs some great lawyers. I'm telling you, Senator Friesen, you all got a hard job on you all's hands, you Christians. I'm not accusing you of being a Christian now, but if you are, you all have to account for this...what this God does. But since you know he's cruel, that's why you can be so cruel. You ought to listen to that song, "What's it all about, Alfie?" and the words, "something even nonbelievers can believe in." What is that and where is it? If the believers don't believe it but the nonbelievers believe in it, something is out of kilter. And I watch all of this and I listen to you all and I hear your prayers every morning that the Legislature meets. Every Monday you say a pledge to the flag and lie. This is not one country indivisible--you all even say it's more divided than it's ever been, that's a lie--with liberty and justice for all. Tell Senator Morfeld, tell Senator Pansing Brooks, tell me... [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: ...that our LGBTQ friends have liberty and justice in this country, one nation indivisible. Tell us that, but tell our LGBTQ friends that. You know those words don't mean anything. It should be readily understandable by you why people burn that flag. You know who would burn the flag first? Those who actually believe in the principles that that piece of rag stand for. They're the ones who would burn it first, because you make a mockery of it, so they'd burn every one of them. But you don't think that deeply. Symbols, slogans, and I have to be here among you, not because a gun is to my head,... [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SENATOR CHAMBERS: Thank you, Mr. President. [LB329]

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SPEAKER SCHEER: Thank you, Senator Chambers. Senator Blood, you're recognized. [LB329]

SENATOR BLOOD: Thank you, Mr. Speaker. Fellow Senators, friends all, while sitting here being entertained by my esteemed colleague, Senator Chambers, it brought to mind a song and that was a George Harrison song, "All Things Must Pass." I think it's time to get down to business and get busy passing these bills. Thank you. [LB329]

SPEAKER SCHEER: Thank you, Senator Flood (sic)...or Blood--slip of the tongue there. Seeing no one in the queue, Senator Chambers, you're welcome to close on your reconsideration. [LB329]

SENATOR CHAMBERS: Johnny Cash sang a song. He said...and this is what my seatmate would say. (Singing) I don't like it, / But I guess things happen that way. / You ask me if I get along. / I guess I will everyday. / I don't like it, / But I guess things happen that way. Maybe you want to do like Darth Vader. (Heavy breathing) I feel a disturbance in the force. She said you're being entertained, so I take that as a request, and I'll quote Darth Vader again. (Heavy breathing) I have you now. When I can get a rise, then I have you. But I still say, I can do for the rest of the session what I'm doing now if I choose to, and you cannot provoke me into not doing what I choose to do. And you can't provoke me into doing what I don't choose to do. But I'll tell you how you can end this right now. I'd like to ask Senator Briese a question. [LB329]

SPEAKER SCHEER: Senator Briese for a question...of our gambling, I imagine. [LB329]

SENATOR BRIESE: Sure. [LB329]

SENATOR CHAMBERS: Senator Briese, the afternoon having gone in the way that it has, are you willing to make a very small wager with me? [LB329]

SENATOR BRIESE: Let me think about that. No. [LB329]

SENATOR CHAMBERS: Okay. On that note--which shows what a great teacher I am--while I am still ahead, I will now end what I had to say and that will probably end what I'll say for this afternoon. And I'm going to listen as my colleagues discuss the budget and I'm going to see if what you all say makes more sense than the things that I've said. I want to see if you all will be as honest in what you say talking about this budget as I've been in everything that I have said. But you don't have to worry about my judgment, because I don't have a hell to put you into and I don't have a heaven to send you to, wouldn't send you either place anyway. But this is the place

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where the power of this state resides. This is the place where we can answer those prayers that are said up there every morning. We have the wherewithal to make it possible for the sick to be healed, for the hungry to be fed, for the children to be cherished. We can do that, but that's not what you're going to deal with. You're going to do what the Governor told you to do. You're going to do what special interests told you to do. You're going to be interested in the farmers and the ranchers, people who want the benefits that are derived from taxes but they don't want to pay taxes. Where much is known, much is required. Where you have much, you have much in the way of an obligation. But it seems like although it's possible to have too much money, you can never have enough. People are going to talk about their particular beliefs and when time comes to act, we're not going to see it. [LB329]

SPEAKER SCHEER: One minute. [LB329]

SENATOR CHAMBERS: And I'm going to have opportunities before this session ends to critique what my colleagues have done. You can predict with some degree of precision how I will vote on most of the issues of consequence that come before us. Some I don't feel anything one way or the other. Some I feel very deeply about. And those are the things that I will fight for if nobody else will: those who have no voice; those who have no friend; those who are going to be victimized; those who need help, but it will be snatched away because a spoiled rich brat says, this is how this money is going to be spent and I don't care about those poor people, I don't care about those with disabilities, I don't care about those who take care of these people that I wouldn't have at my house for any reason and I'm going to make those suckers in the Legislature cut that money and then I'm going to laugh as they pray every morning and thank God. Thank you, Mr. President. [LB329]

SPEAKER SCHEER: Time, Senator. [LB329]

SPEAKER SCHEER: Would you like a vote on your reconsideration or were you withdrawing it? [LB329]

SENATOR CHAMBERS: Withdrawing. [LB329]

SPEAKER SCHEER: Without objection, so noted. Senator Stinner, you're welcome to close on AM592. Senator Stinner waives on the closing for AM592. The question before you is the adoption of AM592. All those in favor please vote aye; all those opposed please vote nay. Have all voted that wish to? Please record. [LB329]

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of committee amendments. [LB329]

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SPEAKER SCHEER: AM592 is adopted. Senator Stinner, you are welcome to close on LB329. Senator Stinner waives closing on LB329. The question before us is the adoption and movement of LB329. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB329]

ASSISTANT CLERK: 40 ayes, 0 nays on the motion to advance the bill. [LB329]

SPEAKER SCHEER: LB329 is advanced to E&R Initial. Next item, Mr. Clerk. [LB329]

ASSISTANT CLERK: LB330, introduced by Speaker Scheer at the request of the Governor. (Read title.) The bill was introduced on January 12 of this year, referred to the Appropriations Committee, placed on General File with committee amendments attached. (AM593, Legislative Journal page 1121.) [LB330]

SPEAKER SCHEER: Thank you, Mr. Clerk. Senator Stinner, you're welcome to open on LB330. [LB330]

SENATOR STINNER: Thank you. Mr. President and members of the Legislature, LB330 as introduced by the Speaker at the request of the Governor is part of the Governor's biennium budget...biennial budget recommendations for capital construction funds. With your consent, Mr. President, I would request that we move on to AM593. [LB330]

SPEAKER SCHEER: Please proceed. [LB330]

SENATOR STINNER: Thank you, Mr. President. The committee amendment, AM593, becomes the bill and contains an emergency clause for an operative date of July 1. LB330 with AM593 appropriates funds for the reaffirmed and new construction projects recommended by the Governor for the next biennium. Reaffirmed projects include those projects currently underway that have already received approval and funding previously but were funded over several years. In addition to the new and reaffirmed appropriations set forth in the bill, language is included to provide for the reappropriations of unexpended balances as of June 30, 2017, for fiscal year 2017-18 to continue or complete projects. The amendment, as previously mentioned, contains Appropriations Committee recommendations for reaffirmed and new capital construction projects recommended for the funding for the up-and-coming biennium. Beginning on page 86, the capital construction section of the committee budget book includes a table of all projects. Reaffirmation of previously authorized projects consist of university and state colleges' debt financing projects, including deferred maintenance, scheduled projected project cost for a multiyear State Capitol HVAC system replacement, and construction costs at the Lincoln

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Community Corrections Center within the Department of Corrections. This is funded by the Nebraska Capitol Construction Fund, or NCCF for short. New construction consists of relative small projects: the Nebraska Educational Telecommunications Center for replacement of a transmitter, radio transmission equipment, and a tower lighting system. The amendment also includes new construction, as recommended by the Governor, for the Department of Corrections project totaling \$75.2 million. This appropriation would come from the NCCF to fund phase one of the reception and treatment center. Phase one will combine will combine the Diagnostic and Evaluation Center with the Lincoln Correctional Center into one facility known as Reception and Treatment Center. Appropriations from the NCCF for the project is financed by the Cash Reserve Fund transfer. Two smaller Corrections projects are also included in the appropriations from the NCCF with just over \$2.8 million in costs for the biennium. Thank you, Mr. President. [LB330]

SPEAKER SCHEER: Thank you, Senator Stinner. Seeing no one in the queue, you are welcome to close on AM593. Senator Stinner waives on the closing. The question before us is the adoption of AM593. All those in favor please vote aye; all those opposed vote nay. Please record. [LB330]

ASSISTANT CLERK: 37 ayes, 0 nays on the adoption of committee amendments. [LB330]

SPEAKER SCHEER: AM593 is adopted. Seeing no one else in the queue, Senator Stinner, you're welcome to close on LB330. Senator Stinner waives closing. The question before us is the advancement of LB330 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted that wish to? Record, Mr. Clerk. [LB330]

ASSISTANT CLERK: 40 ayes, 0 nays on the advancement of the bill, Mr. President. [LB330]

SPEAKER SCHEER: LB330 is advanced to E&R Initial. Items? [LB330]

ASSISTANT CLERK: Mr. President, thank you. New bill, LB351A, by Senator McCollister. (Read LB351A by title for the first time.) Communication from the Governor, LB88, LB340, and LB639 were received in his office on April 24 and they have been signed and delivered to the Secretary of State. Amendment to LB461 to be printed from Senator Smith, and a second amendment also from Senator Smith to LB461. That's all I have at this time. (AM1188 and AM1189, Legislative Journal pages 1217-1220.) [LB351A LB88 w LB340 LB639 LB461]

SPEAKER SCHEER: Thank you, Mr. Clerk. Next item.

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ASSISTANT CLERK: LB149, introduced by Senator Stinner. (Read title.) Bill was introduced on January 9, referred to the Committee on Appropriations, placed on General File with committee amendments. (AM962, Legislative Journal page 1122.) [LB149]

SPEAKER SCHEER: Senator Stinner, you're welcome to open on LB149. [LB149]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, LB149 is a shell bill which was introduced this year as part of the Appropriations Committee contingency plan for ongoing budget planning. The Governor's expedited early deficit bill, LB22, made adjustments to the current year appropriations and reappropriations. Uncertainty over whether the Governor would introduce a second deficit bill as part of the main budget proposal led to the introduction of LB149. To help refresh your memory, you'll note that pages 94-99 in the committee's budget book itemizes the extensive changes included in LB22. This is in contrast to the small number of items contained under LB149. With your consent, Mr. President, I would request that we move on to AM962. [LB149 LB22]

SPEAKER SCHEER: So proceed. [LB149]

SENATOR STINNER: Thank you, Mr. President. The AM962 reflects the Appropriations Committee recommendation for additional appropriations and reappropriation adjustments to the current fiscal year, 2016-17. Page 99 of the budget book lists the few items contained in the bill, adjusting reappropriated amounts for the Legislative Council and the Department of Administrative Services. It also adjusts new appropriations for the Supreme Court and state aid for K-12 education. AM962 becomes the bill and contains an emergency clause. Thank you, Mr. President. [LB149]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Watermeier, you're recognized. [LB149]

SENATOR WATERMEIER: Thank you, Mr. President. Good afternoon, Nebraskans. I just rise in support of AM962. As Senator Stinner laid it out very eloquently, this LB149 was a shell bill, kind of laid in the plans of just in case we needed it for several things. One of the items that he had mentioned dealt with Legislative Council. And with the debate and the discussion we had on LB22, if you remember way back when, whenever that was in that past session we had dealing with the deficit bill, there was a lot of conversation about it. And so what I had gone through and back and looked at exactly what we needed, made a request in the Appropriations Committee through the bill on LB149, and we trimmed that back just a little bit so we're basically going to be able to do all the capital improvements we needed to do to the body and to the building in here, and also involving our HVAC move. I really do appreciate what Senator Stinner has put

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together here, and the Appropriations Committee as well. So I'd be available for questions off the side if anybody had questions about the amendment. So thank you, Mr. President. [LB149 LB22]

SPEAKER SCHEER: Thank you, Senator Watermeier. Senator Krist, you're recognized [LB149]

SENATOR KRIST: Thank you, Mr. President. I appreciate LB149. I also appreciate Senator Watermeier's questions and Senator Watermeier working with me and my opinion that we, in scaling back in LB22, we may have put our self at risk as a Legislative Council. I don't believe that's the case. I believe the Appropriations Committee has very appropriately looked at what we need, in particular those things that we need going into the HVAC process. I do know that we've scaled back even more after...they scaled back even more and that's what they present to us today and my warning is it's not going to be a fastball, it's going to be low and away and it's going to be a curve ball, so you've got to keep your eye on the ball when it comes to HVAC because, I will note, as Senator Watermeier and I talked earlier on the mike, there will be cost overruns and it will come from someplace. So let's make sure we prepare our self in the long term to not only survive as a Legislature but to thrive during that period of time. Thank you, and I support AM962 and LB149. [LB149 LB22]

SPEAKER SCHEER: Thank you, Senator Krist. Seeing no others in the queue, Senator Stinner, you're welcome to close on AM962. Senator Stinner waives closing. The question before you is the adoption of AM962. All those in favor please vote aye; all those opposed vote nay. Have all those voted that wish to? Please record. [LB149]

ASSISTANT CLERK: 43 ayes, 0 nays on the adoption of AM962, Mr. President. [LB149]

SPEAKER SCHEER: AM962 is adopted. Seeing no one in the queue to speak to the bill, LB149, Senator Stinner, you're welcome to close on LB149. Senator Stinner waives closing. The question before us is advancement of LB149. All those in favor please vote aye; all those opposed please vote nay. Have all those voted that wish to? Please record. [LB149]

ASSISTANT CLERK: 44 ayes, 0 nays on the advancement of the bill, Mr. President. [LB149]

SPEAKER SCHEER: LB149 is advanced to E&R Initial. Next item, Mr. Clerk. [LB149]

CLERK: LB327, introduced by the Speaker at the request of the Governor. (Read title.) Bill was introduced on January 12, referred to the Appropriations Committee. That committee reports the

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bill to General File with committee amendments attached. (AM590, Legislative Journal page 1122.) [LB327]

SPEAKER SCHEER: Senator Stinner, it's my understanding you would like to introduce both the bill and its amendment concurrently in using the 20 minutes in one continuous spot? [LB327]

SENATOR STINNER: Yes, I would. [LB327]

SPEAKER SCHEER: Please proceed. [LB327]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, before I get into my presentation, I'd like to take some time to express my gratitude to certain parties who have contributed significantly throughout the budget process. I'd first like to acknowledge the Fiscal staff. This was probably the hardest and most stressful budget session that they've had. They not only produce one budget, they produce two. They also processed over 600 pieces of legislation, some of them requiring fiscal notes, some of them just a read and no fiscal note. I would like everybody, if they have time, to take time to go down to the Fiscal Office, give them a pat on the back and thank-you. I'd also like to express my thanks to Mike Calvert, Tom Bergquist. Without them, this budget doesn't get produced, great leaders, great understanding of the process, kept us on task. And as I said, we wouldn't have the budget today, and it's a great budget process and it's a great budget book that they put together, so thank you very much. I do want to thank the committee. Three and a half months we met, the longest ever for Appropriations. I can tell you it was an arduous process but I can tell you every day the committee members showed up, they were prepared, they responded, they were committed to turning out the best possible product that we could. And lastly I do want to acknowledge the agencies, the boards, the commissions that we interacted with, certainly from...on the hearing basis, then many times one on one with those agencies to an agency. They expressed a concern about the budget. They wanted to be part of the solution with the budget and the deficit shortfall, and they are really the ones that I want to acknowledge. They have to carry the ball from here. They have to make the tough decisions based on limited amount of resources, so I do want to acknowledge them, thank them for their cooperation. LB327, introduced by the Speaker at the request of the Governor, is part of the Governor's biennium budget recommendation. It's the mainline appropriations bill for the biennium beginning July 1, 2017, and ends June 30, 2019. With your consent, Mr. President, I'd request that we can move on to the amendment and I believe that you've given me that permission. [LB327]

SPEAKER SCHEER: Please proceed. [LB327]

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SENATOR STINNER: Yeah. To me, a budget is really a numeric story. It's a story about the past Legislatures, what they put priorities in, what their initiatives are, and obviously this current budget is really about us, what we think is important at this particular point in time. And it's going to guide the next two years about what the state is going to put their resources in and where we're going to make cuts. If you look at this budget, just take a step back and just look at it, 44 percent of this budget is committed to education. K-12 is our biggest, most significant increase. It was a high priority to the committee. Higher learning was also considered and discussed and prioritized. The committee talked about what these cuts to the University of Nebraska, what these cuts to the community college would mean in terms of tuition to those students. Affordability was a big deal to the committee. The other things that we talked about is work force and what the university, state colleges, and community college mean as part...as work force development. And we also understood the significant impact these institutions have on the economy for the state of Nebraska. Aid to individuals, which I consider to be the "have-tos," is about 37 percent of your budget. This is, as I said, the "have-tos." Medicaid is our next largest significant increase. It's the number-two significant increase. Medicaid basically is driven by utilization rates and I would counsel each and every one of you to go back into the budget book and really pay attention to the breadth and the scope of DHHS. Take a look at the programs that we support as a state. Some of them are partially federally funded; some of them are mandated by the federal government. Our committee took a hard look at what Medicaid was about, what DHHS is about. I know the Governor has a 3 percent cut in provider rates. Our committee looked at those providers and we determined that those providers that needed a high or depended on a high reimbursement rate were kept somewhat whole. Our preliminary budget had an increase of 1 percent. We ended up going flat because that's all the resources we have to commit to those types of providers, but it was a priority. The third part is really about the safety aspect, keeping Nebraska safe. There are three main components of that. You've got the State Patrol, you've got Corrections, and then you've got the court system. Now, if you combined juvenile...or justice reinvestment with Corrections, there's about a \$26.7 million commitment that is a priority. I think that the Supreme Court justice put it best: Justice reinvestment is about the front door and the back door. It became a priority to the committee through this process of LB22. We made that adjustment, \$4 million adjustment back to justice reinvestment so they have the resources to help with this prison overcrowding situation. I do have an exhibit and I think we're passing out that exhibit. And I did want to just kind of walk through some of the things that I looked at and just how I processed this budget. To me there was about three steps and I tried to put them in steps so you could understand that. Obviously we talked about LB22 deficit bill and you can see that overall when we sat down and we started this process, and when you start a process that you have limited resources it becomes more and more important that you pay attention to what your priorities are, so we established some priorities. Justice reinvestment, Corrections, K-12, property tax relief were priorities and we started to structure that budget. The other thing that we looked at was reestablishing, reestablishing a structural balance to the state of Nebraska. And as I mentioned in my briefing yesterday, structural balance can be seen, or structural imbalance can

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be seen, with sine die last year. We had \$4.5 million excess cash. We were balanced in the current year. But when you went to the next biennium, you actually had a loss of \$234 million. What we were able to accomplish on a structural balance basis, we have an excess of \$180 million--think it's actually \$181 million--in the next biennium. And when I talked to you in the briefing, I said, this is all about that checkbook, you know, that in flows have to be greater than the out flows in order to increase your balance. That's what we were able to do. We've reestablished that structural balance. The third priority that we looked at or the third element of targets that we tried to do, we took a look at what the rainy-day fund needed to be. And what we were looking at was the rainy fund in terms of how far we could bring it down and still create a hedge for the next biennium. And at \$400 million was our target; it was \$500 (million), then, of course, we got the \$150 million. It stepped down from there. We took a look at \$400 million. What it does, what I'm talking about, a hedge, is it's unknown events. How much can we bear in terms of revenue shortfall in the next biennium? And if you can take \$200 million out of the rainy-day fund and you've got normal lapses or normal transfers of \$100 million and you can cut \$200 million out of each year of the next biennium, you've got a hedge for \$700 million, \$700 million shortfall we can stand and still be able to run our state. But as you looked in the preliminary budget, our shortfall as we work through the preliminary budget...and I have to tell you that the process was that we, first of all, met with Fiscal Office. We went through line by line. And if you look at the last 100 to 260 pages, that's the line by line that we went through in the appropriation. We turned out a preliminary budget so everybody that came to the hearing would know how we looked at their agency. We went through the hearing process and obviously the preliminary budget was \$134,600,000 short that we would have to go to the rainy-day fund. Now if you remember, we do have legislation that's sitting out there that is yet to be passed; \$35 million today was a prospect that we could have passed to Select File. Senator Riepe, on DHHS we've got \$8 (million) or \$9 million, so that would bring us back up. If you look at your green sheet today, you would come back up over \$400 million. In this case, if we had \$44 (million) less this, we would have hit the Governor's number of \$92 million transferred, we would have been right on top of that. But then \$150 million, \$153 million shortfall came through the Forecasting Board. We had to react to it. We had to react to it after our budget hearing. And what we decided was we went through again and tried to cut as much as we possibly could. We got to \$65 million in cuts. We had add backs. Add backs: \$35 million came out of DHHS, predominantly out of DHHS, so we had to make up that shortfall. So left with that, when we got to that \$150 million, we took a look at it; here's what's possible in cuts; here's what we have to manage. Now we have to reestablish that 3 percent minimum reserve, have to reestablish it because the law says we have to turn in a budget with a 3 percent minimum reserve. We had to look at other alternative ways of bridging the gap between our budget in the next biennium, therefore, we went heavy on transfers at that time. If you look at LB22, they went heavy on reappropriations which are lapses. There's \$72 million of reappropriation in the Governor's first deficit request. That's a lapse. We tried to do it through transfers. And actually, if you look at the second page of that, we've got summary of our actions comes down to a request of \$172 million

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to be transferred from the rainy-day fund. If we're able to get some of these other bills put together and it's \$44 million, we'll be under \$130 million request, which will then put that rainy-day fund above that \$400 million target. But I did provide some of the larger transfers that we looked at and we're going to talk about roads. There's obviously a discussion to be had there. Thirty million dollars in there we've defined and looked at what roads could contribute without and really set some strict criteria. We didn't want to precipitate a gas increase. We wanted to make sure that they had enough carryover. They were talking about \$2 million of carryover and then wanted to change it to \$4 (million). We granted that. So I have an analysis I can pass out. Obviously Game and Parks were another part of it. And the other part was the intergenerational (sic) funds has to do and it ties into the healthcare funds. We still have excess cash flow assuming a 6 percent rate of return is still there. Other lapses that we took, we looked at funds over a long period of time, made sure that they had a stable source that was coming in. On the income source, we looked at the expenses, we looked at the history of it, we looked at what the excess balance was. We didn't take the full amount of the excess balance. We left additional funds in there to cover any contingencies or unknown. That's how we got to the one-time lapses. The one-time lapses, look at your page 1 in bold print. It talks about reestablishing the 3 percent limit. Now if you go back and you think about this, we did a one-time lapse. We hit the 3 percent reserve and we achieved structural balance. That's one of the keys. I also included a little bit of a schedule about the Governor's, what his budget looked like versus ours. I tried to reconcile it and you can see very clearly through the reconciliation that we cut over \$6 million more than the Governor had requested. We cut it in different areas. We took maybe a little different approach. We had a few different priorities. Biggest difference between the Governor and us is those provider rates I was talking about, and then the last page is the rainy-day fund reconciliation. You can see some of the bills we may be able to generate \$44 million. Obviously that adjusts the transfer down to \$128 (million) and provides a rainy-day fund of \$413 million, which provides us with that hedge. This is the approach, this is the budget. We actually took a look at each one of these big areas that we talked about. Education: prioritize K-12. We prioritized the property tax relief fund. We prioritized prison overcrowding with justice reinvestment and Corrections. We also prioritized provider rates and we definitely have funded another utilization, another increase in Medicaid, so I think what we did was touch all the bases. It was a very deliberate approach. It was an intense approach. And I do want to again thank the committee, thank the Fiscal Office, thank Mike Calvert and Tom Bergquist for all their efforts. And I would...I think I'll sit down and enjoy what the rest of the conversation is going to be about. Thank you, Mr. President. [LB327 LB22]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Stinner. Those wishing to speak: Senator Watermeier, Bolz, Hilkemann, Williams. But first we have an amendment. [LB327]

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ASSISTANT CLERK: Mr. President, the first amendment to LB327 is offered by Senator Friesen, AM1155. (Legislative Journal page 1196.) [LB327]

SENATOR KRIST: Senator Friesen, you're recognized to open on your amendment. [LB327]

SENATOR FRIESEN: Thank you, Mr. President. I want to first start by thanking Senator Stinner and the Appropriations Committee. I know they've had a difficult task and they have done some amazing work this year. But this is one area where I think, you know, in my first two years here, our first budget that we passed was very simple. I think we spent three or four hours debating it and then we moved it on and everybody seemed happy. This year, however, this, I guess, might be the first of many changes that may come forward on the floor. This addresses, I guess, what...as Chair of Transportation and Telecommunications, my first inclination was that no money should ever be swept out of cash funds...cash-funded agencies. I know there are exceptions to that and I know there are some that have been done in the past. But I look at what's been done to the Brand Committee. This could be done to the corn checkoff, the dry bean checkoff, and many others. This is where we have to, I think, kind of draw the line. Early in my conversations with Senator Stinner I did agree. My first reaction was no money should be taken from roads, but I did agree to \$7.5 million per year. But what AM1155 does is it would reduce the appropriation from the Highway Cash Fund to the Roads Operations Cash Fund for fiscal year '17-18 from \$441,900,000 to \$437,500,000; and for fiscal year '18 and '19, it would reduce the appropriation from \$448,600,000 to \$446,500,000. The purpose of this amendment is to prevent the use of motor fuel tax receipts from being diverted to the nonhighway, noninfrastructure purposes. The amendment properly adjusts the Highway Cash Fund appropriation to match programmed infrastructure projects and roads operations. In 2015 I supported LB610 and the increase in the motor fuels taxes, along with many of you that are here; in fact, it was my personal priority bill that session. I believed then and I believe now that increase was good policy, and I've always been supportive of the concept of the gas tax being used to pay for roads and being solely dedicated to that purpose. You know, many of us...Senator Smith brought that bill in something that they said couldn't be done. And when you looked at where our recent survey of roads and bridges in the state, especially bridges, county bridges and state bridges, we were deficit and we sorely needed some funding. We had long neglected the expressway system. We had stopped funding any new construction and we're just typically trying to do maintenance. So I cannot support the concept of using any motor fuel revenue being used to pay for non-roads-related purposes. The motor fuel tax should not be used to support nonroads, General Fund-related programs. I also have an amendment pending on LB331 that would reduce the transfer from the Roads Operations Cash Fund from \$15 million to \$7.5 million each year for the biennium. That amendment, if adopted, represents a transfer to the General Fund of money generated from the sales tax on leased motor vehicles. Without these amendments, the variable gas tax rate would need to be set to match the higher appropriations and transfer levels residing in the higher overall gas tax rate. While I would like to totally zero

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out the proposed transfer, so long as we eliminate the transfer of motor fuel revenues to the General Fund, I can support this as middle ground. Therefore, I'd ask you to support AM1155. Thank you, Mr. President. [LB327 LB331]

SENATOR KRIST: Thank you, Senator Friesen. Speaker Scheer, you're recognized. [LB327]

SPEAKER SCHEER: If Senator Friesen would yield to a question, please? [LB327]

SENATOR KRIST: Senator Friesen, will you yield? [LB327]

SENATOR FRIESEN: Yes, I would. [LB327]

SPEAKER SCHEER: Senator Friesen, as we discussed this morning, simplistically, where is the additional funds coming that you are trying to put back in to the budget? [LB327]

SENATOR FRIESEN: Well, that would be an amendment I will drop on the next bill. [LB327]

SPEAKER SCHEER: Okay. But as far as the discussion on the amendment now, I think the floor would deserve a point of clarification in relationship to where the funds are going to come from. This has been a long process. I'm not trying to put you on the spot. That's why we talked about it this morning. But as we move forward, I think it's our obligation to have the revenue in place or in sight if we're going to spend additional dollars. And it would appear that you're putting approximately \$15 million back into the budget each one of the years, and I'm wondering where those dollars might be coming from via your amendment. [LB327]

SENATOR FRIESEN: Well, that will be an amendment to LB331 and we do have a fund to take those dollars out of. It's called the Medicaid Intergovernmental Transfer (sic--Trust) Fund. [LB327 LB331]

SPEAKER SCHEER: So specifically you are going to fund this by pulling money out of a Medicaid fund? [LB327]

SENATOR FRIESEN: The General Fund, not this. This is...I'm just reducing the transfer out of roads. And if you want to make the General Fund budget whole again, this is where a transfer could come from, doesn't really have anything to do with this. I could just introduce this amendment and not offer any funds but... [LB327]

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SPEAKER SCHEER: Well, you could, Senator, but I think everyone on the floor... [LB327]

SENATOR FRIESEN: But I... [LB327]

SPEAKER SCHEER: ...is wanting to know where the dollars are going to come from, and so... [LB327]

SENATOR FRIESEN: And I did say. [LB327]

SPEAKER SCHEER: And if the Medicaid is where, that's fine. I just want to make sure that everybody knows as we discuss an amendment, and if it is going to change the financial impact of the bill, I think the body needs to know where those funds are going to be adjusted from. I appreciate your providing us with information. It may be a lag time in relationship to a different amendment. But at least as we discuss this, everyone will know that the funds essentially are going to be resupplanted in the General Fund by Medicaid account. Thank you, Mister...or Senator Stinner...or Senator Friesen. (Laugh) Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Speaker Scheer and Senator Friesen. Senator Watermeier, you're recognized. [LB327]

SENATOR WATERMEIER: Thank you, Mr. President. Good afternoon again, Nebraska. I just rise and want to support Senator Stinner and all the hard work he had done this year. I'd say it was quite a process and especially the Fiscal Office and the support we received. It was quite incredible if you think about the discussion that even some you were...before you were elected we had very serious conversations about having a special session. A special session would involve ten working days probably in the body to try to decide how to cut and balance our current fiscal situation that we're in. Inside the Appropriations Committee we basically had a special session inside the first 10-15 working days inside of that to create LB22. And I really take my hat off to Senator Stinner. He did a great job of leading us in the conversation and such. And so with that, I just wanted to end that this, to me, anytime I do fiscal work in my own operation or in other boards that I might be involved with, in thinking about a balance sheet combined with a cash flow, I always remind myself that it's just a point in time that you put your stamp of approval on and you sign that document stating on this date that it would be your approval on that day. And it's a fluid document. It changes all the time. And if I could go back to January we probably started January 5 or 6, I suppose, looking at the budget seriously on the 10th. Things would look different today. Especially with having three freshman members on there, we had really good conversation. But if we could have gone over those same decisions today, we probably would have had a different outcome. And maybe with the next three sessions of the General File, Select, and Final Reading of our budget, we may well come up with a

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different budget recommendation that we came with you today. But I really want to recognize Senator Stinner, what a great job that he did as far as leading us. The job of a Chairman, especially in Appropriations, is to bring a budget to the floor, to get through that process as the best you can. And in the years it's been unanimous vote, which is fine. This one wasn't. We did the very best we could, but I really would like to say that this will be a fluid document in my mind. And really, tomorrow morning and tomorrow afternoon at 1:00 we could reset the whole process again. I hope we don't have to dramatically, but it's very likely that we will. So with that, I just end my comments about Senator Stinner. Thank you, Mr. President. [LB327 LB22]

SENATOR KRIST: Thank you, Senator Watermeier. Senator Bolz, you are recognized. [LB327]

SENATOR BOLZ: Thank you, Mr. President. I just wanted to rise and talk about my perspective on this year's budget package. First I do want to say a few words about Chairman Stinner's leadership. He's done a great job in managing very difficult budget times, finding creative solutions, and working in partnership with a variety of stakeholders, and he deserves our thanks. Second, in terms of framing this budget, I want to frame it in terms of priorities, principles, and values. The three that are most important to me are keeping our commitments, maintaining government stability, and ensuring education into the future. In terms of keeping our commitments, I'll start with the basics. Every year I have been on the committee and every year that I can remember, the state of Nebraska fully funds our pension obligations. Other states don't and we should be proud of our tradition of fiscal responsibility. So even in difficult budget years, we take care of our pensions. We also keep our commitments in terms of previous agreements. So one of the things that we did this year was annualize the funding put in last year for the property tax credit program. That's a significant amount of funding. It's \$20 million per year. But that commitment held steady in the committee's deliberations. Senator Stinner also referenced our commitment to criminal justice reform which, of course, includes multiple areas including the Department of Corrections. Thank you for supporting the \$75 million facilities capital construction initiative in the previous budget bill. That's part of the vision as well as additional programming, additional staffing, but also probation, field staff, and reporting centers. All of those commitments continue through previous legislative initiatives and visions into this budget in spite of difficult fiscal times. In terms of maintaining stability, we are doing our best to maintain stability in healthcare provision. And what that means is ensuring that we are funding at a level such as that folks can continue to have access, that we can maintain services across geographical areas, and that the businesses providing those services can continue to pay their bills and meet their bottom lines. So everyone came to the table and there were sacrifices in terms of both cuts in Medicaid provider rates and in maintaining that flat funding, which is a sacrifice because healthcare costs go up every year. But those provider rates range in everything from behavioral health to developmental disabilities to children's services. Another area that we maintained stability was in fully funding the Nebraska Families Collaborative child welfare contract. That contract increased significantly, \$22 million a year, over the biennium so that we

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can continue our commitment to making sure that children are safe despite increased utilization and demand, particularly in the Douglas County area. And the third priority is education for the future. We were able to put a modest increase in K-12 funding to ensure that we can manage class sizes and increased growth in K-12, as well as a 1 percent increase in special education. Despite the fact that special education outpaces our ability to pay year after year, it's important to continue that commitment, and we see the rolls of special education students grow consistently. And finally, higher education: Higher education is a significant cost driver in our budget but in the community colleges, the state colleges, and the university the thing that I always keep my eye on is our ability to manage tuition increases. And so one of the things that was very important to me as we deliberated and discussed our higher education investment was that we would prevent double-digit tuition increases in our institutions of higher learning. I think that's important to the working-class families of Nebraska and it's important to continue our economic growth in the state to make sure that we've got an educated populace that can move us forward. So those are the things that we were committed to and focused on. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR BOLZ: And I will say that this was not without sacrifice and challenge. We made sacrifices, for example, in the Health Care Cash Fund, \$20 million from a fund that we didn't want to touch the principle of but did so in the name of keeping providers whole this year. We made sacrifices big and small, everything from the riparian vegetation aid program, which I voted for last year, to the master teacher program, which I still believe is a great initiative to ensure quality in our classrooms. So in spite of our sacrifices, we came together and found ways to keep our principles intact. And I would ask the body's support in trying to make sure that the balance that we tried to create in this budget by making both sacrifices and clear...being clear about our priorities remain intact as we move forward in spite of what might lay ahead. So I thank the committee for their work. I thank the Fiscal staff for their work. And I thank Chairman Stinner for his work. I look forward to continued conversations so that we can protect our priorities, our commitments, and maintain stability in government programs. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Bolz. Those still wishing to speak: Senator Hilkemann, Williams, Vargas, Kolterman, Friesen, Harr, Bostelman, and Pansing Brooks. Senator Hilkemann, you are recognized. [LB327]

SENATOR HILKEMANN: Thank you, Mr. President. I stand in strong support of LB327 and the AM590 that is presented. As a member of the Appropriations now for three years, I'm always amazed how this process goes about and how it comes together. This was a particularly interesting year. As we met with the Governor to start when he presented his budget, I felt a little

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bit like a line out of the old movie Mission: Impossible, "Your mission, should you choose to accept it..." I don't see Senator Chambers here. I could call upon him to give us a little music, a little background with this. But, you know, the Governor brought us together and he said, number one, be no tax increases, you can't touch the property tax relief fund. He wanted us to make sure that the rainy-day fund didn't go below \$400 million. He also wanted us to be within 1.7 percent as far as increase is concerned. When you think about almost a billion dollars and then you find the difference that was coming for that process and a forecast that didn't come in, well, that's a real challenge, folks. And, colleagues, we have two constitutional obligations to meet and to pass a balanced budget and that we are...we presented for you at this time. And I just cannot tell you how I have appreciated the leadership of our Chairman, Senator Stinner, and to all the members of the Fiscal Office that have helped him with this budget. You know, Senator Stinner was working on this all last summer. We talked a couple times during the course of the summer months. He was down here diligently going through because we knew there were challenges ahead. So this body owes a great deal of respect to Senator Stinner for his diligence. I just...you know, we would find we would have...we would...I know there were times that we disappointed him. He thought he had this thing worked out and then the committee would vote yet another additional funds. And he said, guys, you're not helping me out, and he would rattle the chains some more and he would go back to the Fiscal Office and he would find areas where they could cut additional money. So I can assure you that it was not an easy task. It...he looked at every agency. I admired him going back over the ten-year period of time, seeing where their cash balances were, are they carrying cash balances that they don't need to be carrying, can we use it. You know, this is sort of like as we all do, where...what can we find, where do we find the little extra dollars. And I can tell you that our leadership helped in this position. So to my fellow committee members, I value each of your contributions and thank you for your efforts in our important work that we did as well. Our dialogue was respectful. We didn't always agree. We didn't even agree to bring this budget out on a unanimous basis. But that's all right. Not all of us are going to agree with what/how this money is spent. And as we've talked about, it is a matter of prioritization. We're going to be talking, I'm sure, over the next several days. I'll talk specifically of some of those areas where some people have challenges on it. You know, we...I was called by one of the press: How does this vary from the Governor? They wanted to know. And actually I got a little bit perturbed with the person on the...that was doing the interview and I said, what are you trying to do? Are you trying to pit an...are you trying to make a...like that we're in a war with the Governor? I said, we're not at war... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HILKEMANN: ...with the Governor. We have two branches of government here that are dealing with this budget process and so this is a partnership, and so there are certainly areas where we are above what the Governor recommended, and there are certainly those areas where we felt we could take less than what the Governor had recommended. But that's why we're here

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to...we're going to be discussing this over the next number of hours. And hopefully we'll come together with a budget that we can all work with. There's something to like for some folk. There's a lot to not like for a lot of folk. But together we're going to come together and put together a budget. And, you know, it was easier when I was on those Appropriations. We didn't have lots of money to work with but I felt a little bit more like Santa Claus the first two years than I have this year where I felt like I've been a scrooge almost every day. But with that,...
[LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR HILKEMANN: ...thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Hilkemann. Senator Williams, you're recognized.
[LB327]

SENATOR WILLIAMS: Thank you, Mr. President. Good afternoon, colleagues. This is where the rubber meets the road and this is why we are here, and I appreciate each and every one of the group that is here that is going to make the decisions. First of all I want to say a huge thank-you to one of my closest friends in this world, John Stinner. You have all known John for a relatively short period of time. I've had the good fortune of knowing John for many, many years. And I'm not surprised at the competence that he brings to this task. And I appreciate that, my friend. I also appreciate the work of the whole Appropriations Committee. But what I would like to talk about is this process and remind each one of us of how we came to be here, what our responsibilities are, and how this Unicameral works with the committee structure. Each one of us, whether you're been here like Senator Chambers for over 40 years or Bob Krist over 8 years or those that have started just pushing the red or green button in January, understand that you were assigned to a committee and you have watched how that process has worked where you had bills come to your committee that you studied, that you worked hard on, that you had testimony on and that you discussed at great depth in Executive Session. Any of us outside of the Appropriations Committee have that level of understanding, but in the Appropriations Committee it even goes deeper. That is their only committee. They are fully focused on those issues. They have worked extremely hard and they have operated in a great sense of operating, doing the due diligence that is necessary. They've had the hearings. They've had the agencies in. They've worked through all of those things. It's not for me to question the work that they have done and the seriousness of that work. Each one of us comes here, different geographies, different backgrounds, different experiences, and, therefore, different priorities, and that's good. I think we all have the priority of trying to do what we believe is right for this state and that's what we're doing through the budget process. But to engage in that and make it work, each one of us also has to engage in that thing that makes democracy work, which is engaging in thoughtful

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compromise. So those priorities that I have, those things that are near and dear to me, have to be weighed against the things that are near and dear to each one of you, and I encourage us to walk through that discussion very carefully. Any of us that have watched debate for a period of time on this floor understand how beliefs and opinions all of a sudden become facts. Beliefs and opinions become facts. I read a definition of what is a fact recently and it said: Fact is the place where most people think their opinions reside. Let's be careful with how we use those facts. I was handed a Time magazine... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR WILLIAMS: ...earlier this week. Thank you, Mr. President. I was handed a Time magazine earlier this week that had an article in it about what's going on with the stretching of facts today, and it used the term "truthful hyperbole." I would encourage us not to engage in that. I would encourage us to fight hard for what we believe is right, what we believe are our priorities, but at the end of the day understand that there is a balance that has to be struck in what we're doing. Senator Chambers challenged us to be honest, and I believe the 49 of us working together can do that. Again I would like to say a great sense of gratitude to the Appropriations Committee and particularly to Senator Stinner. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Williams. Senator Vargas, you're recognized. [LB327]

SENATOR VARGAS: Thank you very much, President. Colleagues, I rise in support of LB327. Think we should have more information on LB22. We need to still talk about and learn a little bit more about this cash fund and make sure we're doing our due diligence as much as possible. I just wanted to start with thanking my committee members. This was I feel very, very fortunate. We have a committee that represents extremely different areas. We have different ideologies. We have different perspectives, different walks of life, and we came together and we worked tirelessly in a situation that is completely unprecedented to manage one budget process and now this second budget process. And I'm also really proud to have our Chairman that has guided us through this process to make sure that we are not just looking at a budget as a balance book but looking at a budget as a living, breathing document in terms of how we prioritize and support our state government. And I'm proud that we put this out and made decisions that did just that. And as this unprecedented action, we didn't always agree. And I think that's one really important piece I want to make sure that we are putting out there, that we disagreed on different issues, we didn't always have clean votes, and that's part of what I think is the healthy process of agreeing and disagreeing in committee. For those of you that haven't been in this committee or have experience, I think you fully understand. You haven't always agreed or disagreed in your committees but you've really worked tremendously hard to put out a product that is sort of the lifeblood of the work that you're doing. And just like you work on a set of different bills, we've

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worked on this for three months. And it's something that I know, and I'm not going to speak for every single one of my committee members, but it has been a tremendous task to make sure we're working through the process, to make sure that there is due process for every one of our agencies, to understand the historical trends for every single agency and every budget and every cash fund, so we're making an informed, pragmatic, and reasonable decision for how we better support state government and how we pass a budget that meets the needs of everyone the best we can, but doesn't...not everyone is always going to get what they want. And so I want to...I hope we can count on your support. I know we're going to have a discussion about a couple different, you know, issues on things that we care more about, and that's fantastic. And at the end of the day, I hope we can proudly stand by and support LB327. A couple of the priorities that I think are really important to me and that we discussed in the committee have to do with our justice reinvestment, have to do with child welfare. Obviously education is a huge component of this and we're talking about our funding for this Medicaid, property tax programs, and capital construction. These...this infrastructure, this education, public education, this emphasis on public safety are all things that we prioritized and we also looked at cuts. We found cuts in places that weren't always popular. We found cuts in higher education and we looked at where we can hold things harmless, how much can they take, so that we can continue so that they're operating, and we did that in a way to make sure that we're prioritizing and not just saying we're going to cut things across the board. We're going to look at how each program operates, how they can continue to support the services they provide to Nebraskans, and then also make sure that we are not harming too much some of the work that has been done in last several bienniums here in this body from previous senators. And so we want to make sure that that is clear and why I support this budget. The other...the last thing I wanted to talk about is just that this has been a shared sacrifice. I think many of us, and I'm sure many of you, have been coming to many of Appropriations members asking about how this process has gone, and we have taken sacrifices. There have been things that I've cared very deeply about that have not been...that have been cut. [LB327 LB22]

SENATOR KRIST: One minute. [LB327]

SENATOR VARGAS: There are some things that I fought for that haven't been, haven't gone through, and I think that that is a very important part of the process. It's why I'm asking individuals in this body to remember what it's like in your committee to do this really tremendously hard work and to stand by this balanced budget that we put forward that...and I've...we've heard from some other people. We don't always agree on how we go about doing it, but presenting a balanced budget is our duty and that's what we did and that's why we're asking for your support and asking for you to do everything you can to stand by this budget. I'll have more to say later on about some of the different programs, but I do want to raise...rise in support of LB327, and still looking for more information on this amendment by Friesen. And I want to thank the body for recognizing the hard work that we have done and the hard work that the

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individuals on the right-hand side of our Fiscal Office have done because this is a true labor of love and just thank you for taking the time to be educated on the process we've taken these last three months. [LB327]

SENATOR KRIST: Thank you, Senator Vargas. (Visitors introduced.) Senator Kolterman, you are recognized. [LB327]

SENATOR KOLTERMAN: Thank you, Mr. President. Colleagues, I rise in support of LB327 and AM590. I'd like to compliment the Appropriations Committee, primarily Senator Stinner who is leading that committee, on the hard work and dedication that's gone into this bill. As Speaker Scheer indicated earlier this morning, this is...has been a long-term process. A lot of thought and deliberation has gone into it. As we looked in HHS at cuts that we're going to have to make to make this budget work, that was very difficult. There isn't a soul in here that wants to take benefits away from a disabled person or cut budgets that have been...programs that have been in place for several years. So what we're doing when we're cutting, we're affecting people's lives. I would hope that we don't go any deeper than we already have with the K-12 education, higher education, state colleges, University of Nebraska, or even our community colleges. Education is a driver of economics in this state. But I want to talk a little bit more about what I see happening here in this body that's happened over the last...since we got here in January. And it's a concern that I've had and I've never raised the issue. I think it just needs to be said. The committee structure is set up so that we can trust each other, that we can agree to disagree when a bill is brought, we can debate it thoroughly. And if we pass it out, whether it's 9-6 or 9-3 or whether it's 4-2, that's important because we've done our job, we've listened to the people, and we advance it to the floor where it will get full and fair debate, and that's what we're doing here today. But what concerns me is when we start second-guessing what's going on in the committees. And in recent days we've seen two things like that that's happened. The first thing that happened was when we had the consent calendar the other day. You know, we had a...Senator Hilkeemann had a bill that came out 7-0 two years in a row from HHS. That bill was good legislation and it had been thoroughly vetted. It didn't come out last year because of a filibuster. This year it came out to the floor 7-0 and it was...and the Speaker...last year it was a Speaker priority; this year it was consent calendar. Well, people took it upon themselves to go around the committee process and make the decision that it hadn't been discussed, it wasn't thoroughly enough vetted. I thought that was disrespectful. And then yesterday we had a deal with Senator Vargas had a bill on Final Reading. I thought that was disrespectful to attach a frivolous bill...or an amendment to that bill. We have a bill that you're going to hear in a little bit about an amendment to the retirement, to this that's going to affect retirement. I don't appreciate that and it's not proper the way it's been handled. And finally, this will maybe sound pretty mundane to a few of you, first year I was here, which was three sessions ago, I pushed the button because I didn't think we ought to have a call of the house. That's disrespectful when you say I don't want people to come, I'm going to push the button. Put the shoe on the other foot. It's just

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respectful to ask your fellow senators to come back to this room and vote on a bill. If you're in the building, what's...that's "unrespectful." That might not sound like a little bit to you, but we...this bill, this organization that we're serving in was formed on respect for each other. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR KOLTERMAN: I think the time I learned that was two years ago when we voted on the death penalty. We were on opposite ends of that bill, many of us, and it came out we had roughly 16 hours of debate. And at the end of the veto override of the Governor, we walked out of here, both sides, as friends and fellow senators because we respected each other's opinions. I think it's time we get back to that, start respecting the committees that are doing their hard work and start respecting each other. With that, if I...I don't think I have much time left, but I'd like to thank you for your time. [LB327]

SENATOR KRIST: Thank you, Senator Kolterman. Senator Friesen, you're recognized. [LB327]

SENATOR FRIESEN: Thank you, Mr. President. So when the Speaker Scheer questioned me on where the money comes from, let me clarify something that everyone heard only one word probably of I said, and I mentioned the word "Medicaid" and I saw everybody kind of freaked out. So just forget I said that word and it's an Intergovernmental Transfer (sic: Trust) Fund. Just trying to set the record straight and kind of let everybody relax just a little bit. And so now I'm going to get back to my amendment and I'm...I appreciate what the Appropriations Committee has done but I'm...and I respect their work but I don't have to agree with it and I'm not agreeing with it. And I think that's what this body should do. The first year I was here we spent about three hours on the budget, we sent it forward, and nobody really asked any questions and we just moved on. It's one of the biggest responsibilities we have. And to me, I don't want money taken out of a roads fund when we have been negligent in funding our roads projects, and so I disagree with where they've decided to take the money. And if you want to respect a committee, then come ask me next time. So that respect works both ways. But I still think we will work together to find a solution here. But again, I'm offering up an amendment that keeps more money in roads where it belongs. And I did offer to compromise and give \$7.5 million a year, which maybe I shouldn't have done that either. But I did work in good faith and I'll stick to my word because that's what I gave him. But as we look to solve some of the problems here and when we look at the budget and how many dollars we're just sweeping out of different cash funds, that doesn't, to me, solve the budget problem. We need to be looking out that we're not just kicking the can down the road and that two years from now we'll be in a bigger hole than we're in now. There will be no cash funds to sweep. Are you going to come get another \$30 million or \$60 million

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out of the roads fund? Are we going to stop the expressway system? Are we going to quit building roads again like we did 10-15 years ago? I put my reputation on the line supporting the gas tax, so don't tell me we don't bring revenue ever, we don't support increases in taxes, because I did. And now it needs to stay where we promised it would be. We promised to fix the expressway system and anytime we take money out of the roads system, we're going to hurt that process. So with that, thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Friesen. Those still wishing to speak: Senator Harr, Bostelman, Stinner, Hughes, and others. Senator Harr, you're recognized. [LB327]

SENATOR HARR: Thank you, Mr. President. I want to thank Senator Kolterman for his nice words and I want to thank Senator Friesen for his. I agree with him. I have fought hard to get money for roads. My first year down here, or my first session, we voted for the quarter cent. And then we supported, I supported, the gas tax, and as did many other members of the body, and it cost a couple members their seat. It was used against them in their elections or reelections. So I understand how important it is to protect money. But at the same time, I don't know how people can feel that they don't need to be part of the solution. We're all in this together. We are slowing down the growth of government with this bill, whether that's roads that some people like, HHS that others, education. We're all making sacrifices and we're all taking a step back and we're reevaluating. And if we don't do that, there's no way we can afford such great bills as LB461 which is going to cut \$450 million. If we can't agree today, how are we going to find another \$450 million plus the amendment on LB461 which adds another \$160 (million)? That's a lot of money, folks. Roads, what we're doing today is just the start if we pass that bill, just the start. So you may not like this, and I can see why. I like good roads. Nothing makes me angrier than the roads in Omaha which are in terrible shape, which cost me a new strut, is a point of contention in our mayoral race because they're in such bad shape, so I understand the importance of roads. But at the same time, folks, we're cutting everywhere. Nothing is sacred. Once you became a part of the General Fund and started grabbing a quarter cent, that was the trade-off you made. You get an additional \$60 (million), \$70 (million), \$80 million a year, but you're now part of the budget process. You're no longer a third rail outside of what everyone else has to do. And I'm sorry, but that's reality. So, yes, I did vote for the gas tax. Yes, we had to override the veto of the Governor on it. I want to thank everyone for taking that tough vote. But guess what, times change. You can't bind future Legislatures. And roads has to be a part of the compromise. And that's what this is. This is one big compromise. You know, you can't just sit there and say I want...well, I want what I...my part, I want that part out of it, but where the other person sacrificed, let's keep that. That's not how compromise works. So with that, I would yield the remainder of my time to Senator Bolz. Thank you. [LB327 LB461]

SENATOR KRIST: Senator Bolz, 1:30. [LB327]

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SENATOR BOLZ: Thank you, Mr. President. I wanted to add my voice to a couple of points on this amendment. The first is I would encourage everyone to turn to page 71 of their budget book so that you can review for yourself the investments that we are making in the Department of Roads. Just one top-line number is that when the additional state revenue from the higher Highway Cash Fund appropriation and the Amazon sales tax are combined with the cost savings and reallocations previously mentioned in the budget book, highway construction increases by \$45 million for the biennium. So I just want everyone to work with the facts and look to our budget book in terms of the investments we are making in Department of Roads. I also want to talk about the Medicaid Intergovernmental cash fund and if I run out of time, I've got my button pushed to speak about it more. But the source of the Medicaid Intergovernmental Transfer (sic-- Trust) cash fund... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR BOLZ: ...is actually federal funds related to nursing home facilities, and those funds were committed to a pool of money that has become now our Health Care Cash Fund. So it's combined those funds with tobacco settlement funds and now cigarette tax funds to fund a series of healthcare-related priorities, including gambler's assistance programs, behavioral health, public health, children's health insurance, public assistance, Medicaid, behavioral health, developmental disability, and more. What's important to understand about the Health Care Cash Fund is that many, if not most, of these initiatives are part of the base budget of these programs. So if you were to underfund the allocations from the Health Care Cash Fund, you would not be able to fully fund individuals who receive developmental disability services now. It is part of...that \$5 million is a part of the base and it's going to a real person in a real community who is getting job training assistance or residential services or other types of assistance, so... [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR BOLZ: Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Harr and Senator Bolz. Senator Bostelman, you are recognized. [LB327]

SENATOR BOSTELMAN: Thank you, Mr. President. Colleagues, I rise to discuss some concerns I have about the use of gas tax receipts in LB327 for spending not related to infrastructure. These provisions of LB327 represent a historic departure from the belief that gas tax receipts are for infrastructure spending and, instead, redirect gas tax revenues for General Fund spending. This has the potential to have detrimental impacts on various construction projects throughout the state and is an unwarranted and improper use of a financing increase,

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General Funding spending. I, therefore, support AM1155 to LB327 which would adjust the Highway Cash Fund appropriation to prevent gas tax receipts from being diverted for noninfrastructural spending. And in specific with that, I kind of look to what potential impacts that has in my district, as well as across the state, and there's a couple things that happen in my...that this potentially could affect in my district. One is Highway U.S. 30, what runs between Schuyler and Fremont. Right now it goes from four lanes to two lanes. That's a very deadly highway. Talking with the fire chief in Schuyler, a very close friend of his was killed on that highway in a vehicle accident. He told me there is no more pressing thing they need right now but get that highway expanded. They are working on it now but there is a long ways for it to go. There is considerable amount of traffic that goes between Columbus, Schuyler, and Fremont up and down that highway each and every day. Farm equipment gets on that highway, becomes even worse, more dangerous. Traffic gets backed up for miles, literally. So these are things we need to think about. Also, in Saunders County, Saunders County has a large number of county bridges that need repaired or replaced. How is this going to affect that? That's our ag community being able to get across bridges that have been washed out over the years, been eroded over the years, and this impact could...this reduction in funding in our infrastructure will definitely impact our county bridge match program that would directly affect our farmers' rural communities in Saunders County. And with that, I would like to yield the rest of my time to Senator Friesen. Thank you. [LB327]

SENATOR KRIST: Senator Friesen, will you yield? [LB327]

SENATOR FRIESEN: Yes, I would. Think he's just yielding me his time. [LB327]

SENATOR KRIST: Oh, you're going to yield him time? Okay. [LB327]

SENATOR FRIESEN: That is a scary thought, Mr. President. Thank you. So, again, I want to reiterate these monies, I have been told, will not hurt any Medicaid programs. Where this money comes from down the road, we can deal with it in a different amendment. If you don't like the amendment I'm going to bring on LB331, find a change for it. Again, I do not support taking any money out of the roads fund. It is a cash-funded agency. You know, years ago we did this same thing. We started bleeding the roads fund a little bit at a time and pretty soon they didn't have enough funds to build any new roads. All we were doing was maintenance, that's it, and we didn't even do a good job of that. We have had to turn that agency around from building no new roads to a billions-of-dollars deficit that we were in, in our road construction projects. We will never have enough money in the Roads Department to build all the roads we want. We just want to get those we need. And right now we are still deficit in our funding of roads. There are cities who want to speed up the express lane now that they'd like to get it going quicker, the expressways. And so we are still limited with funding. [LB327 LB331]

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SENATOR KRIST: One minute. [LB327]

SENATOR FRIESEN: We have numerous roads around the state who still...that still need repair, and so we are moving as fast as we can. We've just implemented some new processes this year that will help speed up those construction processes. And by taking away money from the Roads Department we will hurt that process. And if you want a list of roads, and I will have suggestions for the Department of Roads, we will find a list of roads whose process will get delayed. And then we can look at those and see once if that's something we still want to follow. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Bostelman and Senator Friesen. Senator Stinner, you're recognized. [LB327]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, I'm going to give you the business case contrarian view to Senator Friesen's rebuttal...or a rebuttal to it. I want to first of all talk and say I love roads. I voted for LB610. I love roads. I think they're important, they're essential. They support, obviously, our three largest industries: agriculture, tourism, and I can't remember the third one, which is manufacturing. Sorry about that. But anyhow, I'm going to suggest this. Here was my criteria. First I want you to go to the budget book, 164. Look at the Department of Roads' budget: \$860 million, 2017; \$870 million are committed to roads. That's \$1.6 billion, \$1.7 billion, and we're talking about, what, \$30 million? That's 1.175 percent of their total budget we're asking them to commit. Now what do we take out of the rest of the folks? Remember across the board 4 percent? Remember the 3 percent we're trying to cut from other folks and they're saying they can't participate? Here is the business case, folks. They do take down General Funds money. They do. What do you think LB84 is about? It's a quarter-cent sales tax. You understand that? It's a sales tax. Millions of dollars could have flowed into the General Fund; \$220 million from that has flowed into roads and helped support construction of roads. I get that. I'm all for it. But you know something? When we went down \$150 million, I would have never touched roads if we didn't have that leg down \$150 million and then all of a sudden we had to get pretty darn creative. We had to look at roads, fourth-largest agency in the state of Nebraska. And you're saying, oh, my God, don't touch it? My goodness, what are we talking about here? But anyhow, LB84, there's sales tax from leased vehicles, \$7.5 million. Fifty million dollars we've put into the roads budget from the rainy-day fund. Fifty million dollars is in the infrastructure bank. And, oh, by the way, we're not touching anything as it relates to the sales tax and the expressway. Here's the criteria I used when we set this up and I presented it to the Appropriations Committee. I said no gas tax increase. Gas tax was presented by the Governor, presented in the request from Roads, and presented in ours at \$28.1 (million) and \$29.6 (million). And if you look at what this does, it actually decreases the amount of construction and all...and it also has an effect to decrease the gas tax. I also looked at the construction part. I said, boy, we're not going to touch those contractors, they're important, they're important pieces of

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what we're trying to do. Didn't touch them, same amount of construction. The fourth criteria was they have a \$2 million carryover. They'd like to have \$4 (million). We granted that. And I passed out a sheet of paper that goes through the business case if you're interested in looking and if you really want to make an appropriate decision. You look at the appropriations at the top of the page, the Highway Cash Fund requests in September. We have increased that. And that increase is \$12.9 million and \$12.6 million that we increased it. We also are beneficiaries within the Roads Department of what? The Internet sales tax, right? [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR STINNER: So that flows in. Thank you, Mr. President. We have identified reductions in cost. We have a great director. I'm the first one to stand in line and shake his hand. He's done a great job. He's putting a whole new culture in place. He's reducing cost within it. And then you've got additional costs in revenue of 19...it all adds up to \$19.4 million and \$25.4 million. We're taking \$15 (million) of that. So they actually have under this scenario \$4 million more for construction in the first year and \$10 million more in the next year. We have not done anything. And oh, by the way, if you're not understanding FAST tax, the FAST Act is out there. More dollars are going to come in for roads. We possibly have an infrastructure coming...bill coming from the White House. There will be dollars flowing for roads. But \$30 million, compared to what we've done to other agencies, is nothing. And to stand there and rail that we got to cut cost and we got to do this and we got to do that and exempt roads? That's just disingenuous. Come on, folks. We've got to balance the budget. We got to use our heads. Maybe it's a little bit creative. Maybe it doesn't go with history. Well, gas tax doesn't go with, or the sales tax that comes in doesn't go with history either. Anyhow, I think they ought to be a part of it. I'm going to stick with my original \$15 (million) and \$15 (million), \$30 million, and I would hope that you would stick with it too. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator "Linebacker"...I mean Senator Stinner. Senator Hughes, you're recognized. [LB327]

SENATOR HUGHES: Thank you, Mr. Chairman, I think. Colleagues, we've had a lot of discussion here this afternoon and I want to start out by thanking the Appropriations Committee and especially Senator Stinner. They've done a very good job in a difficult situation. Senator Stinner being a new Chairman coming into this position, having to do two budgets, he's done an admirable job, and kudos to the rest of the committee members. But the committee work is only part of the process that we do here. We, as committee Chairmen, we do become a little possessive of the work that gets done in our committee. I understand that. I'm a committee Chairman. I'm very proud of my committee, the Natural Resources Committee. We have good members on that committee too. We've done a lot of work. But that's only part of the process.

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This is the other part of the process. When the committee work is done, it comes before this body and it is our responsibility to make sure we give input on the laws that we pass here, the money that we spend here, the changes that we make here. That's our job. We're talking about how we spend the state's dollars. Thirty million dollars is a lot of money. The Roads Department has a huge budget. There's no question about that. But those taxes were collected for a specific purpose. Yes, there's General Funds going into the roads because a previous Legislature has determined that that is one of the most important things that we need to do for the state of Nebraska. Where I come from in rural Nebraska, roads are our lifeline. In agriculture we have got to have good roads to get our commodities outside our borders. Half of the wheat that I produce goes overseas. We have to have those avenues to get it out. A lot of the corn that I produce goes outside our state borders. The ethanol that we produce goes out on railroads. That's our state economy. What we're talking about is a small portion of our budget but it is the principle of taking money that is collected for a specific purpose and sending it somewhere else. I understand the Appropriations Committee had to make some tough decisions and that's great. But these are tough decisions for me. This is important that we don't raid the funds that the money was collected for. And I'll stand up and talk about the funds that are being taken out of the Brand Committee. It's only \$100,000, not much money. But it's a lot of money to them and it was collected for a specific purpose. It's important that we all remember what our job is here. Just because the committee makes a recommendation or the committee Chairman gets up and uses his dad voice and talks to us, that's fine. That's what we do here. But at the end of the day, we're still all senators. We still have the same vote. We're still friends, or at least I hope we are. We have a difference of opinion here and my opinion is AM1155 should be added back to this, that the road funds, tax dollars that are collected for this specific purpose... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HUGHES: ...should go to that. As we move through this budget process there will be lots of discussions like this. There's a lot of passion on both sides. We all have things that we believe we can spend our money on to best serve the needs of the state of Nebraska. Do we need to help those who are less fortunate? Absolutely. There's no question about that. Do we need to educate our children? No question. But at what point do you make the decision? How much is enough? I was on the school board, and they can always spend more money. They always have more needs, just like a Road Department does, just like HHS does, just like my farm does. There's always things I could spend more money on. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR HUGHES: But we have to prioritize. Thank you, Mr. President. [LB327]

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SENATOR KRIST: Thank you, Senator Hughes. Senator Bolz, you're recognized. [LB327]

SENATOR BOLZ: Thank you, Mr. President. I would ask for the body's indulgence as I talk about cash fund usage in the budget overall. So I think it's a good discussion to think about where funds are coming from, where they're going, how we use different revenue streams. And this budget does use some cash-funded sources to balance the budget. That's not generally always the way that we do business, but it's not atypical either. We did make some decisions given the unique fiscal year that we're in. But cash funds are funds that typically have sources from fees like the State Game and Parks revolving fund, which is funded from park entry permits and cabin rentals and other things and it's used for things like maintenance, law enforcement, and other expenses. But some cash funds rely on the state budget only to fill that fund and unless we appropriate, we can't make expenditures. Cash fund requests are frequently included in the agency budget requests. Some cash funds proactively allow for transfers to the General Funds and some prohibit that without the statutory change that comes through the Appropriations Committee. And in those cases, that statutory change has to be voted through the body just like any other statutory change. There are some cash funds that we typically use, we've used every year during my time on the Appropriations Committee, which is five years now, and we even used some of those typical cash funds in LB22, which was already passed by the...this body this year. Some of those funds are the Securities Act Cash Fund, the Tobacco Products Administration Cash Fund, the Ignition Interlock cash fund, etcetera. Sometimes agencies build up cash funds for specific purposes. For example, in the 2017-19 budget, the Department of Motor Vehicles used their cash funds to replace the vehicle title and registration system. Other times cash funds build up because user fees outpace demand for expenses as authorized by the cash fund, so the Ignition Interlock cash fund is a good example of that. The fees that come in through the Ignition Interlock Fund don't spend out on the purpose for that fund as quickly as they mount up and so sometimes we pull those back into the General Fund. Professional licensing boards and commissions also have cash funds. For example, the Governor proposed use of the Real Estate Commission's cash fund and the Appropriations Committee proposed use of the Engineers and Architects cash funds for budget purposes this year. So, colleagues, my point here is that there are all kinds of cash funds that are built up and used for all kinds of different purposes. And I think the committee did its very best job possible to look at each cash fund on a case-by-case basis, decide which funds were appropriate for which uses, take consideration of existing plans and purposes and, when appropriate and possible, pull cash funds into the effort to balance our budget. And the effort to balance our budget, I'll remind you, goes to those top-line priorities: fully funding our pensions; making sure that our healthcare provider rates don't dip too low; preventing tuition increases of double digits. So, colleagues, I hope that you'll look through your budget book again and look through the different types of examples of cash fund utilization that the Appropriations Committee proposed. And you may even want to revisit LB22 and look at some of the conversation and debate that was proposed originally by the

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Governor in his transfers of cash funds. These are funds that are brought through various reasons and have various purposes and we did our best to be diplomatic. [LB327 LB22]

SENATOR KRIST: One minute. [LB327]

SENATOR BOLZ: Now, back to the discussion about the Medicaid Intergovernmental cash fund, I appreciate that we're looking for opportunities to discuss different types of priorities. And the intergovernmental cash fund is something that we actually had to utilize to...for budget-balancing purposes already; in fact, we pulled \$20 million from the Health Care Cash Fund in order to achieve our goals, mostly with an eye towards protecting those healthcare provider rates in the state budget. So there was a connection between the Health Care Cash Fund and our goal of maintaining Medicaid provider rates into the future. I will take a look. I think that there are some restrictions on some of those transfers and some of the utilization of that fund, so I'll take a look to make sure that we're complying. But at the end of the day, those purposes were pulled together when we were considering the utilization of the Health Care Cash Fund. And those types of considerations were made every time we advanced an initiative to use any type of cash fund. So I appreciate the body's attention to the dialogue about cash funds and I'm sure we'll have more. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Bolz. Senator Wishart, you are recognized. [LB327]

SENATOR WISHART: Thank you, Mr. President. I rise today in support of LB327. First I want to thank the Fiscal Office for their work on putting together this budget. I also want to thank my Appropriations Committee members for their counsel, their mentorship, and their diligence putting together this budget. And I especially want to thank Senator Stinner and Senator Bolz for their leadership. There are no two people I would have rather had lead us through this challenging process than them. Colleagues, this is a good budget. Is it perfect? No. Did I lose battles in committee on issues that were important to me? Yes. There is no beating around the bush that without additional revenue we had to make significant cuts to our budget. I believe that this budget does the best with an extraordinarily tough situation and I'm proud of the work we bring to you today. 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 when making 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 most importantly, what is the human impact of these cuts we are making? Are we cutting important services to our most vulnerable community members such as those with developmental

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disabilities, and are these cuts we're going to make going to cause significant cost in the future, like cutting preventative healthcare? What we have brought to you today is a budget that I believe takes into account all of these metrics. I am happy, colleagues, to look at efficiencies with all of you over the next four years of our service. There are many creative ways that we can reduce our expenses: supporting telehealth innovations that reduce expenses for providers, especially in rural areas; increasing the amount of people in our prison system who qualify for work release and, therefore, reducing the cost of housing an inmate by over half. And the list goes on. What we have created today is a budget that gives us the time to strategically look for efficiencies in sustainable ways, instead of scrambling to make reckless cuts that have negative consequences and may end up costing us additional dollars in the future. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Wishart. Senator Hilkemann, you are recognized. [LB327]

SENATOR HILKEMANN: Thank you, Mr. President. I rise to talk. We've had this discussion about we can't be using money from General Funds or we're lapsing these funds back in. And I want to come on one of our pages there. When we've put our General Funds, our federal funds, our revolving accounts, we're looking at a \$10 billion budget each year and that accounts for about \$540 for every man, woman, and child in the state of Nebraska. And we're looking at the \$4 billion portion over here that we have some control over, the General Funds. Just want to remind that we are all Nebraskans and we're all in this together. Every person has a stake in here. And, you know, I was thinking back to my father. On the farm he always tried to have more than one...he was...he liked feeding cattle but he also had his grain operation, he had a hog operation, he had a poultry operation, because if one was doing well, maybe the other wasn't doing so well and he...well, that's a little bit how we are here in that we have...if you have an agriculture operation which you're all together in and you're doing pretty well over at the...if you have money that's over in your budget for the cattle-feeding operation, you're not doing quite so well in agriculture, why would you not take money that you've got extra in your feeding operation and help your agriculture? Doesn't mean you're going to take the...you're going to stop your agriculture, your cattle-feeding operation, but you've got some excess. It's only good money management, and I appreciate that Senator Stinner went through all of these organizations. Senator Stinner, are you available for a question? When you were... [LB327]

SENATOR KRIST: Senator Stinner? [LB327]

SENATOR HILKEMANN: When we had the discussion on the Roads budget, and I know you had gone through their ten-year, what was about the maximum draw down that they had of cash? Do you remember that number? [LB327]

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SENATOR FRIESEN: In Roads or are you talking about... [LB327]

SENATOR HILKEMANN: Yeah, in the Roads. [LB327]

SENATOR FRIESEN: You know, I don't remember that number. I'd hate to give it out because, unless I go back and research it... [LB327]

SENATOR HILKEMANN: Okay. [LB327]

SENATOR STINNER: I kind of need to do that. [LB327]

SENATOR HILKEMANN: It would seem to me like when we came up with that number of the \$30 million, that it was maybe a third of what their lowest budget was in cash? Does that seem familiar or not? [LB327]

SENATOR FRIESEN: Actually it...I did not do that type of an analysis. I was really doing an analysis where the appropriations would have to be in order to maintain the construction budget that they started with,... [LB327]

SENATOR HILKEMANN: Okay. [LB327]

SENATOR STINNER: ...in order to maintain a \$4 million carryover, and in order that we didn't have an increase in gas tax. That was really the kind of analysis that I did. But on a lot of the funds that I looked at, and you saw the analysis, we did go back ten years, we did... [LB327]

SENATOR HILKEMANN: Right. [LB327]

SENATOR STINNER: ...look at cash flow, we did look at what the expense increases were. We were looking for sustainability. [LB327]

SENATOR HILKEMANN: Thank you. I remember that...okay, I was thinking that that was also how you had worked that one because you were...had been...so masterfully gone through all of those others. But at either rate, you know, as has been here, I want good roads in Nebraska and I complimented Director Schneweis the other day. I had...I took a road trip across Iowa the other day and, sorry folks in Iowa, but when you go across I-80 and you compare it with I-80 in Nebraska, they're a long ways away from where we need to be...where they need to be. [LB327]

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SENATOR KRIST: One minute. [LB327]

SENATOR HILKEMANN: And it makes a difference. And I want good roads and...but I will not be supporting this amendment because I think that to take this money, we're going to be taking it out of Health and Human Services or out of Medicaid money. I'll be talking maybe later about that. But you're...to continue to take additional resources from those who provide those services, we're all in this together and there's sacrifice for all of us. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Hilkemann and Senator Stinner. Senator Erdman, you are recognized. [LB327]

SENATOR ERDMAN: Thank you, Mr. President. I've been listening to the discussion this afternoon about the budget and the Appropriations Committee worked long and hard bringing the budget that they did. That's not to say that the rest of the committees didn't work long and hard at what they did. Those people on Appropriations Committee signed up to be on the Appropriations Committee and when you sign up for that position, those are the things that you do. And so it's hard work being on HHS and Education and being on Judicial (sic) and all those other committees are hard as well. All right? So you bring your budget out here and you present it to us and then we have a discussion, and that's what we're having. And while I'm here speaking, I want to say something about Senator Kolterman's comments earlier. Senator Kolterman seemed to call me on the carpet for my red vote on call of the house. When I vote red on call of the house, I don't care if those people come back. Okay? You can vote red or green on call of the house and I vote red when I don't want them to come back. When I want them to return, I vote green. That's my prerogative and I'll continue to do that. And if I want to put an amendment on somebody's bill on Final Reading, I'll place their...an amendment on somebody's bill on Final Reading and I don't need to get Senator Kolterman's permission. All right? We're all senators in here together; none is greater than the other. We're senators. All right? If I don't like a bill, I'll drop an amendment on the bill. That's the way it is. Somebody drops one on my bill, that's the way it is. We got to understand that. So as we go forward looking at what we did to the Road Department and their money and taking their revenue, I agree with Senator Hughes. He said when we put those things in place, they're for a specific purpose and they should be used that way. And I understand what AM1155 does. I think we should put it all back. We ought to build some roads. We've been a long time trying to build roads and get enough revenue to do that. And so I think that we put it back. There are a lot of things that we have funded that we need to look at. And I'm glad we're going to have this discussion. And as the Speaker and I visited earlier, it gets a little short tempered in here as the time gets late and we start talking about things that are controversial or have different opinions on them. That's the way it is. So moving forward, if you see me throw up a red light when call of the house, don't lose your mind over it. That's my prerogative. If I drop an amendment on your bill, get over it. Okay? That's the

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way it is. So going forward, let's fix this bill and make it like it should be and let's move forward. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Erdman. Senator Vargas, you're recognized. [LB327]

SENATOR VARGAS: What was that, Senator Wayne? Yes, thank you very much, President. I would...I know we've had this conversation a little bit about this specific amendment with Friesen. I do stand in opposition. I've learned a little bit more, you know, and part of the reason is because I think we've received more information around the sustainability of this fund and the need and what it actually impacts in the long run. And so I just wanted to make sure that I share that I stand against this amendment, still in support of LB327 as we've worked tirelessly to ensure that we are putting forward a budget that prioritizes what we from our committee that is meant to be balanced based on the structure in the Committee on Committees to put forward a budget that is doing the best by Nebraskans and doing the work to make sure we are doing everything we can to prioritize. With that, I'm happy to yield my time to Senator Stinner if he would so need it, or anybody. Oh, no, he's not. Okay. Senator Stinner, happy to yield my time if you so... [LB327]

SENATOR KRIST: Senator Stinner, you've been yielded 3:50. [LB327]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, I won't use my dad voice. I do want to rerun a couple things that we talked about, or that I was yelling about, apparently. But our criteria was, and you need to understand this, our criteria was we did not want to trigger a gas tax increase. Our criteria was that we were going to maintain a construction budget equal to or maybe even a little bit greater than what the request was. Our criteria was to try to put \$4 million extra into the carryover. So we've accommodated all these things that they had asked for, that we believe in. We believe in roads. We believe to have a consistent construction base. And as I said, I mean, I'm a big believer in roads, I'm a big believer in the director. The director, from time to time, when I've talked to him, he actually talks about design/build. Design/build was supposed to save, not...by accelerating projects, save the Department of Roads \$10 million, \$10 million a year. That's not in my analysis. When I took a look and we did the cash flow, based on the analysis I gave you, the base actually increases 2.1 percent and 3.8 percent, year one, year two. What have we done to the base on everybody else? We've decreased. But we're saying, no, we have to have the exception here, we're going to make these roads exceptional because this is what we...it's unprecedented. Well, it's unprecedented to have gas tax or sales tax being contributed. It's unprecedented that we would do a \$50 million Cash Reserve transfer, although I was 100 percent behind that. That accelerated an expressway project that we need to have. We have not done anything with this transfer to interfere with any of those projects. The other thing that I want to point out is this amendment actually lowers the appropriation

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amount and actually lowers the construction budget. You need to understand that. With that, obviously, then the gas tax goes down. That was never part of any request by the department, by the Governor, or certainly in ours. So if you want to change the criteria and say, oh, we'll save in gas tax, I guess this is a way to do it. But I think it's also very disingenuous for folks to say we got to cut and cut and cut and then exclude roads. That's just absolutely...boggles my mind that you could come to that conclusion... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR STINNER: ...just because it sets a bad precedent. Well, let me tell you something, \$1.1 billion in shortfall sets a bad precedent. It creates a whole new environment that we have to work in, that we have to work through. And that's what we tried to do is to try to be fair and balanced. We talked about shared pain. You've heard me talk about it. But we also in Appropriations tried to be fair and balanced. We got down to where we couldn't cut anymore or didn't see it where we could cut without doing long-term harm. Now you've got to understand the total picture of the budget. You get down to a certain level and behavioral management 101 kicks in. That means if you cut so far, all of a sudden you've consolidated jobs, you've discontinued programs, you've created a heck of a morale problem and, guess what, you lose your A players first in that environment. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR STINNER: So that just starts that spiral, downward spiral. We did not want to get into a position to where we did long-term harm. We wanted to bridge the gap. We were looking for opportunities and we're the gatekeepers on this. We don't have to ever go back to Roads. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR STINNER: This is a special case. Thank you. [LB327]

SENATOR KRIST: Time. Thank you. Thank you, Senator Vargas and Senator Stinner. Senator Friesen, this is your last time. [LB327]

SENATOR FRIESEN: Thank you for that, Mr. President. So I don't have an angry dad voice like Senator Stinner, but he does kind of remind me of Senator Mello from my years past. So again I just...I guess I'll state for the record. When we talk about programs and what Department of Roads has done in the past and where we've come in the past ten years, we talk about property

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taxes, we talk about school funding, when we had a nice bill that dealt with school funding, LB640, turns out schools didn't want to give up their levy authority on property taxes because they didn't trust the state to fund state aid. And so I use that same analogy here. We told the people that we were going to raise their gas tax, we were going to take a portion of their sales tax, and we were going to improve the infrastructure to this state, and the first time we get into a little jam we cut the funding, take money away to fix our other problems where we've overspent in the past or because of a revenue shortfall. We've all had to deal with this. But roads is one of our basic services that the state should provide is our infrastructure, the safety of the roads, the number of people getting killed on those two-lane highways. And so when we look, we've dealt with other...we dealt with things all three years that I've been here dealing with roads and how we speed up construction, how we put more money into it, and how we finally get our expressway system done in the future. And now we start nibbling into the funds. I was compromising. I thought \$15 million was enough. And if you didn't use creative transfers, if you do take \$30 million, it would trigger variable gas tax rate. So again, look at this, decide what the state's main core purposes are, look at how much we've neglected our roads in the past. If we would have spent money on roads in those years when we did only maintenance and didn't do any construction, it, looking back, I think it would have saved us a lot of money. Inflation cost, the cost of a road has gone up so much we are not playing...we are not by any means catching up. We are just finally completing a project that should have been completed 15-20 years ago. And we're still not adding any other new projects to speak of. You look at the cost of the Lincoln South Beltway and what those costs have increased from the days they started planning it until the days now when they're finally starting to see the light at the end of the tunnel and the costs have skyrocketed. Anytime we delay a project in roads it costs us more down the road. That was figuratively speaking. So think about the budget long term. If you don't like where the money is coming from, come up with a different solution. I had to come up with mine, so come up with your own. I'm good with that. But look at how much we're taking out of Roads and, yes, you can say that it's just a fraction of their budget, but again, it's a user tax, gas tax. Yes, they get some sales tax money. [LB327 LB640]

SENATOR KRIST: One minute. [LB327]

SENATOR FRIESEN: But in the end, one of our core functions--provide a good roads system for economic development in this state--let's keep it intact. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Friesen. Senator Morfeld, you are recognized. [LB327]

SENATOR MORFELD: Thank you, Mr. President. First off, I want to thank Senator Kolterman for his remarks. I think it is important to remember to be collegial in the body and to give people the respect of getting to a vote and also giving people a heads-up from time to time, too, if you're

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about ready to do something. I don't appreciate Senator Erdman's I'm-going-to-be-a-jerk-and-just-deal-with-it comments too much, but I think it only goes to Senator Kolterman's point. In regard to AM1155, I know that Senator Friesen backed off on where the funds would come from, but I have to note that the type of fund that he originally noted that this was going to come out of, I do take issue with. And I don't think it's any surprise that I would take issue with this. I have consistently supported funding for infrastructure and roads. I voted for the gas tax increase and then watched the hypocrisy of many of those who opposed it then go around the state and talk about and tout all of these awesome roads projects even after they went after and defeated several incumbents just for that issue, so that hypocrisy is kind of interesting to watch. And in supporting those infrastructure projects, I supported them because it's important that we have a strong economy, that both greater Nebraska and urban Nebraska have good infrastructure to be competitive. And quite frankly, I think I'm done supporting those projects until this body takes seriously investing in the people that build those roads. We'll consider taking \$15 million out of this Medicaid fund but we won't consider taking \$15 million out of this fund to go and support Medicaid expansion so 90,000 working Nebraskans can have affordable healthcare, so that those families that build those roads don't go bankrupt when their kid gets a broken arm or maybe they break their arm and they're not covered on the job for whatever reason. It's unbelievable to me that we sit on this floor and so casually introduce amendments to help with road construction when that same amount of money can be spent to provide 90,000 Nebraskans affordable healthcare. I will not support AM1155 and I'm not going to support building roads and other infrastructure until we start investing in the people that build those roads. They're working Nebraskans. They're people overwhelmingly in my district, the type of laborers and other individuals that build these roads, build this infrastructure so that people in greater Nebraska can get their goods and products across the state and into the markets. But yet it falls on deaf ears among the person that introduces this amendment and some of the people that support it that there are working Nebraskans that need affordable healthcare, need affordable healthcare so they can build their roads. It's shameful. I'm going to stand up and I'm going to talk a lot more about it as we talk about this budget and as people make adjustments to it to fund their roads and their infrastructure but they won't make the same investments in their fellow neighbors, family members, and Nebraskans. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Morfeld. Senator McDonnell, you are recognized.
[LB327]

SENATOR McDONNELL: Thank you, Mr. President. As a new member to the Appropriation, one of four new members out of nine, I would like to thank Senator Stinner and Senator Bolz, as Chair and Vice Chair of Appropriations, for their patience through the process, their dedication, their passion. There's an old saying: You can't manufacture passion, it's got to come from the heart. They have passion. Talking about people that, all of us, that have served in different committees, some of us that are brand new here, and everything that we're...we've learned and

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experienced and in talking about AM1155, Senator Friesen, I don't disagree with anything Senator Friesen has said, nothing. I don't support his amendment. I support AM590 and LB327. And that's kind of strange. If you agree with everything someone says, how can you disagree with their amendment? During Appropriations, as in all the committees, at certain times you had different people come in that work for the state or that are citizens and pull at your heart strings. Through this whole process with Appropriations, the first day I started talking about something that had to do with horse racing, something that had to do with testing horses. That was important. It still is important to me. There's a horse track in my district. Those are jobs that I want to make sure we secure. Every day that went by I learned something different, I heard a different story about a citizen that was struggling, about how our commonwealth, our tax dollars goes to help that citizen. One day we talked about David (phonetic). We were talking about foster care. They came in and they said David is 12 years old, David was going abandoned house to abandoned house with his grandmother, no running water, no electricity, and just trying to survive day to day out of a trashcan, a 12-year-old boy and his grandmother in the state of Nebraska. None of this is perfect. This is far from perfect. And I understand all of the issues we all have and all the questions we have and the ideas we have. I'm just saying as we go through this process, please keep in mind David or, during your hearings, what you heard about citizens that came to you. And I know you all will. There is no doubt about the 49 people that are on this floor. You're here because you care. You're here because you want to make a difference. Now how do we get there as a group? How do we get there as a state? And I know that's not easy. It's easier said than done. But please, as we go through this process, remember David when we're talking about some of these issues that are very important to all of us. Like to yield the remainder of my time to Senator Pansing Brooks. [LB327]

SENATOR KRIST: Senator Pansing Brooks, 1:50. [LB327]

SENATOR PANSING BROOKS: Thank you, Mr. President. I had intended to get up and speak at some point and I've been sort of waiting, and then Senator Erdman basically raised the issue. And I would just like to say that as a body I think it's really important that we keep kindness and courtesy and acknowledge the humanity of the people in this room. Yes, you can bring whatever dang amendment you want whenever you want. You can be as dogmatic and jerky as you want to be. You can decapitate your colleagues, hopefully figuratively, but why not communicate? Why wait till the 11th hour? This is not about "gotcha" politics. This is about representing the people in Nebraska. It's about the fact that each of us represents almost 36,000 people. So when you're disrespecting me, you're disrespecting the 36,000 people I represent. And maybe you're just fine with that and, you know, that's part of how I don't take most of this personally... [LB327]

SENATOR KRIST: One minute. [LB327]

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SENATOR PANSING BROOKS: ...is because I recognize the fact that you're being as rude as can be to the people of Nebraska whom I represent, whom Senator Hilkemann represents, whom each of us represent. So I think that was part of the problem of the whole gang of 27 coming in. It was a tenor of slash and burn. It wasn't a tenor of kindness or respect or intention to validate and acknowledge and respect the people whom we represent in our districts. So I would ask that we continue to try to communicate with each other. It's just as easy to come and tell me three days before that you have some issue with my bill rather than right before I'm about to stand up on Select. Isn't that better that we can communicate with each other instead of trying to play some sort of "gotcha" politics? Let's respect each other. Let's communicate. Let's figure out how to make this work. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR PANSING BROOKS: Let's help this state go forward. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Pansing Brooks. Mr. Clerk, any announcements? [LB327]

ASSISTANT CLERK: I do, Mr. President. Amendments to be printed: Senator Schumacher to LB327; Senator Krist to LB333; Senator Kuehn to LB331. Motion from Senator Linehan to place LB651 on General File pursuant to Rule 3, Section 20(b). (Legislative Journal pages 1220-1221.) [LB327 LB333 LB331 LB651]

And finally, Mr. President, a priority motion. Senator Briese would move to adjourn until Wednesday, April 26, 2017, 9:00 a.m.

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