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Floor Debate
May 03, 2017

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PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Good morning, ladies and gentlemen, and welcome to the George W. Norris Legislative Chamber for the seventy-fifth day of the One Hundred Fifth Legislature, First Session. Our chaplain for today is Pastor Jack Whitcomb of the First Congregational Church of Christ in Stockville, Nebraska, Senator Hughes's district. Please rise.

PASTOR WHITCOMB: (Prayer offered.)

PRESIDENT FOLEY: Thank you, Pastor Whitcomb. I call to order the seventy-fifth 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: Mr. President, Enrollment and Review reports LB332 and LB171 to Select File. And the bill read on Final Reading last evening was presented to the Governor at 9:12 (re LB427). That's all that I have. (Legislative Journal page 1297.) [LB332 LB171 LB427]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Senator Kolterman, for what purpose do you rise?
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SENATOR KOLTERMAN: Point of personal privilege, please.

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PRESIDENT FOLEY: Please proceed.

SENATOR KOLTERMAN: Thank you, Mr. President. Before I get started, I want to take an opportunity to make a few thank-yous and thank the body for a lot of things that have happened to me over the past six months or more. On June 17 of last year, many of you know my wife was diagnosed as being stage 4 pancreatic cancer, inoperable and terminal. We were told the day that we found that out that she had 60 days to live unless we got real aggressive with chemo. It was probably the toughest day of my life. As we've worked through this, my wife today is getting her...finishing up her 21st treatment, each treatment is 50 hours of chemo. You guys have been with me all the way, and you don't know how much I appreciate that. I have a committee-- Senator Lindstrom, Senator Stinner, Senator Bolz, Senator Kolowski, Senator Groene--that have helped me schedule. Four of them are committee Chairs. And as you know, Retirement meets over the noonhour. They've worked around schedules for me. They've chaired committees for me, Senator Lindstrom, so I could present bills and we haven't missed a beat. So I need to thank them personally for all of the hard work and dedication. We met at 4:00, 5:00 in the afternoon, right after they got done with a full day. I just want everybody to know how much I appreciate that. I have a staff: Kate Allen, Katie Quintero, and David Slattery. Many of you know David lost a son this year during the session. It's been a very difficult session. But we've gotten through it because of all of you. Speaker Scheer, whether we call him Senator Scheer or Bro, wherever he's at, thank you for working with me. He stepped in when I needed to go to chemo a couple of times. He even introduced a bill for me. Patrick and his staff and the Red Coats and the lobby have all been wonderful people. And I just want you to know that you're all like family to me. All of you are colleagues and I appreciate that. My wife and I are blessed beyond belief, and I just want to say thank you. And now as we move into LB415, I want to have full and fair debate. I know there's a lot of concerns out there. I want to have all the questions answered this morning. Don't hold back because there is a lot of unanswered questions that need to be answered. With that, thank you for giving me the time to speak and I appreciate it. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Mr. Clerk, we'll now proceed to the first item on the agenda, General File, 2017 committee priority bill.

CLERK: Mr. President, LB415 is a bill introduced by Senator Kolterman. (Read title.) The bill was introduced on January 13, Mr. President; referred to the Retirement Systems Committee. The bill was advanced to General File. There are committee amendments pending. (AM923, Legislative Journal page 975.) [LB415]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Senator Kolterman, you're recognized to open on LB415 and you previously informed me that you want to combine your opening with the

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opening on the committee amendment so it's sort of a joint opening and we will allocate the time accordingly. So please proceed. [LB415]

SENATOR KOLTERMAN: Thank you very much, Mr. Speaker. Again, good morning, colleagues. Before I begin my introduction, I want to let senators know that this morning I e-mailed three actuarial reports to you on benefit changes in this bill as it's amended. This requirement is specified in legislative Rule 5, Section 15. We just received this actuarial report last week, and I got it out to you as soon as we had a chance to evaluate it and you'll hear about it in my introduction. Before I get into the background information and description of the bill, I want to restate something that I've said many times. I support fully defined benefit plans for public employees as long as they're well funded and sustainable. In order to achieve that goal, I believe it is necessary to monitor events and cause funding impacts along the way and to make adjustments before plans get into funding difficulties. I believe that being proactive is acting responsibly. Decreased funding can happen quickly and for a variety of reasons. For example, in 2014, the actuary projected that the school plan would be 100 percent funded by 2019 and no actuarially required contributions were projected for the state for at least 30 years. But a number of things have happened since 2014 and now the school plan is projected to be 100 percent funded in 2041. So we've gone from 2014 to...or 2019 to 2041. And the ARCs are projected to begin in 2020 and increase every year after that for 18 years. So what happened? Since 2014 there have been two years of low investment returns--3.9 percent in 2015 and 1.6 percent in 2016. And an Experience Study was conducted which resulted in two major assumption changes. Beginning July 1, 2017, the assumed investment rate will be reduced from 8 percent to 7.5 percent and the new mortality tables will be used in each plan to reflect the fact that the plan members are living longer. While the mortality experience is great news for our plan members, they're living longer, it's an expensive news for the plan. When defined benefit plan members can retire in their 50s but mortality experience indicates they're living much longer, it means that benefits are likely to be paid over a longer period of time. The actual cost of the plan for the change in the mortality assumptions far exceeds the cost of reducing the assumed rate of return. My overall goal with the introduction of LB415 are to reduce long-term funding impacts, ensure there are bona fide separations of service and no sham terminations and encourage public employees to work longer and to work until they're truly ready to retire. I've been meeting and working since last May with representatives from the school employees, NSEA, school administrators, and NPERS and have continued to meet with all interested persons and school groups since the bill was introduced. Even as of yesterday, we were still meeting with people that have an interest. Elimination of the exceptions to the 180-day separation of service: Currently in the school plan, a 180-day break in service is required for members who terminate or retire after they can return to work. However, there are current exemptions to this break in service. For example, members may return if they provide intermittent unpaid voluntary or bona fide substitute service. That's intermittent unpaid voluntary or bona fide substitute service. NPERS has raised a number of concerns about these exemptions. Under the best-case scenario, there

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appears to be considerable confusion and uncertainty by schools and terminated employees in determining what constitutes intermittent service. Worst-case scenario, these exemptions are being intentionally manipulated and abused. Since NPERS is required to respond to all questions about substitute service and review any potential violations, the agency spends an enormous amount of time investigating circumstances and scenarios created by employees who return to work and provide substitute service within that 180-day period. IRS compliance for qualified governmental plans requires a bona fide separation of service for every member. Currently there are numerous examples of school members who file for retirement and sign up for substitute teaching in the same week or month that they retire. It's difficult to argue that the terminated members or retirees intend to have a bona fide separation of service under these circumstances. In order to aid NPERS and ensure that the committee and NPERS are doing their jobs to make sure these plans are in compliance with IRS requirements, it is my goal in this bill to draw a bright line about what constitutes a bona fide separation or break in service. Under the changes in LB415, retirees or terminated employees will be required to sit out the full 180 days. That means no substitute service and no voluntary service. Now we have an amendment that will make a change to that, but I'm talking about the green copy right now. I have heard concerns about the need for substitutes, and I appreciate those challenges. However, this change does not remove former plan members from the substitute pool forever. It just delays their ability to substitute for 180 days. School districts will need to build this 180-day delay into their awareness of who is available to substitute. And members will need to reframe their thinking about returning to work. It may require additional planning, but it can be accomplished. Since the Great Recession, pension reform has been enacted throughout the country, which among other benefit changes has included increasing the minimum retirement age. As a result, among all states' retirement plans, approximately 90 percent of the plans have a minimum requirement age of 60 or higher. Ours currently has 55. That will not change for anybody that's in the plan. In the school plan prior to 1997, there was a rule of 90, with a minimum retirement of age 60. In 1997, it changed to the current rule of 85 with a minimum retirement age of 55. LB415 as introduced proposed returning to the rule of 90 with a minimum retirement age of 60. Currently in the school plans, the minimum retirement age under the rule of 85 is 55. Under LB415 as amended by the committee, under the rule of 85, the member must be at least 60 in order...at least age 60 in order for age and years of service to meet the rule of 85 and qualify for a full retirement benefit. In addition to encouraging employees to work longer, increase the minimum retirement age to 60 is also consistent with the 2016 Experience Study findings which indicate that members are living longer and, thus, collecting retirement benefits for longer periods of time. In order to encourage members to work until they are truly ready to retire, we have to look not only at the minimum age of retirement, but we also look at the practice of retirees returning to work after retirement and earning additional retirement benefits, a practice known as double-dipping. In some cases, the employees intend to return to work either with the same employer or work for another government employer with a retirement plan. The committee has expressed concerns about this practice for several years. During 2015-16, the Retirement Committee worked with the

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Nebraska Public Employee Retirement System and the state actuary to collect and analyze data on employees who have retired and then returned to work. The March 2016 Return to Work Actuarial Study indicated that between 2011 and 2015, that's a four-year period, 867 school retirees returned to work and 140 school members returned to the school plan a second or even in some cases a third time for additional retirement benefits. Though the actuary stated that the evidence did not point to significant actuarial cost to the NPERS plan from the actuarial perspective, administrative costs and resources are required to determine subsequent retirement benefits. As the number of retirees returning to work increases, the additional administrative work can increase dramatically. There are also financial impacts of reemployment after retirement on the plan, as stated in the actuarial report, and I want to read that for you. In general--this is from the actuarial report--In general for members who are eligible to retire with unreduced benefits and earlier retirement will result in high liability and cost for the system. Benefits are paid for a longer period and funding must be accumulated over a shorter period. Therefore, if the working after retirement provision shift retirement patterns by incenting members who are eligible for unreduced benefits to retire and then return to work rather than continue in employment, there could be a cost impact to NPERS. For this reason, the age at retirement is a key data element in our analysis. The more generous and easily accessible the working after retirement provisions, example, shorter break in service, ability to concurrently receive full retirement benefits and salary, etcetera, the greater the additional value to the member and the more likely earlier retirement will occur. The provisions of LB415 seek to address some of these issues. In order to address this issue, another policy change in the bill is aimed at those retirees who seek reemployment after retirement. Again, the goal with this change is to encourage members to remain working until they are truly ready to retire and to discourage members from retiring at the earliest age possible with the intention of collecting retirement benefits and returning to work as soon as possible. It's also aimed at making sure that there are no sham retirements which are disallowed by the IRS. Based on these policy objectives under LB415, a very important new requirement is added in order to provide accountability. Both the employee and employer must certify that there are no prearranged agreements to return to work with the same employer in any capacity, which includes, for example, as a consultant or as a private contractor. A number of other states have enacted this requirement in order to address concerns about sham terminations. These certifications will be signed under oath and under penalty of law for false certifications. I've also added a three-year separation of service requirement for employees who take an early retirement inducement, also referred to as voluntary terminations or buyouts. This requirement is specifically put in place to prevent plan members from taking an early retirement incentive and then returning to work right away after as a substitute during the 180 days or returning to work after 180 days, both of which are all currently allowed. It doesn't make sense that a member can get a retirement benefit, an early retirement incentive from a school district and then return to work after only 180 days and earn a salary and possibly earn another retirement benefit. That's just not double-dipping, that's triple-dipping. I want to remind you what the actuary said in the working and retirement study. The

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more generous and easily accessible the working after retirement provisions, the shorter the break in service, the ability to concurrently receive full retirement benefits and salary, the greater the additional value to the members and more likely early retirement will occur. I received some pushback on this new requirement that requires the three-year separation of service if an employee takes an early retirement inducement: buyout, voluntary agreements, however it is described. But I think it's important to point out that the parties that are raising the objections are the same parties who have absolutely control over whether or not these buyouts are offered and whether they are accepted. This is completely within the control and discretion of the local school district and each employee. If the employee wants to be able to return to work after 180 days, then the employee should not accept the incentive. If the district thinks it would like to have the employee return to work after 180 days rather than waiting three years because they would need to...they need that skill or expertise, then the district should not offer the employee an incentive. It's that simple. I want to be clear. This policy change does not prevent members who take an early buyout from working after retirement or termination. For example, retirees are free to work in the private sector at any point in time after terminating or retiring as a public plan member as long as they're not working directly or indirectly for either of the school retirement systems. Retirees are terminated employees and terminated employees are also free to work again for the same employer, however, there must be a 180-day break in service for all school and Omaha school employees before returning to work unless the member received an early retirement incentive. Then there is a three-year break in service requirement. That will be amended with a friendly amendment down to two years, which you'll see in a little bit. Finally, there is public perception, there is a public perception problem about double-dipping that we have to acknowledge and we have to address. We hear from constituents who are angry about employees retiring and returning to work and earning second, even third retirement benefits. Most taxpayers employed in the private sector do not have an employer-sponsored retirement plan. If they do, it's likely to be a 401(k) plan. Taxpayers expressed resentment about their tax dollars funding a better retirement benefit than they receive in the private sector. But taxpayers are particularly resentful about the tax dollars funding multiple retirement benefits for public employees who are sometimes second and third retirements. While I believe defined benefit plans provide some retirement security to our employees who have dedicated years of service to the public, in order to retain these plans, we need the support of the taxpayers and the need to be responsive when taxpayers raise concerns to us, particularly about fiscal fairness in issues. The proposed changes in LB415 which aim to encourage plan members to work longer and work until they are truly ready to retire discourage double-dipping and avoid sham terminations. These changes are in part intended to respond to practices the public find unacceptable. As I said at the beginning, I support fully defined benefit plans as long as they're well funded and sustainable over a long period of time. Making changes to the plans before funding crisis occurs I believe is acting responsible. We had some important information presented to us in 2016. The 2016 Experience Study revealed the mortality experience of our plan members shows that they're living longer and, thus, collecting retirement benefits over a longer period of time than currently

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anticipated. And the Working After Retirement Study documents the number of school plan members who are working to work a second and sometimes third time. In that study, the actuary confirmed that the more generous and easily accessible return-to-work provisions, the more likely earlier retirement will occur, which results in retirees collecting benefits for longer periods of time. The actuary also pointed out when members are eligible to retire with unreduced benefits at an earlier age, retirement will result in a high liability and cost for the system because benefits are paid for a longer period and funding must be accomplished...accumulated over a shorter period. Taxpayers have voiced their displeasure with double and in some cases triple-dipping. Also, given the mortality experience of plan members living longer and the trend throughout the country that employees are being required to work until at least age 60, I believe it's important to encourage plan members to work until they are truly ready to retire and to require new employees to work longer. If an employee wants to return to work after termination retirement, there needs to be a bright line separation of service. And if someone has accepted an early retirement incentive, that separation of service requirement is justifiably extended to two years. In the green copy, in the school and Class V employee retirement plan, a rule of 90 with a minimum retirement age of 60 was proposed and, in the green copy, for employees who become members on or after July 1 of 2017. In the school plan, all exemptions for service can be provided during the 180 break in service would be eliminated, which includes intermittent, voluntary, or substitute service and service provided by the Nebraska Department of Education, as provided in 79-920. Retirees or terminated employees would be required to sit out the full 180 days. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLTERMAN: So that's the bulk of what we're talking about here, folks. And then I would go on to tell you that there is a lot of other bills inside this bill. LB31 deals with employees...retirement acts for employees hired after a certain date being able to purchase credible coverage. We allow an employee to purchase credible coverage, but we don't allow a school district to purchase it. That came out with no opposition at the hearing. That was LB31. We had LB32, which is a bill that was brought to us by Senator Watermeier that allows in the retirement system plans for county officials, old plans to be paid out on an annual basis instead of a monthly basis. We had some people that are getting paid \$10 a month. LB110 had no opposition. [LB415 LB31 LB32 LB110]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR KOLTERMAN: Thank you. [LB415]

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PRESIDENT FOLEY: Thank you, Senator Kolterman. (Doctor of the day and visitors introduced.) And finally, the scones being distributed on the floor today are in celebration of the birthday of Senator John McCollister. Happy birthday, Senator McCollister. Proceeding on the bill, Mr. Clerk. [LB415]

CLERK: Mr. President, I have amendments to the committee amendments. Senator Kolterman, you had filed AM1000. But I have a note, Senator, you wish to withdraw that and substitute AM1230. [LB415]

SENATOR KOLTERMAN: Yes. Yes, I would. [LB415]

CLERK: Senator Kolterman, AM1230. (Legislative Journal page 1280.) [LB415]

PRESIDENT FOLEY: Senator Kolterman, you're recognized to open on AM1230. [LB415]

SENATOR KOLTERMAN: Thank you very much. AM1230 is primarily...it's primarily cleaning up terminology that was brought to us by the PERB. It was brought to us by Lincoln Public Schools, Millard Public Schools. They are just things that were pointed out to us in the bill that were technical changes and they deal with things like military service credit, which we have addressed in the bill. And so I would ask that we approve that amendment. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Debate is now open on LB415 and the committee amendment and then the amendment to the committee amendment. Senator Riepe. [LB415]

SENATOR RIEPE: Thank you, Mr. President and colleagues. I rise in support of LB415 and AM923. I applaud Senator Kolterman for his, and along with his committee, for all of their hard work and his staff and this work on this very essential work of the government and of the state. And I would yield the balance of my time to Senator Kolterman. [LB415]

PRESIDENT FOLEY: Thank you, Senator Riepe. Senator Kolterman, 4:40. [LB415]

SENATOR KOLTERMAN: Thank you very much. I want to finish up on a few of the things that I couldn't get through. What we've done here, this is really an omnibus bill, so there is a lot more than just teacher retirement in the bill, and I'd like to address those issues. Thank you, Senator Riepe. As I said, LB31 had no opposition at the hearing. It makes two changes to school employees and Class V, which is Omaha Employees Retirement Act, for employees hired on or after July 1 of 2017. Credible service includes only the days and types of leave specifically

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itemized which includes working days, used accrued sick days, used accrued vacation days, federal and state holidays, and jury duty leave for which the member is paid full compensation by the employer. For employees hired prior to July 1, 2017, credible service leave remains unchanged and includes leave days. Also under LB31, the School Employees Retirement Act gives authority of the employer to purchase credible service for a member. That's deleted. So we can't have a school board or a school district buying time for a teacher or an administrator. That doesn't prevent the teacher or the administrator from buying their own additional time. Under LB32, it changes the frequency--this is a county plan--there is an old county plan that's been in existence for many years and this gives the counties the ability to change from a monthly \$10 payment in some cases to an annual payment of \$120. So there is very little meat in that bill. It is being changed at the request of some of the county officials. NACO supported that bill and that came out of committee unanimously. There was no opposition to LB110. It eliminates the obligation of political subdivisions to file annual reports directly to my office. Instead, they will now be going to the Auditor. That came out unanimously. LB219 had no opposition. That changes the mortality tables on an ongoing basis, so as mortality tables change we have the ability to change them inside the plans without coming back and getting approval on an annual basis. It doesn't...we just wanted to make sure that the proper language is in statute so that as actuaries find mortality changes, those could be changed as well. And then LB278 had no opposition. Under state, county and school retirement acts, disability is an inability to engage in a substantial gainful activity. Under LB278 as introduced, it's changed to "any" substantial gainful activity. So it's just the change in the language. They've been operating under the present system since 1997 and so that came out unanimously as well and it had no opposition at the hearing. There was some question about that. We've worked through that with the opposition on that. LB413 was a cleanup bill introduced at the request of the PERB. It dealt with members of the judges and State Patrol plans and their ability to file retirement 120 days rather than 90 days in advance. [LB415 LB31 LB32 LB110 LB219 LB278 LB413]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLTERMAN: That's taken care of under this bill. It had no opposition. LB532 dealt with the obligation the judges, state, and Patrol and state employees retirement plan with military service. That came out unanimously as well; no opposition at the hearing. And so those are the things that we've talked about as we've gone through. As you see, there are tremendous amount of issues inside this bill, but they've all been given full and fair debate. Most of them came out of committee unanimously. And I would tell you that, in my opinion, the only sticking point that I heard any complaints about was the ability to hire subs, which I'm sure we will get to here in a minute, and the ability to wait 180 days before you go back to work. With that, I gladly entertain the questions that will be coming. Thank you very much. [LB415 LB532]

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PRESIDENT FOLEY: Thank you, Senator Kolterman. Continuing debate, Senator Ebke. [LB415]

SENATOR EBKE: Thank you, Mr. President. I want to thank Senator Kolterman and the Retirement Committee for bringing this bill. I wonder if Senator Kolterman would be willing to engage in a bit of discussion. [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: I certainly would. Thank you. [LB415]

SENATOR EBKE: Thank you. Senator Kolterman, do you happen to know what the current retirement age for Social Security is? [LB415]

SENATOR KOLTERMAN: That depends on when...how old you are and when you're eligible, but for me, as an example, it's 66. If you retire early at 62, you get a reduction. I think the earliest to get full benefits is 65 if you're that age by a certain date. It's getting older. The longer you...the older you are in the system, it progressively changes. But for me it was 66 years and 3 months. [LB415]

SENATOR EBKE: Okay. I turn 55 next month and I believe that my retirement age on the Social Security reports that I get is 67. Does that sound about right? [LB415]

SENATOR KOLTERMAN: That's probably accurate. [LB415]

SENATOR EBKE: Okay. So over the course of time, the Social Security Administration has decided to increase the retirement age, up the retirement age. Do you have any idea why they would have done that? [LB415]

SENATOR KOLTERMAN: They didn't have the money and they've also changed it so based on what your income is now. If you're a high wage earner, you pay more for your retirement benefits. So the money wasn't there to fund the plan, so they just increased the benefits...or decreased the benefits by making you wait longer. [LB415]

SENATOR EBKE: And do you suppose the actuarial tables probably had something to do with that as well? [LB415]

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SENATOR KOLTERMAN: Absolutely. [LB415]

SENATOR EBKE: Okay. Do you...have you worked in your professional career with private retirement plans of any kind? [LB415]

SENATOR KOLTERMAN: Yes, I have. That's what I did for a living for 35 years. [LB415]

SENATOR EBKE: Do you know what the...what's the typical age of retirement for those folks? [LB415]

SENATOR KOLTERMAN: Well, you're not eligible to receive a retirement benefit without penalty until you're 59.5 in most cases. In some cases, there are some rules that will allow 55; but that's kind of gone by the wayside. Most people are opting to wait till they're 65; and many cases, a lot of people are now waiting till they're 70 to retire because it maximizes their Social Security. [LB415]

SENATOR EBKE: Thank you, Senator Kolterman. I think this is the issue that I've heard about, the rule of 85 and the move from 55 to 60 is something that I've heard about from a number of teachers in my district. And, you know, I understand their concern, the perception that, okay, they can't retire as early; but by the same token, I think the reality of it is this is the real world. This is the way we're all living older, to an older age and receiving retirement benefits longer. It makes sense to up that age just as we have with other retirement programs, including Social Security. With that, I would yield the remainder of my time to Senator Kolterman if he can use it. [LB415]

PRESIDENT FOLEY: Thank you, Senator Ebke. Senator Kolterman, 1:45. [LB415]

SENATOR KOLTERMAN: Thank you very much, Senator Ebke and Mr. President. Let me address that one step further. When we presented this bill originally, we had the rule of 90. We went back to the rule of 90 at the hearing in the green copy and you had to work until you were 60. But at the hearing, we heard from the NSEA that they didn't like that. So we moved it back to the rule of 85, but still left the age 60 in there. And when you make a change like that, an actuarial study has to be done. So the bill wasn't really finalized until about two weeks or three weeks ago at best. So we sent it up to have it all "reput" together. And at that point in time, we had to have an actuarial study. We just got that actuarial study back last week and, in fact, I sent it out to all members this morning. The actuarial study tells us that moving from 55 to 60 for new hires, after the effective date, will save us over \$100 million--\$100 million savings in the actuarial study. That's not chicken change. So it makes sense to make that change. And the other

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thing that I have to remind people, which is being taunted out there that's not accurate, is this will have absolutely no effect on current people in the plan. Those changes are as a result of a new tier that will be created to deal with new hires effective a certain date. So anybody that's in the plan right now will not... [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR KOLTERMAN: ...be affected by that. [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR KOLTERMAN: Thank you very much. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Krist. [LB415]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. I want to engage Senator Kolterman with a couple of questions if he would be so kind. [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I will. [LB415]

SENATOR KRIST: Senator Kolterman, I have two concerns that I just want to make sure we make a legislative record. In my background, I started with a contract with the United States Air Force and that...Senator Kolowski, could you guys move one direction or the other so I can see Senator Kolterman? It's like talking to you through a vase of flowers, right? So to...a vase of flowers or thorns. So two concerns: the first, when I started my contract with the Air Force, I knew that I could retire at a specific time at 20 years. So what we're doing here within this piece of legislation--I understand that there is more to it than just the teachers retirement--but we're not changing the contract or the contract we have with the current teachers. What happens is when you come in new, you're starting on a different track to retire at 60. Could you just confirm that for us on the mike, please? [LB415]

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SENATOR KOLTERMAN: Yeah, absolutely, that's exactly what's happening. So if you have the rule of 85 now with 55 as your retirement age, you're guaranteed that. You're guaranteed that you're going to get that. We're not taking one benefit away in that perspective. [LB415]

SENATOR KRIST: Okay. I think that's important. I think it's important because people do life planning in terms of where they start and if they have career ambitions and goals, that we should keep that goal the same. [LB415]

SENATOR KOLTERMAN: I agree 100 percent. [LB415]

SENATOR KRIST: Thank you, Senator. The second question is probably more specific to future amendments. But again, in my prior profession, there was a waiting period before you could come back to the Air Force as a lobbyist or a contractor or any of those kinds of things. In specific instances, that I agree with. However, when you have a 30-year seasoned professional who wants to come back, first of all, maybe to make ends meet because they have to continue to pay for their retire...or their insurances, right, but more so in terms of the benefit to the school system. I know there is horror stories out there about people double-dipping and that's a term that is used in my profession. But I don't see it that way. I see...and I'm going to give you the rest of my time to talk about that issue. But you've got a Baker amendment coming up and a Walz amendment coming up. I would favor the Walz amendment to eliminate that three-year waiting period completely because I think there is so many good things that come from seasoned professionals coming back in a part-time limited basis across the board. Senator Kolterman, I'll give you the rest of my time to respond to that. [LB415]

SENATOR KOLTERMAN: Thank you, Senator Krist. I appreciate that. How much time do I have? [LB415]

PRESIDENT FOLEY: Two minutes. [LB415]

SENATOR KOLTERMAN: I'll start to address that and hopefully I'll get...I'm in the queue and hopefully I'll get some more time. Let me address that specifically. The 180-day wait is in the plan currently. And it's been in the plan and it allows for a teacher to come back on an intermittent basis. By law and by IRS dictate, so to speak, there has to be a separation of service. And it varies from plan to plan. So in all the other plans it's 120 days. In the state teacher retirement plan, it's been 180 days and it's been that way for a long period of time, primarily from the perspective of usually when a person retires, they've got three months right away before they have to start again. So they really wouldn't sub until after they've been through the summer period, which is usually about 90 days. So we're really requiring them to sit out an extra 90 days. But the way it states currently, they can sub intermittently. As an example, we just had an

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example and this is the reason the PERB brought this to us. Last year we had several examples with teachers retired and the same day they retired, they put in their I'm going to come back and sub in the spring and it's going to be intermittently. Well, come to find out, intermittently was 70 days out of the first semester. That's not intermittent. And it causes a problem and what we can't afford to do is throw these plans into violation with IRS codes. So the PERB says let's eliminate the 180 days. They just have to sit it out, period, because it's being abused. And we have no way of...we don't want to have to argue every case that comes in the door. And so as an example, I think I talked about that a little bit in my opening. There were 867 school retirees in a four-year period that returned right back to work on an intermittent basis, so to speak. But they weren't just intermittent. [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR KOLTERMAN: And the PERB is constantly reviewing that. Thank you. [LB415]

PRESIDENT FOLEY: Time. Thank you, Senators Kolterman and Krist. Senator Linehan. [LB415]

SENATOR LINEHAN: Thank you, Mr. President. I would yield my time to Senator Kolterman. [LB415]

PRESIDENT FOLEY: Thank you, Senator Linehan. Senator Kolterman, five minutes. [LB415]

SENATOR KOLTERMAN: Thank you, Senator Linehan. Thank you, Mr. President. So that 180-day waiting period is being manipulated. And so what we've decided to do is just like every other bad apple, when you have so many of them, the bad apples make the whole barrel sour. We don't want to make this change if we don't have to. But the reality is it's being abused. And so we have to have that separation of service. Prior to 2000, it was an entire school year that they had to sit out. It wasn't just six months. So that's been changed over the years. That's not something that's brand new to this plan. And again, we understand the value of subs. But to ask somebody to sit out 90 days past the summer is not hurting the sub pool dramatically. Let me tell you. It's not hurting the sub pool dramatically. So as an example of that, let me give you the facts on how that works. We polled the three largest districts in the state...the three largest districts in the state to find out how many people were in that 180-day waiting period. So as an example, we had Millard Public Schools. Millard Public Schools had 13 people in that 180-day wait and they had 500 to 600 substitutes available to them. So I know they need subs. But there is only 13 people that have to sit out 180 days. In Lincoln Public Schools, there was two that was in that period of time and they have 800-and-some subs on their list. And Omaha Public Schools had...the average was 41 were previous district employees and out of those 41, I think they had 500 to 600 subs to

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pull from. So we're not talking about a big pool of people that we're eliminating by that 180 days. You're going to hear all kinds of horror stories that we're taking all the subs away. I also want to remind you that NRCSA, which represents 200 of the smaller school districts in the state, came out in support of this whole bill and the amendments--NRCSA came out. That's all the administrators and the school boards. The other organization that came out and supported this was NCSA, Nebraska Council of School Administrators. We've worked hand in hand with all of them, including NSEA. And the opposition, I understand completely, is because they think we're taking something away from them. And maybe we are taking away their livelihood after 180 days. But again, if it's abused, we got to fix the problem. That's why we're doing it. And I would remind you as I said the very first thing in my statement, I support defined benefit plans as long as they're funded adequately. If we want to talk about plans that are not funded adequately, let's look at the school district of Omaha. They're working on their report this morning at their meeting and their funding went down to 60 percent funded, school district of Omaha, Omaha Public Schools. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLTERMAN: Okay. Ours are going up because we're being proactive in making the changes that are necessary--60 percent, and not only that. They're going to have a \$12.7 million ARC next year and they don't have the money to pay it. So why are we making these changes? To protect the people that are in the plans. I can't make it any clearer than that. If you don't care, if you don't want this protected, then keep fighting us. We're bringing these issues to the head so that we can protect the plans so that the people that are in the plans, like two of my colleagues sitting right here that are past administrators, continue to get paid what they were promised. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Crawford. [LB415]

SENATOR CRAWFORD: Good morning, Mr. Lieutenant Governor, and good morning, colleagues. I stand with concerns about LB415. I am in support of a forthcoming amendment that we will have I believe from Senator Walz that clarifies what can and cannot be done in that 180 days and that eliminates the three-year waiting period, which I think several people have expressed concerns about. Colleagues, I'm very pleased that Senator Kolterman has shared the reports from the actuaries. I had grave concerns about why we think it's critical to make these changes in our retirement system given that it's 90...almost 90 percent funded and the standard is 80 percent. A few years ago we did have to make tough decisions because we did look and see we needed to do make those changes to protect our system. And I appreciate Senator Kolterman's concern about making sure we are protecting those systems. But, colleagues, when I look at the actuarial report and Exhibit A for our Nebraska School Retirement System, I'm not

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seeing current provisions compared to modified provisions. I am not seeing it budge our percent funded hardly at all and our percent funded is way over the standard mark that we would have. And talks about saving money, well, only if you add up 20 years; and 15 out of those 20 years, there is no savings. So, colleagues, I'm afraid it comes back to the question of why is this bill introduced? Why is it on the floor now in its present form? And I think Senator Kolterman alluded to that in his opening. He talked about taxpayer resentment. Envy and resentment, that's why this bill is on the floor. Colleagues, I live in a community that loves our public employee retirees. Bellevue operates on, our small businesses are run by our military retirees and our retired teachers. We're not resentful that they decided to start a second career. We welcome that. There are small business entrepreneurs in our community. If they've done their time, met their requirements, who are we to tell them how to spend their retirement? If they've met their requirements, again, and paid into the system and they decide they want to retire and accept whatever is offered for that age at which they retire, we think that's great. And they are again, there are small business entrepreneurs, there are school volunteers, which is why the volunteer component of this seems particularly troublesome to me. Colleagues, if more people started in their 20s contributing about 10 percent of their income every year, then more people would be able to retire at 50 if they're willing to take an income of less than \$2,000 a month. That's what we're talking about. Teachers on our current plan contribute about 10 percent of their income and the average for a teacher is about \$1,900. So if you're resentful or envious, I encourage to you talk to your retirement planner. If you gave 10 percent of your income starting when you were 22 and were willing to live on an income of less than \$2,000 a month, I bet you could retire at close to 50. And if they meet the requirements, again, who are we to tell them what to do with their time? [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR CRAWFORD: Why is it...if they....why do we think you need to go work in a candy store as opposed to helping shape our kids with all that experience? Why are we telling them they have to stay out of our schools? They're the people with experience. They've done their time. They've met their requirement. They've paid the system from when they were in their 20s. Why are we so concerned about them being in our schools helping to teach, helping students learn to read, helping to shape our future? I'm very concerned about that. Thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Crawford. Senator McCollister. [LB415]

SENATOR MCCOLLISTER: Thank you, Mr. Lieutenant Governor. Good morning, colleagues. I rise in support of the amendment that will be forthcoming from Senator Walz. I'm anxious to

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hear that. I wondered if Senator would answer a few questions. Senator Kolterman, will you yield? [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I would. [LB415]

SENATOR McCOLLISTER: Senator Kolterman, are the teachers in Nebraska, do they have collective bargaining rights? [LB415]

SENATOR KOLTERMAN: Yes, they do. [LB415]

SENATOR McCOLLISTER: Were they consulted on this bill, LB415? [LB415]

SENATOR KOLTERMAN: They were in the discussions all the way along. [LB415]

SENATOR McCOLLISTER: And are they in support of the bill? [LB415]

SENATOR KOLTERMAN: They are not in support of parts of the bill. [LB415]

SENATOR McCOLLISTER: I see. Well, perhaps with some (inaudible)... [LB415]

SENATOR KOLTERMAN: Parts of it doesn't affect them. [LB415]

SENATOR McCOLLISTER: I understand. Thank you. And it only affects, as you mentioned, new hires. Is that correct? [LB415]

SENATOR KOLTERMAN: Not necessarily. The new hires are for the age of 60; but anybody that retires, 180-day wait affects them. [LB415]

SENATOR McCOLLISTER: I understand. It seems as though that the term "intermittent service," there's a great deal of consternation on that term. Can you explain now why that is? [LB415]

SENATOR KOLTERMAN: Well, because it's not...nobody can define what "intermittent" is. It's at the discretion of whoever is keeping track of that. [LB415]

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SENATOR McCOLLISTER: Okay. Thank you. But apparently there's a group that feels compelled to investigate any teacher that retires before a certain period and goes back to work immediately. Is that correct? [LB415]

SENATOR KOLTERMAN: Well, it has to do that because the PERB is the one that has to do the investigation. If a...because when they file for their retirement, they have to have a separation of service. So the PERB, if they see too much activity coming back from a...as a sub, that's not intermittent. So as an example, the example that I used was we had a teacher that had worked more than 70 days in the first semester. That's more than intermittent in their mind, and what could happen is they could go back to that teacher and ask them to pay back their retirement benefits. [LB415]

SENATOR McCOLLISTER: So what you're saying is if a teacher works a semester is, what, 90 days? [LB415]

SENATOR KOLTERMAN: A hundred and eighty (inaudible). [LB415]

SENATOR McCOLLISTER: That's a school year is 180. Is that correct? [LB415]

SENATOR KOLTERMAN: Yes. [LB415]

SENATOR McCOLLISTER: Okay. So a semester would be somewhat shorter, maybe half of that period? [LB415]

SENATOR KOLTERMAN: Yes, that's probably accurate. [LB415]

SENATOR McCOLLISTER: So what you're saying is if a teacher works 70 days in a semester, that's suspicious. [LB415]

SENATOR KOLTERMAN: Well, only...see, they have to have 180-day separation of service. So typically teachers will retire in the summer, you know, at the end of the school year, May; and then they'll have the summer free. Okay? And then they have to wait another 90 days. That gets them to their 180. So, yeah, they probably have to sit out the first semester. [LB415]

SENATOR McCOLLISTER: Well, the question I have is if a teacher in fact does that, retires at the end of the spring session, what is the financial consequence of a teacher doing that and then

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subbing the following year? They don't receive retirement benefits, do they? So all they receive are substitute teacher payments, correct? [LB415]

SENATOR KOLTERMAN: Yeah, they do receive substitute teacher benefits. That's correct. It's usually \$100, \$110, \$140 a day. [LB415]

SENATOR McCOLLISTER: But they don't receive any retirement benefits from that at all, correct? [LB415]

SENATOR KOLTERMAN: Well, if they come back and work on a more permanent basis and they get to...past 1,000 hours, they could jeopardize and fall back into the system. [LB415]

SENATOR McCOLLISTER: But there's no way a substitute teacher could do that. Isn't that right? [LB415]

SENATOR KOLTERMAN: No, but there are administrators that could do that... [LB415]

SENATOR McCOLLISTER: But they... [LB415]

SENATOR KOLTERMAN: ...and we can't discriminate against administrators and teachers. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR McCOLLISTER: But those persons that retire from teaching, as you mentioned, and then go to take another full-time job, that's the primary issue that you have. Is that correct? [LB415]

SENATOR KOLTERMAN: If they come back and want to work full time, yes, it is. [LB415]

SENATOR McCOLLISTER: Okay. Thank you, Senator Kolterman. You know, we're at a point, I think, that we need to encourage teachers to come into the profession. When my wife was in college, that seemed to be the only avenue that young women had is the teaching profession. And we need to incentivize those kids going to college to go into the teaching profession. It's a noble profession as we all know, and we need to make it possible for them to see a good return for the investment they make in their education. Thank you, Mr. President. [LB415]

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PRESIDENT FOLEY: Thank you, Senator McCollister and Senator Kolterman. Senator Erdman, you're recognized. [LB415]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. Good morning. As I...I read the bill and I understand what Senator Kolterman and the committee are trying to do there, and I do appreciate their hard work on it. It's kind of like what Senator Chambers said last night. He said, some of this stuff you try to listen to and understand and some of it makes sense and some doesn't. But one of the things that I do see in this bill that has caught my attention. Earlier in this session I introduced a bill to help alleviate some of the requirements of becoming a substitute teacher. That bill didn't make it out of committee. But in western Nebraska, and I don't know that it's that way in the eastern part of the state, we have a shortage of substitute teachers, a severe shortage. We have classes that go to the library or join with other classes because we can't find substitutes. So this bill would prohibit a teacher, after they retire, from coming back and substituting for 180 days. In some of the small districts, for example, Senator Kolterman, you may recognize this name, Dashiell. You know Dashiell? Okay, Dashiell, I was in conversation with him. And in Harrison, Nebraska, small community in the very northwestern part of the state, they have a teacher who's going to retire soon, at the end of this year, and she would like to come back to substitute teach. But if this bill passes, she won't be able to do that. And they're in a community where they have hardly anyone to substitute teach. So my impression of someone who substitutes, they are not an employee. I believe an employee is defined by someone who has a contract or a regular employment with an organization or district. And if you're a substitute, they may call you today or they may call you next month or they may call you whenever they need you. You're more or less a contract labor. They pay you a flat fee for coming in and spending a day with those children and teaching. You don't get any retirement. You don't get sick leave. You don't get any benefits. You're a substitute. I see no reason why we should have a waiting period for a teacher to become a substitute. That doesn't make any sense. They're no longer an employee. They severed that agreement when they retired. And if they want to substitute and be a contract laborer, so to speak, let them do so. But we have a very severe shortage of substitute teachers. I know Senator Kolterman alluded to how many...how big the pool of substitutes are in other communities. We are not that fortunate, and we are very limited. And the Scottsbluff school system, when I seen the last information that he sent me back in January, I believe that number was like 89 days from September until January there were classes in his system that didn't have a substitute at all. And so I don't know what needs to be done here, Senator Kolterman, but I would recommend that we do something to adjust that substitute teacher requirement and remove the 180-day waiting for substitute teachers and it would help my district a lot. Now I see that Senator Walz has an amendment coming up that would allow them to substitute 45 days in the first 180 days. And the Department of Education has relaxed some of their rules and they've extended it to 90 days. In our region, 90 days makes more sense than 45. So I don't know where we go with this, but I want to share with you my concern about what this

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does to us out west. We sometimes or nearly always pass laws and statutes here in eastern Nebraska in the Legislature... [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR ERDMAN: ...that affect us in the west differently. We are different. We have different needs. And so I don't know if we need to make an amendment there, Senator Kolterman, or what needs to be done. But I'm not in favor of having the 180-day wait period for substitutes. But I am in support of LB415 and the intent of it; but with that provision on the substitute, I'm a little concerned about it. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Erdman. Continuing debate, Senator Craighead. [LB415]

SENATOR CRAIGHEAD: Thank you, Mr. Lieutenant Governor, and good morning, colleagues. I wonder if Senator Kolterman would yield to a question. [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I would. Thank you. [LB415]

SENATOR CRAIGHEAD: Thank you. Besides the retirement that teachers receive, do they also receive Social Security benefits? [LB415]

SENATOR KOLTERMAN: If they're old enough they would, yes, they would. [LB415]

SENATOR CRAIGHEAD: Okay. So there's a possibility of a triple-dip then or would that be... [LB415]

SENATOR KOLTERMAN: Well, no. Everybody, most everybody gets Social Security benefits. I don't look at that as a double-dip or a triple-dip... [LB415]

SENATOR CRAIGHEAD: Okay, all right. [LB415]

SENATOR KOLTERMAN: ...because they pay into that themselves. [LB415]

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SENATOR CRAIGHEAD: Okay, thank you. I just didn't know. And right now the way the bill is written, if teachers cannot substitute for 180 days after retirement, I would think that there might still be a pool, that everyone wouldn't retire on the same day so that there would, you know, be kind of a rolling retire...rolling list of subs. Is that true or no? [LB415]

SENATOR KOLTERMAN: Well, as I said, typically most teachers retire at the end of a school year. And so let's use Senator Erdman's example. He's got a school district where they might have one person retire and they're short on subs. That's a problem. I know that's a problem. But at the same time, they already have a sub pool that they're using, that they're pulling from. So will that get shorter? That would get shorter by one person for 180 days, actually probably 90 days... [LB415]

SENATOR CRAIGHEAD: Okay. [LB415]

SENATOR KOLTERMAN: ...if they don't take any kind of a buyout. [LB415]

SENATOR CRAIGHEAD: Okay. Thank you, and I will yield the rest of my time to Senator Kolterman if he would like it. [LB415]

PRESIDENT FOLEY: Thank you, Senator Craighead. Senator Kolterman, roughly three minutes. [LB415]

SENATOR KOLTERMAN: Thank you very much, Senator Craighead. I have a couple things I want to talk about that were brought up by Senator Crawford. The actuarial study that was done, the cost analysis with the rule of 85 going to age 60 reduces the actuarially required funding liability for the state and OPS by \$100 million over the next 30 years. That's \$100 million. That's about \$3 million a year. The state...for the state teachers, it's \$54.41 million and OPS it's \$46.4 million. But here's a current...this is an interesting figure. The current projected ARCs--this is above and beyond what the teachers and the school districts put in--for the statewide school plan over that same next 30 years is \$295.7 million. And they actually begin in 2021. It starts with \$1.7 million and it grows to over \$295 million over the next 30 years. The current projected ARCs for the OSERS plan, the Omaha Public School plan over the next 30 years, is \$514.5 million. And their ARC for this year is \$12.6 million. We're talking about a lot of money. This past year we put \$45 million into the plans above and beyond. And the reason that they haven't grown is because interest rates have been down and mortality tables have changed dramatically. Now if we hadn't changed mortality tables and reduced the expected rate of return to 7.5 from 8 percent... [LB415]

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PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLTERMAN: One minute? [LB415]

PRESIDENT FOLEY: One minute, Senator. [LB415]

SENATOR KOLTERMAN: Thank you...we wouldn't have the problem. We wouldn't even be probably talking about this. But the reality is with the changes that are happening, people are living longer, it's causing a hardship on these plans; and every year we're going to have to put more money in these plans. A week ago we had a bill, not even a week ago, Senator Linehan brought an amendment to reduce that from 2 percent to 1 percent, and I asked her to pull that amendment and she did so graciously. That would have had a dramatic effect on the plans and hurt them even worse. So to say that I'm opposed to helping these teachers and preventing these teachers from getting their pay is a fabrication. I'm here to protect them. I know that doesn't sound like it to them, but I am here to protect them. And I fought hard to keep that 2 percent in this plan, and I'm going to fight hard as long as it's well managed. And 80 percent is an average that we look to, but 100 percent is where we're trying to go. [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR KOLTERMAN: Thank you very much. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Williams. [LB415]

SENATOR WILLIAMS: Thank you, Mr. President, and good morning, colleagues. I started my morning like most of you with a cup of coffee and then the phone started ringing and the e-mails started coming a little bit. Then I walked in here and one of my friendly colleagues in here looked me in the eye and said, why don't you like teachers? And I said, you don't understand. I not only like teachers, I love teachers. My mother was a teacher. In fact, my entire days of going through grade school, junior high, and high school my mother was a substitute teacher. My daughter is a teacher in Gothenburg. My daughter-in-law is a teacher at the largest high school in Nebraska at Millard North. By the way, Millard North has talked to me this morning along with the other Millard School districts. My daughter-in-law, in fact, was a student of Senator Kolowski's back in the day. So I not only like teachers, I love teachers. And I proudly wear my "I support public schools" T-shirt that was given to me by some of my teachers. And also, the Gothenburg fourth graders are going to be here today, so I would appreciate this afternoon when they're here that you all stand and give them a round of applause. That said, you also need to know that four times in my life I've had to be involved with terminating a defined benefit plan--

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two times with businesses that I had a significant ownership interest in, and two times in associations that I was on the board of directors, in fact, chairman of one at the time--because of decisions that had been made that were not made well enough in advance that got them into financial issues with the defined benefit plan. That said, I would like to really thank Senator Kolterman and the Retirement Committee for being proactive in looking at this plan and being sure that it is financially sound because, believe me, the last one of these situations that I was involved with started with the Great Recession of 2008. Took a plan that I have heard on the floor today, a plan that was financially sound at 80 percent, and took that into a position that we had to make substantial changes. Over 400 employees were affected by the changes that we made with that plan that was administered in Washington, D.C. So knowing that, I appreciate what has happened. I also recognize that there are issues, and I would like to ask Senator Kolterman a question if he would yield. [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I would. [LB415]

SENATOR WILLIAMS: Thank you, Senator. First of all, you talked about the break in service being an IRS requirement. Would you be able to clarify what you are attempting to do with your bill and creating that bright line of separation? [LB415]

SENATOR KOLTERMAN: Thank you very much, Senator Williams. What we're really trying to do is create a situation where we don't have to go out every time...we don't have to worry about the intermittent any longer. The intermittent is the problem. So the PERB, the people that do the...make the judgment calls on the plan have to decide what is intermittent. And so sometimes we might have 14 days, sometimes we might have 70. And if we get in violation of that intermittent, it puts the plans in jeopardy. And so they actually brought that to us and said, how can we fix that? [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR WILLIAMS: This creates the bright line then. [LB415]

SENATOR KOLTERMAN: It creates the bright line, 180 days. [LB415]

SENATOR WILLIAMS: Let me ask you another question, switching gears to the volunteer efforts. I was asked by one of the teachers that contacted me if they chose either to do an early separation agreement or a wait until normal retirement age and retire, they happen to be...want to

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be involved with the Tom Osborne mentoring program, the TeamMates program. If they were retiring at the end of September or, excuse me, the end of May, could they be engaged with the TeamMates program the following year? [LB415]

SENATOR KOLTERMAN: Yes, they could. The fact of the matter is we have an amendment that's coming that's a friendly amendment from Senator Baker--it's actually been filed--that addresses that issue. We reduce it to two years if you take an early buyout and we... [LB415]

PRESIDENT FOLEY: Time, Senators. [LB415]

SENATOR WILLIAMS: Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Williams and Senator Kolterman. Senator Kolterman, you're actually next in the queue. You may continue. [LB415]

SENATOR KOLTERMAN: Thank you. I'll finish with that. What that amendment is going to do when we get to it is it reduces it to a two-year wait if you take an early buyout. You still have the 180-day wait whether it's volunteer or paid; but it's still, as an example that I've used before, if you have the summer off, you have to wait that first semester, then you can volunteer or you can go back to work. As long as you don't take a buyout, it won't affect you. I hope that answers your questions. I wanted to talk about a couple other issues. The sub issue, the sub issue really is not an IRS issue other than the break in service. It's more of a cost-saving issue. And without the enforced separation of service, it could put the plans in jeopardy, as I've said many times already. But in my opinion, what we're talking about here with the subs, and I understand fully what Senator Erdman was talking about and the challenges. Believe me, if there was a way around this, I'd help you figure it out. But we've talked about this for several years. The sub issues really shouldn't be an issue on the back of a retirement system. We have rules and regulations that we need to follow, and we need to keep our plans in compliance. All we're trying to do is protect the plans. But the sub issue should be resolved by the...shouldn't be resolved by the retirement system. It should be resolved by the education system. And if there's ideas about that, that should be talked about in the Education Committee. That's not...I mean, I'm not creating a bigger problem here. I've already told you that the school districts, that the three largest school districts, Millard has 500-600 teachers on their sub list, OPS has 500-600 teachers on their sub list, and LPS has 850 teachers on their sub list. They all have plenty of subs, so taking 2, 41, and 13 out of the equation does not hurt the sub population very much. It just means they got to wait an extra 90 days before they can come back and sub--plain and simple. So I'm anxious to have Senator Baker introduce...and his amendment also allows for volunteers to come back just like teachers to come back in 2 years or 180 days. With that, I'm still open to questions. Thank you. [LB415]

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PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Quick. [LB415]

SENATOR QUICK: Thank you, Mr. President. At the moment, I rise in opposition to LB415 strictly on the concerns on the separation of service. I actually look forward to hearing Senator Walz's amendment that may be coming up later. And I find it interesting. Yesterday we talked about, later in the evening I guess it was, holding children back if they can't read by the third grade. And now today we're talking about not being able to have enough substitute teachers to fill the needs to educate our children. And I see that as a concern with the separation of service part for myself, because I know in the Grand Island School District they rely on a lot of these retired teachers to substitute. And I can sympathize with Senator Erdman for the rural school districts because they're probably at greater need and at risk of not having substitute teachers. I went to school in Hordville, which it was a small school district, so. Although it's consolidated now, I'm sure they still have the same issues with finding enough substitute teachers to fill their needs. I can tell you that teachers are just like everybody else. You're going to have some...you're going to have...they're going to miss work from time to time, whether it's through an illness, vacation, maybe they become pregnant and they're gone for a long period of time, and you're going to need substitute teachers to fill those needs. I have a sister who teaches at Twin River in Genoa, and I know that she loves her students. And I could see her some day, I know she's going to retire, but I could see her going back and wanting to substitute because the love she has for those students. And with that, I would just say that at this time I'm still opposed to LB415. And thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Quick. (Visitors introduced.) Continuing discussion, Senator Kolowski. [LB415]

SENATOR KOLOWSKI: Thank you, Mr. President. Senator Baker and I are the two people in the body that have had the opportunity and responsibility in our jobs to make sure we have teachers in the classroom on a daily basis. With that in mind, geography does play a role. Senator Erdman's comments are right on target, I think. It's a more difficult situation in some of the rural areas to find the quality teachers that you want to fill a role in your particular school as far as absences are concerned. And to have quality education take place on a daily basis is the goal of any of the subs that we hire to fill the role and to be productive in that classroom. Depending on the geography, again, in the metro area in Omaha you have many different opportunities than you have in other locations, of course--11 school districts plus 2 across the river in Council Bluffs. You have many different opportunities and options that you could look at to fill some of the things that you'd like to do as far as the substitute teacher in those areas. I stand with some concerns on LB415, very much looking forward to the Walz amendment that's coming up and what that will do for the possibilities of what we're looking at with the substitute situation. As the building principal, you have a difficulty in certain areas trying to fill the sub roles, not just having a warm body in a classroom for a day but trying to get some truly academic things done

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in a continuous manner with that particular department. When you look at family consumer sciences, industrial technology, art, reading, and even music, those are sometimes very difficult to fill because of the sizes of some of the classes and classrooms as well as the...where the students are with their particular projects or different group projects like music, for example. Areas like math, science, English, social studies, physical education are much easier to fill in a more general variety and the possibility of getting those filled are much easier on a daily basis. But each of us, depending on the time of the year and the things that are happening, flu season, the flu hits, you're in a lot of trouble as far as trying to find the number of subs that you need to cover everything in your classes. Those are issues that come up along with geography that impact the running of schools on a daily basis and trying to do the quality things that you want to see done in your classrooms. The voluntary early separations, the VESP programs, are tied into this whole picture; and I really support the lessening of the time. The 180 days sounds just about right. You would have the summer of three months and then three months during the start of the year. By Thanksgiving time, you'd be subbing with 180 days covered and have the opportunity, if you retired in May, and have that opportunity to continue your love of subbing after you've had your years in the classroom in a particular district. So I hope we'll keep open and open-minded and...to the issues that are before us on all these possibilities for rural as well as urban areas across our state. I hope we'll keep...be creative in our solutions and look at the long-term impact, not just look at some minor things... [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLOWSKI: ...that could be changed and modified as people go into some of the abuses that might be mentioned as we look at some flaws in the system in its current framework. So I hope we'll keep an open mind and look at this with the possibilities of positive change that can be very supportive of quality education taking place in every classroom in our state on a daily basis. Thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolowski. Senator Bostelman. [LB415]

SENATOR BOSTELMAN: Thank you, Mr. President. I wonder if Senator Kolterman would yield to a couple questions? [LB415]

SENATOR KOLTERMAN: Yes, I would. [LB415]

SENATOR BOSTELMAN: Senator Kolterman, I, too, have some concerns or some thoughts from e-mails and discussions I've had, especially as we're talking this morning more and more about the substitute teachers and how that might apply and really what effects that have with our rural schools where sometimes it is a little bit more difficult to get substitute teachers in some of

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the grades, FFA or some other type of classes, vo ag that's out there that we have. It's a little tougher to get the substitutes to come in for that. Could you talk a little bit more about exactly this 180 days and why? I guess my first question is why--you explained it before--but this is something we don't have a choice about or explain a little bit more about why we have to have this 180 days clear line of separation. [LB415]

SENATOR KOLTERMAN: Sure, I appreciate that. Thank you very much, Senator Bostelman. Well, first of all, the 180 days is already in the system. It's been in the system for a long time. In fact, prior years it was a full year. So I think it was 2000 maybe that they moved it to 180 days...they moved it down to 180 days. The other plans have 120 days, but this is a school plan. And the other plans, you got to understand, there's no incentive buyouts in any of those plans. There can't be because they'd be considered gratuities. They can't do it in the state or any of the other four plans that we manage. But in this particular plan, we have several things that are going for us. We have the early buyout potential. We have the retirement, and there has to be a separation of service date established. So right now it says 180 days or intermittent service. Well, as I said earlier on the mike, 60, 40, 30 days is not intermittent in the first semester. That's more than intermittent. And so that causes a problem of not only figuring out how to keep track of it for each school district, but also for the PERB when they get their reports in, they have to decide do we continue to allow them to take their retirement or are they working more than intermittently? So we're trying to draw that yellow line and say 180 days is not...you got to wait 180 days, period. Okay, now after that and, again, if they've got their summers free, there's 90 of it right there. And then the next 90, usually a semester, they can't work. But then they can come back and be a sub all they want unless they take a buyout, and then they've got to wait two years, according to the Baker amendment that's coming. The sub issue is not a retirement issue. The sub issue is a school district issue. It's an issue that needs to be worked out with the school boards, and we aren't going to solve that issue on the back of retirement. All we're saying is we want that bright yellow line as a date certain from 180 days back they can't work. That's not a big deal. I've already talked about all the different school districts. I know it's probably a bigger deal for the smaller districts out west, but we're not going to solve that sub issue here, whether they're a contractor or whether they're an employee. If they come back into the system and they're a certified teacher, there's room for abuse; and that's what we've got to put an end to. So that's why that's in there. Does that answer your question? [LB415]

SENATOR BOSTELMAN: Well, yes and no. Part of it you say we need to address this, but yet we go back also and say... [LB415]

PRESIDENT FOLEY: One minute. [LB415]

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SENATOR BOSTELMAN: ...that the school districts or the administrators, if you will, are responsible to ensure this doesn't happen or that it... [LB415]

SENATOR KOLTERMAN: Well, yeah, they have to administer their own plan. They're the ones that have to hire their subs, and so they've got a pool that they can draw from. And that has to be addressed. Where are they going to get their pool? I think Senator Erdman had a bill this year to identify different kinds of subs. That's what I'm getting at. That's not our issue here. That's an education issue. [LB415]

SENATOR BOSTELMAN: Okay. Thank you. That's all. [LB415]

PRESIDENT FOLEY: Thank you, Senators Bostelman and Kolterman. Senator Pansing Brooks. [LB415]

SENATOR PANSING BROOKS: Thank you, Mr. Lieutenant Governor. Well, I did look up, Senator Kolterman, the bill that you're talking about that Senator Erdman brought because I found it sort of surprising that there was a need for that bill. That was LB568, Senator Erdman's bill for temporary substitute teacher certificate. And the issue is that they do have issues with substitute...getting substitute teachers in the rural part of the state. And he made a compelling argument, I wasn't totally convinced, but he did make a compelling argument about the need for substitute teachers. So I think you're saying that really you're not affecting what happens to substitute teachers, but by limiting to 180 days when our best and brightest, who are retiring for whatever reason, could work part time and be able to help supplement the work needed and the support needed by the school system, including the rural areas which are in trouble, I just don't understand that. So you're saying that six months isn't a big deal. I would argue that six months, and most years, I think that most fiscal years for most schools start in August and move forward. So six months takes August, September, October, November, December, January. That's basically...well, it's two semesters, parts of two semesters, that somebody couldn't be a sub. You're shaking your head no. I will recognize Senator Kolterman to let him explain what he thinks I'm misstating. [LB415 LB568]

PRESIDENT FOLEY: Senator Kolterman, would you yield? [LB415]

SENATOR KOLTERMAN: Thank you, Senator Pansing Brooks. You're forgetting the fact that when teachers retire they typically retire at the end of the school year. [LB415]

SENATOR PANSING BROOKS: Right, but they... [LB415]

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SENATOR KOLTERMAN: And so you've got the three months in the summer, plus August, September and October. So that's your six months right there. [LB415]

SENATOR PANSING BROOKS: But it's my understanding that you start with the beginning of the next fiscal year. Is that not correct? [LB415]

SENATOR KOLTERMAN: No. No. [LB415]

SENATOR PANSING BROOKS: Okay. [LB415]

SENATOR KOLTERMAN: You don't. [LB415]

SENATOR PANSING BROOKS: Last day of service? [LB415]

SENATOR KOLTERMAN: Last day of service, correct. [LB415]

SENATOR PANSING BROOKS: Okay. But still, there are summer schools, there are all sorts of schools where... [LB415]

SENATOR KOLTERMAN: It's 90 days. [LB415]

SENATOR PANSING BROOKS: ...is necessary for substitute teachers. And I think even if we're precipitously cutting it off so that...thank you for your information, even though, you know, even if we're cutting it off so that you're making it so one or two people can't substitute teach out in Senator Erdman's district and instead we have to jump to high school graduates who do not have the experience, the teaching knowledge of somebody who's been in the system for quite a long time, I think that's a mistake. And Senator Linehan, of course, has major issues that we discussed briefly last night, as I do, about reading in the schools. And if we cannot use our best and brightest in a better way and have to create arbitrary, yellow lines in the sand and make it so that we don't have access to those people immediately when we need them. And I understand that you're saying that Lincoln doesn't have that many. Omaha has about, I don't know, 50 or something. But meanwhile, LPS currently has 823 certified teacher subs, and of those, 341 of them are 55-plus years of age and likely retirees from either LPS or other districts. So, and their fill rate is currently 95.3 percent. So that leaves them with about 4.7 percent unfilled daily rate for educators. And that's different than in other employment areas. If you don't have a teacher for a classroom, those kids can't just sit in there in an empty classroom. [LB415]

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PRESIDENT FOLEY: One minute. [LB415]

SENATOR PANSING BROOKS: And so, you know, you have to be able to get the sub for those teachers. So you're saying, well, let education deal with it, but meanwhile you're dealing with it. So I know that Senator Walz's amendment is coming up. I support that wholeheartedly. It's my understanding that this issue about substitute teachers does not cost a great deal of money. And the people in my district are calling me saying, this is not fair. So while they weren't calling me on certain things yesterday they are calling and saying substitute teachers and people who retire ought to be able to become substitute teachers. We ought not arbitrarily limit that pool through retirement. And if it is an education issue, then let's let education deal it. Let's not have retirement deal with it. Thank you, Mr. Lieutenant Governor. [LB415]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Senator Briese. [LB415]

SENATOR BRIESE: Thank you, Mr. President, and good morning, colleagues. I realize the sub issue is problematic in some rural areas and I would like to see some sort of a decent resolution to that. But with that said, we here in the Legislature have an obligation to look out for and protect the taxpayers. And to the extent the provisions of LB415 can protect the taxpayers, I'm generally supportive of it. Senator Kolterman, would you yield to a question? [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I would. [LB415]

SENATOR BRIESE: Thank you, Senator. Could you recap for us the ways in which LB415 can protect our taxpayers? [LB415]

SENATOR KOLTERMAN: Yes, I'd like to...I appreciate that Senator Briese. Well, the first thing that...the most important aspect of the bill, which doesn't affect any teachers or administrators in the plan, moves the retirement age to age 60, and we still utilize the rule of 85. That was negotiated down with Jason Hayes and their group after we heard their testimony. It was originally at 90 with the rule of 85. So we moved it back down to age 60. That in itself over the...and we always, when we look at savings to a plan, we look at 30-year history. That in itself saves over \$100 million to the plan. That in itself is the biggest driver of this. And so that's real money, and that's the report that I sent out to everybody just this morning because we had not received it and had not had an opportunity. That's required by statute that we give you that actuarial study. And we just got it last week and dissected it ourselves and you now have it all. But that's the fact of the matter. [LB415]

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SENATOR BRIESE: Okay, thank you, Senator. How about the three-year break in service? Any thoughts on what the fiscal impact of that would be? [LB415]

SENATOR KOLTERMAN: I would tell you that the three-year break in service, which is if...when we get to Senator Baker's amendment, we move to two years, and we'll eliminate volunteers that we have excluded. In other words, volunteers will be able to come back after the 180 days as well. That does not have a significant change to the actuarial valuation, I would agree with that. But what it does do, it saves a tremendous amount of work on the part of the PERB and the schools that are administering the plans in tracking that. Because right now we have 240 different school districts that have to send in their information if they're...some aren't even keeping track of it now. So we're not getting accurate information. We found that out as we were starting to ask questions. So while there's not a huge cost saving, and I'll be the first to tell you that, the savings will come in the form of time and the amount of administration that goes into the plan. And it could save us money at the PERB by not having to hire additional administrators to administer that portion of the plan. [LB415]

SENATOR BRIESE: Thank you, Senator Kolterman. And thank you, Mr. President. I would yield the balance of my time to Senator Kolterman, if he would like it. [LB415]

SENATOR KOLTERMAN: Yes, I would. [LB415]

PRESIDENT FOLEY: Thank you, Senator Briese. Senator Kolterman, 1:30. [LB415]

SENATOR KOLTERMAN: Thank you, again, Senator Briese and Mr. President. One thing that I want to...just so the people that...Patty Pansing Brooks, or Senator Brooks, had asked about. Just so we're clear on this, the 180 days, 70-75 percent of the teachers retire in mid-May. Now, that's across the state, because that's when school gets out. So their retirement starts end of service. Everybody understands that. So 180 days, that means they maybe have to sit out one semester if they want to go back and sub. Again, a lot of people are making a big issue out of that. That's not a huge number. It's more of a challenge in the rural areas, I agree with that. I don't see it as a challenge for Millard, Omaha, or Lincoln because there's not that many people in that 180-day waiting period. The other thing that I would tell you is, as a result of all of this looking at retirement, I've had several conversations with Senator Groene, Chair of Education, and I believe he's going to have some sort of an interim study to look at the sub problems in the state of Nebraska. Again, that's an education problem; that's not a retirement problem. [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

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SENATOR KOLTERMAN: Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Bolz. [LB415]

SENATOR BOLZ: Thank you, Mr. President. I'm the newest member of the Retirement Committee, so I've been on a learning curve all session. And I do thank Senator Kolterman for his patience with me and thank Kate Allen for being a good instructor. I wanted to make a couple of points to maybe elevate the conversation outside of this specific issue that we're talking about right at this moment. And what I want to say is that I think there are shared goals on this floor to protect the long-term stability of all retirement plans and the current defined benefit approach. So in an effort to do that, lots of different stakeholders have come together to make really difficult compromises. The retirement age creates cost savings that the Chairman has discussed on the floor. That was not an easy thing for the teachers to manage or respond to. They've done so with, I think, a fair amount of diplomacy. But what I have to say about that, as an Appropriations Committee member and as we come off of some very tense budget and tax debates, is that we are making strategic and difficult choices within the Retirement Committee to protect the long-term structure and financial soundness of the teachers retirement plan. So in the future, as we're thinking about making sure that we have adequate resources to fund the goals of this state, including fully funding retirement, we have to be responsible. And we have to think about how we protect our goals and priorities into the future. So my main point is that we are making difficult policy choices within the Retirement Committee in order to protect the long-term solvency of the plan, but we also need to bring along the budget and tax side to realize that these are legitimate expenditures that legitimately protect very important people in our communities and we have to manage them responsibly. The choice in front of us, and I don't mean to oversimplify, because there are lots of factors in play here ranging from economic security to school quality, but it really comes down to how long of a break should people have to take after termination and how long of a break should people have to take after they have received a retirement inducement? And that's the heart of the issue today. I just wanted to put the heart of that issue in a bigger context of taking care of our retirement plans and managing our state budget for the future. With that, I'll yield the remainder of my time to Senator McCollister. [LB415]

PRESIDENT FOLEY: Thank you, Senator Bolz. Senator McCollister, two minutes. [LB415]

SENATOR MCCOLLISTER: Thank you, Mr. President. Thank you, Senator Bolz. Just a few, quick comments on this bill. I need to acknowledge the hard work of Senator Kolterman and the committee. They have done yeoman service. They have managed to save \$100 million by raising the retirement age, which is certainly something we should congratulate and thank him for. Secondly, seems as though one of the big issues that we have is the term "intermittent service,"

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and perhaps that is a problem, but I would argue that we better...we need to better distinguish between substitute teachers and administrators that go...retired administrators that take another full-time position with a school district, the old school district or a different school district. And perhaps if we better define that term we wouldn't have...use all the time that Senator Kolterman describes trying to determine between what intermittent service means. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR McCOLLISTER: Thank you. Next I would like to argue that perhaps double-dipping when you have a retired teacher then becoming a substitute teacher, I wouldn't define that as double-dipping, not at all. I'm happy that they're willing to come back into the classroom and use those years of service and experience to better the students. And finally, I would like to thank all the teachers listening to this proceeding and thank you for their hard work teaching our children phonics and all the things that they're supposed to learn in school. So thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator McCollister. You are actually next in the queue. You may continue. [LB415]

SENATOR McCOLLISTER: Question. [LB415]

PRESIDENT FOLEY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? Those in favor of ceasing debate vote aye; those opposed vote nay. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, please. [LB415]

CLERK: 16 ayes, 1 nay to place the house under call. [LB415]

PRESIDENT FOLEY: 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 Brewer, could you check in? All unexcused members are now present. The question before the body is whether or not to cease debate. Those in favor vote aye; those opposed vote...we'll do a machine vote. Those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB415]

CLERK: 38 ayes, 0 nays to cease debate. [LB415]

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PRESIDENT FOLEY: Debate does cease. Senator Kolterman, you are recognized to close on AM1230. We are still under call. [LB415]

SENATOR KOLTERMAN: Thank you very much, Mr. President. A lot of good debate. That's what I wanted this morning, a lot of good questions. We need those because we're talking about people's retirement here. We can't take it for granted, and we're not trying to take it for granted. We're trying to make the plan stronger by tightening up some of the loopholes that have been there for many years. So with that, I would ask that you vote green on everything that's up there, but right now AM1230. Thank you very much. [LB415]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Members, you have heard the debate on AM1230. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB415]

CLERK: 41 ayes, 0 nays on adoption of Senator Kolterman's amendment to the committee amendments. [LB415]

PRESIDENT FOLEY: AM1230 is adopted. I raise the call. Continuing discussion on the bill. Senator...excuse me. Mr. Clerk. [LB415]

CLERK: Mr. President, the next amendment to the committee amendments, Senator Baker, AM1211. (Legislative Journal page 1235.) [LB415]

PRESIDENT FOLEY: Senator Baker, you are recognized to open on AM1211. [LB415]

SENATOR BAKER: Thank you, Mr. President, members of the body. First of all, I want to thank Senator Kolterman for all his good work working on this and his work in being Chairman of the Retirement Committee. I have known Senator Kolterman for quite a few years. He was a school board member at Seward during the time that I was superintendent at Norris, so I would see him at school board events. When I first came here two years ago, Senator Jeremy Nordquist was Chair of the Retirement Committee. Of course, he left after one year to go work on the staff for Brad Ashford, and then we elected a new Chair. When Mark came around and talked to me about running for Chair, the first question I asked him was whether or not he was in favor of keeping defined benefit plans for the teacher retirement plan, and he assured me he was. So I think what Mark has proposed in this bill is good-faith efforts to make sure that this plan that we do have now can remain in place and not be subject at some near future year occurrence where somebody says, your plan is in trouble, there's problems with it, and we need to switch you over to a defined contribution plan. So AM1211 just does a couple things. It amends the separation of

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service requirements. Right now it says 36-month break if you have taken an early retirement incentive, a.k.a. voluntary service agreement. And under this amendment, that 36 months is reduced to 24 months. And it also would allow school employees who take the early retirement incentive to provide voluntary, voluntary service 180 days after ceasing employment, these changes both to the state retirement system and the Omaha Class V school retirement system. I know that there are a lot of people interested in this Senator Walz's amendment, and the less time we spend talking about this one the more time you'll have to get to that one. I would answer a couple questions, but would urge us to move on. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Baker. (Visitors introduced.) Continuing debate, Senator Blood. [LB415]

SENATOR BLOOD: Thank you, Mr. President. Fellow Senators, friends all, I want to tell you a story. My oldest daughter, Rachel, who was a middle school teacher, her master's is in curriculum, has eight children. And she's got an expression in her house that's been very effective. In fact, I think she would make a great senator one day. And that expression is, you get what you get and you don't complain. I kind of feel that that's what's going on right now with the teachers. I have grave concerns. I respect the work that Senator Kolterman did and his committee, but I still have questions as a freshman senator. Is Senator Bolz still around? Apparently not. Senator Kolterman, would you yield to a question? [LB415]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Senator Kolterman, would you please yield? [LB415]

SENATOR KOLTERMAN: Yes, I will. [LB415]

SENATOR BLOOD: I know you weren't around when this happened. I was hoping to ask Senator Bolz. But LB553, is it true that at that time that that bill, with its good intentions, in 2013 made sure that this fund was 90 percent funded? Is that true? [LB415]

SENATOR KOLTERMAN: I wasn't here, but I believe that that was the intent of what was negotiated back then. [LB415]

SENATOR BLOOD: And at the time, the numbers showed that it would be funded at 100 percent by 2040, was my understanding in my research. [LB415]

SENATOR KOLTERMAN: 2019. [LB415]

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SENATOR BLOOD: One hundred percent by 2019? [LB415]

SENATOR KOLTERMAN: Correct. [LB415]

SENATOR BLOOD: All right. So isn't that 80 percent funded ratio or higher considered sufficient in a retirement plan, or is that something that's inaccurate? [LB415]

SENATOR KOLTERMAN: Well, anything less than 80 percent gets kind of put on a watch list and they have to report to us on an annual basis. [LB415]

SENATOR BLOOD: So the answer would be, yes, it's considered sufficient, 80 percent or higher? [LB415]

SENATOR KOLTERMAN: That's the lowest it should go, is 80 percent. [LB415]

SENATOR BLOOD: So are you saying that the reason this needs to be done is that our school employees retirement plan is in bad shape. [LB415]

SENATOR KOLTERMAN: I didn't say that at all. I'm trying to protect what's there. [LB415]

SENATOR BLOOD: I'm trying to clarify. I'm not accusing. [LB415]

SENATOR KOLTERMAN: No, I'm not saying that. [LB415]

SENATOR BLOOD: Okay. [LB415]

SENATOR KOLTERMAN: It's in tremendous shape. [LB415]

SENATOR BLOOD: Thank you very much. I appreciate you answering the questions. I'm sorry to put you on the spot. I know you weren't there in 2013. Here is where I'm coming from. I look forward to Senator Walz's amendment. I see parts of Senator Baker's amendment that I do like. I think Senator Walz kind of ties it up in a bow. My concern is that our educators in Nebraska, they are already understaffed, they are already undermined, they are already underpaid. And that money belongs to our educators to invest in their retirement. So I personally feel that enough is enough. We talk about how they came to the negotiating table. That's kind of why I told the story, you get what you get and you don't complain. I find it hard to believe that they said this is a great idea, let's move forward on it. I'm guessing that they got what they got and they just kind

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of had to take it. And I don't know if I agree with that. I understand that it's a negotiating tactic, but I look at the turnover rate of the teachers in Nebraska, I look at how young they start their career, and I question changing something that I personally, in looking at the numbers, I don't think is broken. I hear what you're saying; I respectfully disagree. But I think enough is enough and we need to butt out. [LB415]

SPEAKER SCHEER: Thank you, Senator Kolterman and Senator Blood. Senator Groene, you're recognized. [LB415]

SENATOR GROENE: Thank you, Mr. President. I would like to make it clear that we are the management here and what Senator Kolterman is trying to do, I am on the Retirement Committee and I voted for this bill, is he's trying to make a business decision to make sure that we have stability in the taxpayer funded public school retirement plan. For some other clarity, I'm a fact person. When we say public school retirement plan, we're not talking only teachers. We're talking every employee there. We're talking the bus driver, we're talking the cook, we're talking the secretary, the business manager, the administrators. It is not the teachers retirement plan; it is the public school retirement plan. We need to protect that for all of those individuals. When you hear averages about \$1,900 a month, that averages includes the cook who made \$25,000 a year and what their retirement is. It's the bus driver, it's the secretary. That's all thrown into that average. I'm a little concerned because, you know, we brought that voluntary retirement in LB512, too. This continued talk that this voluntary retirement, early retirement is an employee benefit, that it's expected, it is not. It is a management tool for administrations and for school boards to manage their budget, to remove teachers who need to be removed because they have lost their desire. It is not an employee benefit that should be expected. I have been trying to get the numbers of on average a year, like 2016, how many retired under 60 and how many retired under 55 to 60 and how many retired 60 to 65 and over 65. You will find, I think, with the numbers that a majority wait until they're over 60. They love their occupation. They are the teachers who do it because it's a calling. I have had testimony from some superintendents that have teachers in their 70s still teaching and they don't want them to retire because they have the calling. So when we talk about this early retirement and substitute teaching, remember, we are talking about a minority of the teachers and the public employees because I'll guarantee the cook doesn't retire at 55 and I will guarantee the bus driver doesn't or the secretary--they can't afford to--that works for that school district. Part of the things we heard was a report from the actuaries on mortality rate. We're all living longer. That's why the federal government has increased when our Social Security benefits kick in. We should not be encouraging employees to retire at 55, because the numbers don't work anymore. They used to work out if you retired at 55 or 65, it worked out about the same cost to the retirement plan. That's not true anymore. The early retirees cost us more. But yet, we have programs out there on early retirement where we encourage harm to the entire system by having people retire early. One other thing that hasn't been mentioned is that that 180-day also stops the job jumpers. The one that retired at 55 at OPS, starts collecting

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retirement, and go over to Elkhorn and hire on the next September 1. That has to stop. They're double-dipping. It stops the administrator who retires. Why, we had one in North Platte, retired as assistant superintendent in North Platte, stayed living in his own house, went down the road 10 miles and took a small school superintendent job. That has to stop. One hundred and eighty days puts a pause in that, that they can't immediately do it within three months. All of those instances hurt the retirement plan for the good employee who works their lifetime as a teacher or a bus driver or a cook or administrator... [LB415 LB512]

SPEAKER SCHEER: One minute. [LB415]

SENATOR GROENE: ...and then does their retirement in due process like we expect them to. All of these exceptions hurt the system. Senator Kolterman is trying to fix it so that double-dipping, job jumping stops. That's what this is about. It's not substitute teachers. And by the way, I have proposed to drop an LR on why do we have...let's look at the real reasons why we have a substitute teacher shortage. Is it more demand because we have more absenteeism in that profession? Are we demanding more of that profession to take on extra duties where they're out of the classroom? Do we just basically have a shortage of teachers? That needs to be studied. But believe it or not, the same people who don't like this are resistant to shine a light on this issue. [LB415]

SPEAKER SCHEER: Time, Senator. [LB415]

SENATOR GROENE: But we will probably do it anyway. Thank you. [LB415]

SPEAKER SCHEER: Thank you, Senator Groene. Those waiting in the queue: Senators Williams, Hilgers, Linehan, Quick, and others. Senator Williams, you are recognized. [LB415]

SENATOR WILLIAMS: Thank you, Mr. President, and good morning again, colleagues. And a happy birthday to Senator McCollister this morning and thank you for passing out the scones, which reminded me of birthday cake. And after hearing Senator Groene, I agree with you, that somebody is trying to have their cake and eat it, too, with some of the situations we're looking at here to try to solve. I would like to echo what Senator Baker talked about, about the willingness of the Retirement Committee, and in particular Senator Kolterman, to maintain a defined benefit concept for the teachers in our state. I happen to believe that is very important and something that we need to do, but we also have to be financially responsible or we will not be able to do that. I would like to ask Senator Kolterman a question if he would yield. [LB415]

SPEAKER SCHEER: Senator Kolterman, would you please yield? [LB415]

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SENATOR KOLTERMAN: Yes, I will. [LB415]

SENATOR WILLIAMS: Senator, there has been a significant amount of discussion on the separation of service issue and how that relates to the IRS creating this bright line of separation. And there are some that are saying it has to be 180 days, some are saying other things. Could you address that in a way that we could understand? [LB415]

SENATOR KOLTERMAN: I'll do my best to attempt that. I'm going to do a little bit of reading directly from some correspondence that I have received from legal counsel on this. LB415 as amended does not eliminate the ability of the schools to engage school plan retirees as substitutes. It simply requires both the schools and the school plan retirees to incur a bona fide separation of service following the school plan retirees accessing their retirement benefits. Internal Revenue Code, IRC 401(a) qualified retirement plans, like the school plan, must require retirees to incur a bona fide separation of service following retirement in order to maintain the plan's tax qualified status. In other words, the school plan retirees must not engage in any kind of a sham termination. When an employee legitimately retires, they separate from service with the employer. Accordingly, if both the employer and the employee know at the time of retirement that the employee will, with reasonable certainty, continue to perform services for the employer, a termination of employment has not occurred upon retirement and the employee is not legitimately retired. Such requirements will violate Section 401(a) of the code and result in disqualification of the plan under Section 401(a) of the code. Whether a termination of employment has occurred is based on whether the facts and circumstances indicate that the employer and the employee reasonably anticipated that no further service would be performed after a certain date. Certainly under Nebraska law, school plan retirees are allowed to return to voluntary and substitute service on an intermittent basis during the 180 days following retirement. However, the PERB and the NPERS has seen over the years that many school plan members are abusing this provision. In fact, even within the last six months, the PERB suspended a school plan retiree's benefit for subbing 32 percent of all days worked during the first three months of the school year following the school plan retiree's retirement. Finally, state, county judges, and Patrol plan retirees are prohibited from returning to work as volunteers following retirement. LB415 would apply the same standard to the school plan. It also helps to ensure that the school plan retirees are not violating the IRC by returning to work too soon and/or engaging in a sham termination. [LB415]

SENATOR WILLIAMS: Thank you, Senator. So under LB415, you have created... [LB415]

SPEAKER SCHEER: One minute. [LB415]

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SENATOR WILLIAMS: ...that bright line. Does it...what I'm thinking we're trying to address here, and tell me this, I'll ask it in the form of a question. This bona fide separation, if there is conversation or contemplation that a person taking retirement is going to be coming back to the system as a substitute, does that disqualify them as a bona fide separation of service? [LB415]

SENATOR KOLTERMAN: Not if they wait...they have to sign a form when they retire. But if they wait the 180 days and don't take one of the special buyout provisions, they can come back as a substitute or as a volunteer after the 180-day waiting period. [LB415]

SENATOR WILLIAMS: So we're helping the school districts not violate the IRS provisions? [LB415]

SENATOR KOLTERMAN: That's all we're doing. [LB415]

SENATOR WILLIAMS: Okay, thank you. Senator Baker, could I ask you to yield to a question? [LB415]

SENATOR BAKER: Yes. [LB415]

SPEAKER SCHEER: Senator, you have four seconds left. [LB415]

SENATOR WILLIAMS: Okay. Thank you. [LB415]

SPEAKER SCHEER: Thank you, Senator Kolterman, Senator Baker, and Senator Williams. (Visitors introduced.) Going on to the queue, Senator Hilgers, you are recognized. [LB415]

SENATOR HILGERS: Thank you, Mr. President. I would yield my time to Senator Kolterman. [LB415]

SPEAKER SCHEER: Senator Kolterman, five minutes. [LB415]

SENATOR KOLTERMAN: Thank you very much, Senator Hilgers and Mr. Chair. Well, there's a lot been said. I would like to move on Senator Baker's amendment, but let me just say a couple more things. First of all, there seems to be an attitude that this is against teachers. That could be farther from the truth. I happen to have a brother that's a teacher. He has been teaching for 25 years. He loves his job. He is not going to retire. I have a sister-in-law that is a teacher, been teaching for over 35 years. I would not do anything that would harm their ability to retire.

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Finally, I have a daughter that taught at Millard Public Schools for three years until she got married. She is a certified teacher in the state of Minnesota and I would not do anything to jeopardize any of the teachers. I also have a lot of friends that are teachers, at least I did have. Anyway, I would also like to respond to Senator Baker. It means a lot for me to have Senator Baker say what he said because we go back a lot farther than we started here. And I appreciate his confidence in me and our ability as a team, and when I talk about team, I'm talking about the other five people in my council on the committee to tackle these very, very, very difficult decisions. These are not easy decisions. And if you think they are...if they were easy, we wouldn't have the number of people in the lobby out here banging on the windows trying to get us to make changes. As far as having people at the table, everybody has been at the table. It hasn't been until the last couple of weeks, and Senator Baker and I were talking about this earlier, that we started getting any real negative conflicts about any of this. And it wasn't that they didn't have it, because nothing has changed, or very little has changed, only to improve in the last couple of weeks. So I don't know where all the angst is coming from, but I will tell you that it is not my intent to hurt teachers and it's not my intent to hurt school districts. I believe teachers deserve a really good, quality retirement plan. I would agree that we don't pay them enough, but I would also tell you that when they retire, they can retire in dignity because they put a lot in, the school districts put a lot in, and the state of Nebraska puts a lot into these plans. Before we get too far down the road, I want to talk about, because it's coming up, the 45 days-plus that put the plan in jeopardy under Senator Walz's amendment. I'm going to address it head on--70 to 75 percent of the school members retire in mid-May, 180 days runs until November 11. Majority don't work during the summer, school years begin mid-August. Between mid-August and mid-November, there are 65 workdays. If teachers are allowed to sub up to 45 days of the 65 workdays, that's 70 percent of the days, and there is really no bona fide separation of service. So by adopting her amendment, which we're going to hear about here in a minute, does not answer the problem. We do not have a problem with subs that's significant. And if we do, we have the problem already, and let's not worry about it in our retirement plan because this plan doesn't do anything to harm the subs. With that... [LB415]

SPEAKER SCHEER: One minute. [LB415]

SENATOR KOLTERMAN: With that, I would say I would yield the rest of my time to the Speaker. [LB415]

SPEAKER SCHEER: Thank you, Senator Hilgers and Senator Kolterman. Senator Linehan, you are recognized. [LB415]

SENATOR LINEHAN: Thank you, Mr. President. I was going to yield my time to Senator Kolterman, but I guess I will just stand up and say I appreciate very much his hard work on this.

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I know it's a tough issue. He's very sincere about making sure that the plan is sound, so there is a retirement there, which is important. They do work hard, I understand that. And I think we all agree that we should take care to make sure their retirement is sound and it's there for the people who...I do have one question, Senator Kolterman, make sure I'm right on this. It's just...but I think it's worth repeating. The changes we're making... [LB415]

SPEAKER SCHEER: Senator, are you asking Kolterman... [LB415]

SENATOR LINEHAN: Excuse me. [LB415]

SPEAKER SCHEER: ...to yield? Senator Kolterman, would you please yield? [LB415]

SENATOR KOLTERMAN: Yes, I will. [LB415]

SENATOR LINEHAN: These changes we're making, as far as retirement age, will not affect anybody who is currently employed as a teacher. [LB415]

SENATOR KOLTERMAN: They will not affect anybody that's employed by a school district, whether a teacher, a janitor, an administrator. If they're in the plan today, the rule of 85 and 50 still comes into...55 still comes into play. [LB415]

SENATOR LINEHAN: Thank you. [LB415]

SENATOR KOLTERMAN: It will not affect them one bit. [LB415]

SENATOR LINEHAN: Thank you. I think that's important for people to understand. And with that, I would yield the rest of my time to Senator Kolterman. [LB415]

SPEAKER SCHEER: Senator Kolterman, 3:30, if you wish. Senator Kolterman waives. Thank you, Senator Linehan and Senator Kolterman. Senator Quick, you are recognized. [LB415]

SENATOR QUICK: Thank you, Mr. President. I appreciate Senator Baker's amendment, but I still don't believe that that addresses the issues that I have with the bill. You know, I believe that we're holding the teachers in this state to a higher standard than what we hold any other employee in this state. I don't believe that the State Patrol, I think they have 120 days. The state workers have 120 days. And what we're...I think what we're looking at, I know it's 180 days with some intermittent substitute teaching in that time frame, and I just don't believe it's right that

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we're going to hold them to a higher standard than we hold everyone, every other employee in the state of Nebraska. I also, talking with others, I don't believe this...the separation part doesn't hurt. It actually helps the plan. You know, I should have someone correct me if I am wrong, but I think when they're still working as substitute teachers, I don't know if they...my understanding is maybe they still put retirement money in there and the district would put money in and that money would stay in the plan, not the teacher's portion but the district's portion. So it would actually help the plan. So like I say, I'm still opposed to Senator Baker's amendment as it allows for two years. I think we still need to do the 180 days with maybe some intermittent substitute, allow that to happen. I know Senator Walz has an amendment coming up eventually and I'd like to see that amendment and go from there. Like I said, this hurts the Grand Island School District by not allowing them to have enough substitute teachers. So I know if it hurts their district, I can't imagine what it does in the rural districts. And we need to make sure that our children receive proper education and I think that would, you know, allows for a teacher who has a lot of experience to come back and fill in for someone who is gone that day to help those students become more proficient in reading and other subjects. And so that's what I would like to see. So thank you, Mr. President. [LB415]

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PRESIDENT FOLEY: Thank you, Senator Quick. Senator Morfeld. [LB415]

SENATOR MORFELD: Thank you, Mr. President. Would Senator Kolterman yield to a few questions? [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: I think so. Yes. [LB415]

SENATOR MORFELD: They're not going to be tough ones, I don't think anyway. We'll find out. So, Senator Kolterman, I was listening to you this morning from my office while I did some work. So I wasn't on the floor, but I was listening. In terms of not being able to retire at the age of 55, is there any other public employee in the state of Nebraska that would have that restriction if we adopt your legislation? [LB415]

SENATOR KOLTERMAN: I don't believe that the normal retirement age is 55 for any of the other plans. [LB415]

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SENATOR MORFELD: For any of the other? Okay. So a police officer isn't able to retire at 55 and receive full pension? [LB415]

SENATOR KOLTERMAN: Just let me find out for sure, Senator Morfeld. [LB415]

SENATOR MORFELD: Okay. Okay. I'll follow up with you on that question. In terms of the argument about the IRS, I mean, have we received any official communication from the IRS stating this is a problem? Is there any precedent, ruling, case law, anything of any nature, other than the legal counsel's thoughts on this? [LB415]

SENATOR KOLTERMAN: No. To my knowledge, we have not. We're just trying to be proactive so it doesn't happen. [LB415]

SENATOR MORFELD: Okay. Okay. I mean, I guess, you know, I was looking in and I asked for some information from my district. And just for the record, this is information I received from my district, that the IRS, when looking at bona fide termination, it's not actually defined in the IRC. The IRS looks at all the facts and circumstances of a situation on a case-by-case basis when determining whether a bona fide termination occurred, including, but not limited to: A) a showing that employer followed the normal administrative termination of employment procedures; a showing that the employer followed its normal hiring procedures for the new position to rehire; a comparison of the employee's old and new positions, duties, and compensation; and finally, the length of time of the termination and reemployment. It appears to me that school districts and...it seems as though it's pretty clear when somebody's employment is terminated. And under these factors, based on the districts that I've talked to, I don't necessarily see a problem here. And unless we have received some kind of notification from the IRS or some kind of case law or some other kind of ruling or administrative decision, I don't necessarily think that this is a concern. But it appears as though legal counsel feels as though it could be a concern. So that's why we're addressing it? [LB415]

SENATOR KOLTERMAN: You want me to address that? [LB415]

SENATOR MORFELD: Yes, please. Yeah. [LB415]

SENATOR KOLTERMAN: Yeah. Well, first of all, you're talking to one or two districts, in fairness to the PERB. The PERB is dealing with every district in the state, 240-some districts. I don't know exactly the number, but I think it's 243 or something like that. And every district has to...reports somewhat differently about...the retirement is done. I mean, when you get a retirement, that's a separation. But it's the problem when they're coming back. There is a lot of

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ambiguity in how the school districts are reporting that information. And so that's what's causing the problem at the PERB. So it's not one particular district that's causing the problem. But there are problems. And as I read earlier, they have even had to terminate a retirement because it was being abused, just this first year, this first semester. [LB415]

SENATOR MORFELD: Okay. [LB415]

SENATOR KOLTERMAN: In answer to your other question about retirement, state and county can retire at 55, Patrol must retire at 60, and judges have to retire after 20 years. [LB415]

SENATOR MORFELD: Okay. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR KOLTERMAN: So...and again, those are things that are in each of the plans. But again, none of them can come back to work. [LB415]

SENATOR KOLTERMAN: Okay. Thank you, Senator. And I do appreciate your responding. Since I just have a minute, I do want to finish up. That does help me a little bit. I guess Senator Baker's amendment doesn't fully address some of my concerns. I do think that Senator Walz's amendment, even though I would like to see it up on the board, will address many of my concerns. I guess the other concern that I have, and I've heard it on the floor, I heard it a little bit from Senator Kolterman, even though I think he is very supportive of teachers and very respectful of public employees, is this notion that public employees are somehow abusing the system by taking a job after serving their local government, state, federal government for many different years, and in many cases 20 to 30 years. I mean, my own father was an enlisted marine. He did just fine, they have good benefits. Pay is not great, but it's fine, too. And he has other expenses. He served for 26 years and then he went... [LB415]

PRESIDENT FOLEY: Time, Senator. [LB415]

SENATOR MORFELD: ...and took a job with the Department of the Navy. Thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Morfeld and Senator Kolterman. Senator Schumacher. [LB415]

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SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I rise in support of Senator Kolterman and his efforts on LB415. Not because it's a pleasant thing to have to do or maybe even a wise thing, but because it's a necessary thing. Pension funds are a numbers game. The odds are fixed by a life expectancy and what the market rate of return is and the number of people that are involved and which all that computes out, and it's just simply a numbers game. And with the variability in investment returns, the long-term prospect that we're not going to see the kind of stock market returns that we've seen in the last few months, which has been very good for everybody that has any stock, at least, and the big factor being that folks are living longer, so that obligation to make payments is longer. We have got to deal with the numbers or you have a casino that goes broke. And I support that effort. I do have a question for Senator Kolterman, though. Would he yield to a question? [LB415]

PRESIDENT FOLEY: Senator Kolterman, would you yield, please? [LB415]

SENATOR KOLTERMAN: Yes, I will. [LB415]

SENATOR SCHUMACHER: Senator Kolterman, how much money, if we were just going to write a check to this fund or somebody was going to write a check to it, would it take today to bring us up to the 80 percent level? Any idea? [LB415]

SENATOR KOLTERMAN: We're at 90 now. So we would have to give money back. [LB415]

SENATOR SCHUMACHER: Oh, I'm sorry. I meant... [LB415]

SENATOR KOLTERMAN: To the 100 percent level? [LB415]

SENATOR SCHUMACHER: Yes, yes. [LB415]

SENATOR KOLTERMAN: I can't...I haven't looked at that, to be honest with you. We can probably get that information in a few minutes. [LB415]

SENATOR SCHUMACHER: Okay, well... [LB415]

SENATOR KOLTERMAN: I don't have it right at the top of my head. [LB415]

SENATOR SCHUMACHER: Okay. Thank you, Senator Kolterman. You see, this is a game of values. Let's just pretend that Senator Friesen's amendment for other day that went after this \$80

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million in subchapter S money, which I am told more and more is a real, real deal for a very few people and it's not double taxation. It's no taxation. Let's suppose we went after that \$80 million that somebody is getting, a few hundred people, and we fully funded that or other things. We fully funded this thing or the other things. We made a value judgment. And that value judgment basically says that we would sooner do a subchapter S thing than fully fund this pension plan as it now exists. Think about the teachers. One of the best discussions I think we've had on the floor, it was three or four years ago, when we talked in terms of the need to keep qualified people teaching, the difficulty of the teaching profession, the importance it is to our international competitiveness to have good teachers to compete with the Chinas. \$1.161 billion is what it would take to fully fund this at 100 percent, okay? We got a number. That's ten years or a little bit better than that of this \$80 million a year thing. But the teachers are very, very important. And you have people leaving the teaching profession to feed their families better. If we're going to be competitive with the Chinas and the Indias of the next century, we've got to do a lot to enhance the contact between real live breathing teachers and our students. I don't think you do that with an iPad or I-Energy Internet or anything like that. [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR SCHUMACHER: It's important to treat our teachers well. And so as we make this value judgment today necessarily, because the numbers have got to work or the system doesn't work, we should think in the back of our minds whether or not we are appropriating the resources we have now properly in the best interest. Tax cuts and economic incentives may not be the best bang for our money in the competition that we're really going to face globally. Because we're not going to be able to wall ourselves off. We've got to compete. And right now, I'm not so sure we are. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Kolterman, you are next. [LB415]

SENATOR KOLTERMAN: Question. [LB415]

PRESIDENT FOLEY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? Those in favor of ceasing debate vote aye; those opposed vote nay. There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, please. [LB415]

CLERK: 22 ayes, 0 nays, Mr. President, to place the house under call. [LB415]

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PRESIDENT FOLEY: The house is under call. Senators, please record your presence. Those unexcused senators outside of the Chamber please return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senators Howard, Hansen, Morfeld, Crawford, Bostelman, Brasch, Chambers, Larson, Murante, please return to the Chamber and check in. Senator Bostelman, could you check in? Senator Brasch, could you check in? Senator Kolterman, at this point all unexcused members are present. Will you accept call-in votes? [LB415]

SENATOR KOLTERMAN: Yes, I will. [LB415]

PRESIDENT FOLEY: Members, the question before the body is adoption of AM12...excuse me, the question is to cease debate. Senator Kolterman made a motion to cease debate. He will accept call-in votes. [LB415]

CLERK: Senator Hansen voting yes. Senator Hughes voting yes. [LB415]

PRESIDENT FOLEY: Record, please. [LB415]

CLERK: 26 ayes, 1 nay to cease debate. [LB415]

PRESIDENT FOLEY: Debate does cease. Senator Baker, you are recognized to close on AM1211. We are still under call. [LB415]

SENATOR BAKER: Thank you, Mr. President. Two changes this amendment does, I believe...I think it makes things better: reduces the number of months from 36 to 24 that a person taking a voluntary separation agreement would have to lay out. Remember, those things are not as prevalent as they were back in the 1980s and 1990s. More and more districts are using them, only maybe in the case of declining enrollment they find themselves overstaffed. They will put it on for a year and then take it back off. So we're not talking about that many people who are retiring under voluntary separation agreements anymore. And the other thing, it would allow people, whether or not they took a retirement incentive to return to do volunteer work within 18 months. With that, I close. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Baker. Members, you have heard the debate on AM1211. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB415]

CLERK: 26 ayes, 11 nays on the adoption of Senator Baker's amendment. [LB415]

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PRESIDENT FOLEY: AM1211 is adopted. I raise the call. Mr. Clerk. [LB415]

CLERK: Senator Walz would move to amend AM1219. (Legislative Journal page 1273.)
[LB415]

PRESIDENT FOLEY: Senator Walz, you are recognized to open on your amendment. [LB415]

SENATOR WALZ: Thank you, Mr. President. I introduced AM1219 solely on the concern I have for our education system and the students we teach, the students who rely very heavily on having qualified teachers in their classroom. The most important thing this amendment does is it takes away the three-year restrictions for teachers to work or volunteer as a substitute. AM1219 does not adjust the cost-saving portion of this bill. The projected savings will still be in this bill. The retirement age will still increase from 55 years to 60 years, which is the cost-saving portion of this bill. There is a substitute shortage. Lincoln has 823 certified teacher subs. Of those 823 subs, 341 of them are 55-plus years of age and are likely retirees from Lincoln Public Schools or other districts. LPS's average fill rate is currently 95.3, leaving LPS with an average 4.7 percent unfilled daily. Now, that might not seem like a lot, but that's an average of 12 classrooms per day. Due to LPS's strong need for subs, Lincoln Public Schools did allow a few retirees to sub during the 180-day bona fide separation. However, Lincoln Public Schools limits them. Following current law, Lincoln Public Schools tells them they cannot sub for more than a few days in any month and it cannot be scheduled or prearranged because intermittent work is not defined. OPS uses 250 to 500 substitutes a day. Their substitute pool is approximately 550 to 600. There are occasions now that OPS does not have enough substitutes to cover all classrooms. This school year, OPS hired 78 new substitute teachers. Of these, 41 were previous district employees, that's 52 percent of new retirees. OPS does not get subs from surrounding metro schools. Mostly the retired teachers are subbing in the surrounding metro schools. The OPS contract year begins August 1, the 180-day period would take employees to January 27. This would take new retirees out of the pool during peak months that substitutes are needed. And not only is this an urban problem, but I just talked with Senator Groene last week. He came up to me regarding a resolution and I kind of asked him to explain this, and he said that he has had many, many administrators calling him and asking him about the substitute shortage that we have. Senator Erdman said this morning that there is a severe shortage of substitutes in our rural areas. AM1219 does two things. First, it defines what "intermittent" means. Currently, state law does not...does allow intermittent work during the 180-day period, but districts and subs don't know what intermittent means. This would provide the definition at 45 days--45 days is the number school districts thought would satisfy their needs. Other state plans, like judges, State Patrol, call for 120-day break in work. This would allow the law to be similar in other state plans and what the state law is. AM1219 also takes...oh, we talked about the three-year restriction. Our schools are in need of substitute teachers, and I'm not really understanding the difference between contracting a retired teacher at \$145 per day or contracting with a brand new teacher at \$145 a

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day. To me, it makes more sense to be able to contract with someone who has experience, as opposed to contracting with someone with less experience or not being able to fill the classroom's needs. That would be a cost-savings. So in closing, I would like to say that where there is a teacher in the classroom, kids are learning. A lot of times--I talk with Fremont Public Schools--a lot of times the schools in our district are having to hire one teacher to teach two classrooms. So many times that teacher is teaching up to 60 children and I don't think that qualifies as a quality learning situation. Let's keep our quality teachers in the classroom and vote green on AM1219. Thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Walz. (Visitors introduced.) Continuing debate, Senator Hilkemann. [LB415]

SENATOR HILKEMANN: Thank you, Mr. President. Since I walked...I was thinking we're talking about education and we're kind of slow learners around this place. Since the moment I walked in here this morning, everybody says, well, I'm for this, as long as we get the Walz amendment. So now, after two and a half hours, we're finally getting to the Walz amendment. And I am looking forward to that conversation. And I will at some point, if I get another chance on the mike, I'll talk with you about my own experience as a substitute teacher. We need to get these substitute teachers, we need to have them here. And with that, I'm going to surrender time to Senator Krist, if he would like it. [LB415]

PRESIDENT FOLEY: Senator Krist, you have been yielded 4:20. [LB415]

SENATOR KRIST: I won't take the whole time. I feel very much like my colleague and friend, Senator Hilkemann. It's great to get to the Walz amendment. And basically where we are right now is that Senator Kolterman was given three hours on the floor. That will be over at noon. He has to prove to the Speaker that he has 33 to bring it back. I pledge my vote for 33, as long as the Walz amendment is the first thing up and we pass it when we come back in here. If not, then I think you've lost me. It is, as I told you earlier today, it is very important, I think, that that wealth of teaching experience comes back to the classroom, if they want to, as soon as possible. And I think that is the basis of this amendment and this is where I would pledge my support for AM1219, AM923, and LB415. So add me to the list of 33 if the Walz amendment passes. Thank you for your courtesy, Senator Hilkemann. Thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Walz, you are next in the queue. She waives the opportunity. Senator Kolowski. [LB415]

SENATOR KOLOWSKI: Thank you, Mr. President. Just speak briefly again for the quality of subs in the classroom makes such a difference. Every educational administrator building

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principal has their favorite people they love to have come back to their building as much as they possibly can when they have a substitute situation. Many times I was very, very pleased to see the repeating of seasoned substitutes who had a full career in teaching, but still loved to come back and help us in the classroom. And sometimes those turn into long-term subbing situations, not just daily. If there is an illness or perhaps a staff member has a child, might be out for a short time, and that becomes a long-term subbing situation that fills the bill very nicely for us as we have those opportunities to have quality people come into our buildings to assist with each of our departments. I stand fully in support of AM1219, Walz amendment, and also with AM923 and LB415 and would strongly recommend your green vote on this to help us with the bigger picture of this issue in our particular state. Thank you very much. [LB415]

PRESIDENT FOLEY: Thank you. Senator Kolowski. Senator Groene. [LB415]

SENATOR GROENE: Thank you, Mr. President. I would like to bring everybody back to the original bill. There is a lot more in there than volunteer or substitute teaching. That's a very, very minor part of this. And everybody gets to substitute teach if they wish to. They just have to sit out 180 days. It's not that big of a demand they're asking. And the main purpose of that is to stop the double-dipping: to retire at one place, at OPS, who has their own retirement plan, and then go over to Elkhorn or vice versa; to draw full retirement and then take another job at another district and get a full paycheck and enter into another retirement plan. That harms the entire system for those school employees, be it the janitor, the administrator, or the teacher who does it right. That's what this is about. And to give a pause. If you retired, you're retired, period. I got from NPERS, Nebraska Public Retirement System, last year, I believe this number is for last year, 39 percent of the teachers...of the employees retiring were between 55 and 60; 46 percent were between 61 and 65, which was 10,566--I guess I don't know what the time period, but this is the averages; 66 to 70, which most of us in free enterprise retire, 12 percent did; 71 to 75, 3 percent; 76 to 80, one-tenth of a percent; and there was even one or two that retired after 80. What this bill does, Senator Kolterman's LB415, we have to slow down the 55 to 60 retirees into the future because of mortality rates. The system will not tolerate it and be fiscally solvent if we encourage more and more individuals to retire before they reach 60. New hires will start at 60, new hires. Everybody in this system can still retire early if they wish to at 55 or more. That's a big chunk of this bill, folks, to keep it solvent. And I heard someone say, a couple folks say, we're at 90 percent, we did such a good job. I don't think it was that long ago, 2000. It was after the 2010 where this body had to make a decision to make the system whole by adding, I think it was, \$21-30 million into the system out of our budget so the actuaries would claim it was whole again. That was at the same time I believe we went from, this body and the taxpayers in Nebraska, went from 1 to 2--100 percent increase in what we add out of our state budget to the retirement system. It happens fast. I think Senator Williams made that point, so did Senator Kolterman. Ninety percent, if you're a fiscal conservative with a balanced budget, one of the few states to maintain a balanced budget, we better be at ninety percent-plus because we can't afford

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that hit to our budget when it happens. But 39 percent of our teachers or public employees in our school system retiring before the age of 60 is not acceptable, it just is not, to maintain a fiscally responsible retirement plan. And then to give some of them a bonus to do it, a bonus to have them retire early, that harms our retirement system is foolishness. It's bad management. It should be retained as a management tool and only that, used in rare cases. Senator Baker made the point. Less and less districts are doing this in the first place because they realize at the end of the day... [LB415]

PRESIDENT FOLEY: One minute. [LB415]

SENATOR GROENE: ...it does not help. Does not help their budget. Does not help their experience in their school system. LB415 is needed, and it needs to be done now. I have never seen a Chairman more qualified in his past history to do what he's doing now, and Senator Kolterman understands the system. So I encourage a vote, a red vote, on AM1219, and green on whatever Senator Kolterman says. Thank you. [LB415]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Vargas. [LB415]

SENATOR VARGAS: Thank you very much, President. Colleagues, I rise in support of the Walz amendment. And it's very, very simple. I appreciate Senator Kolterman bringing this bill, having this conversation and discussion. I think it's important for the different voices to come to the table. As a former school board member, as a former teacher, and somebody that has worked at Omaha Public Schools, I have heard from many different teachers about the need for more flexibility. The real crux of this is we have a very, very inherent need to have qualified substitutes that can fill positions in a very short reactive amount of time. And by not having some flexibility in the way that the Walz amendment addresses this, this will allow us to have the flexibility we need to have the necessary substitutes, while also creating a very clear definition for "intermittent" that will make sure that we are providing some clarity in the language, but also making sure we're providing the flexibility to our school districts to do what they need to do. I know there is a bigger conversation here about what is the right time period, how do we sever, you know, what retirement plays...what role it does in this. But ultimately, what I'm hearing from my constituents, what I'm hearing from my district is that we need more flexibility so that we can make sure we're meeting the ever-emerging and changing needs of such a large interest as OPS. I can't speak for the rest of the state, but I know for Omaha Public Schools, that we need the flexibility. The Walz amendment provides that. I am asking the rest of the committee...I'm sorry, the rest of the people on the floor to support the Walz amendment because I think it makes LB415 work better with the needs that we need. And I know that on its own, I can't support it without AM1219. I know that's something similar that other people have voiced. So I'm asking you to stand in support of the Walz amendment. Vote green on this so that we can make sure

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we're being...we're providing an accommodation that's needed for some of our larger urban schools where we are and we do have some subs, obviously. I know Senator Kolterman mentioned that. But to make sure that we continue to meet our needs, we need this flexibility. That 45 days creates a very, very clear window and it also allows our administrators to be able to actively manage their sub pool so we can do more with less. So thank you, urge your vote on AM1219, the Walz amendment, and thank you very much. [LB415]

PRESIDENT FOLEY: Thank you, Senator Vargas. Senator Quick. [LB415]

SENATOR QUICK: Thank you, Mr. President. I rise in support of AM1219. I also would support AM923 and LB415 if this amendment is added to it. I want to also thank Senator Kolterman and the Retirement Committee for all their work on this to make sure that the retirement system stays intact, so it will help the teachers in the future. And I also wanted to thank Senator Baker. I know he worked pretty hard on his amendment and that did go through. But I'm hoping Senator Walz's amendment will fix that. I did receive some information from the Grand Island School District on a number of substitute teachers and requests that they have. And what they sent me was on any given day, there are approximately 30 to 120 certified substitute requests. Of the 20 current retired substitute teachers, 5 started subbing before 180 days had passed, 8 started between 180 and 365 days of their retirement date, and 7 started one year or later after their retirement date. I think this shows the need that we have for substitute teachers before that two-year period would...that was within Senator Baker's amendment. It shows the great need that we have for substitutes in the Grand Island School District. And this is information I received from the Grand Island School District, not from the teachers. So I believe this is pretty reliable information and imagine what it's like for the rural school districts, not having enough substitutes, when we have this kind of shortage in the Grand Island School District. So I would urge you to vote green on AM1219. We need get that through and so that will help all of our school districts in the state. It will help us educate our children, make sure that they're properly educated so we can bring teachers in that will do a great job filling in for those who are off from work, either through illness or vacations. And with that, thank you, Mr. President. [LB415]

PRESIDENT FOLEY: Thank you, Senator Quick. Items for the record, Mr. Clerk? [LB415]

CLERK: Mr. President, Enrollment and Review reports LB331 to Select File with E&R amendments attached. (Legislative Journal page 1299.) [LB331]

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

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PRESIDENT FOLEY: Members, you heard the motion to recess. Those in favor say aye. Those opposed say nay. We are in recess.

RECESS

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Good afternoon, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. The afternoon session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

ASSISTANT CLERK: There is a quorum present, Mr. President.

PRESIDENT FOLEY: Thank you, Mr. Clerk. Do you have any items for the record?

ASSISTANT CLERK: Mr. President, one item: new resolution, LR123 by Senator Halloran; that will be laid over. That's all I have at this time. (Legislative Journal pages 1299-1300.) [LR123]

PRESIDENT FOLEY: Thank you, sir. Members, we'll now proceed to the afternoon agenda. The 1:30 item is Select File appropriation bill. Mr. Clerk.

ASSISTANT CLERK: Mr. President, LB259A is on Select File. There are no E&R amendments. [LB259A]

PRESIDENT FOLEY: Senator Hansen for a motion. [LB259A]

SENATOR HANSEN: Mr. President, I move we advance LB259A to E&R for engrossing. [LB259A]

PRESIDENT FOLEY: Members, you heard the motion to advance LB259A to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB259A advances. Proceeding on the agenda, Select File, 2017 Speaker priority bill. Mr. Clerk. [LB259A]

ASSISTANT CLERK: Mr. President, LB647. I have no E&R amendments. [LB647]

PRESIDENT FOLEY: Senator Hansen. [LB647]

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SENATOR HANSEN: Thank you, Mr. President. I move we advance LB647 to E&R for engrossing. [LB647]

PRESIDENT FOLEY: Members, you heard the motion to advance LB647 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB647 advances. Next bill, please. [LB647]

ASSISTANT CLERK: LB647A has no amendments, Senator. [LB647A]

PRESIDENT FOLEY: Senator Hansen. [LB647A]

SENATOR HANSEN: Mr. President, I move we advance LB647A to E&R for engrossing. [LB647A]

PRESIDENT FOLEY: That is a debatable motion. Senator Chambers, you're recognized. [LB647A]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, down through the years I've shown my concern for the courts, my support for the courts and of the courts, support for salary increases for judges. I'm not going to start the afternoon on a bad note for everybody because we'll have plenty of those on other issues, but I want to put on the record that I've become concerned about some of the lobbying activities of and by the court through the Court Administrator. It was my intent to do some things on these two bills that might have given heartburn to some of the judges, but Senator Pansing Brooks, who is able on occasion to persuade me to change my mind, indicated that this would not be the bill, this would not be the time, this would not be the day for me to do what I had in mind. So in view of the fact that I'm not going to do it, I won't even say what it was. But if the judges had known, they would all breathe a collective sigh of relief that would be so strong it would blow away these dark clouds and the sky would be blue and the sun would be shining gloriously. I think that's all I need to say before I go too far. Senator McDonnell, it's been good to know you, is what we would have said. Thank you, Mr. President. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Krist. [LB647A]

SENATOR KRIST: Thank you, Mr. President. Again, good afternoon, Nebraska and to my colleagues. This is an important bill and I appreciate Senator Chambers saying what he needed to in response to Senator Pansing Brooks and her request. I will tell you that in the course of doing business, if these kinds of adjustments are not done periodically, then we are at risk of not

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properly taking care of those judges in the way that they need to be taken care of. And again, I would say that there are so many, so many examples of our judges that have gone above and beyond, and I would mention again Judge Johnson, a juvenile court judge in Douglas County and his out-of-the-box way of dealing with our families and our kids and a true leader in our problem-solving courts and our family courts that will come forward. I ask you for a green vote on LB647A so that it can rejoin LB647 and we can succeed with this task. And thank you, Senator Pansing Brooks, for bringing it forward. [LB647A LB647]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Pansing Brooks. [LB647A]

SENATOR PANSING BROOKS: I just...thank you, Mr. Lieutenant Governor. I just wanted to thank Senator Chambers and Senator Krist for their comments today. It is important for the judges to be able to get their salaries increased at the same amount as the rest of the state employees. Of course, there's some other concerns that were going on about indigent defense for juveniles and some of those issues but that's another day, another time. And this is really important to be able to support the judges, and if we cannot support the judges appropriately, financially, then we have more difficulty getting competent people that deal with our most difficult issues in the state. Thank you, Mr. Lieutenant Governor. [LB647A]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Seeing no further discussion, members, you've heard the motion to advance LB647A to E&R for engrossing. All those in favor say aye. Those opposed say nay. LB647A advances. Proceeding on the agenda, Select File, 2017 committee priority bill. Mr. Clerk. [LB647A]

ASSISTANT CLERK: Mr. President, with LB451 there are E&R amendments. (ER80, Legislative Journal page 1229.) [LB451]

PRESIDENT FOLEY: Senator Wishart. [LB451]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB451. [LB451]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB451]

ASSISTANT CLERK: Senator Murante would move to amend with AM1244. (Legislative Journal page 1294.) [LB451]

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PRESIDENT FOLEY: Senator Murante, you're recognize to open on AM1244. [LB451]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. Following General File debate on LB451, I engaged in a discussion and negotiation with Senators Vargas and Crawford relative to the provisions of LB451 which dealt with appointments to the Nebraska State Legislature and under which circumstances those appointees would have an election conducted to fill that seat at a general election midway through the term. Following the negotiations, the amendment that we have before us is to say that there would basically be a three-pronged approach. If a vacancy occurs on or before February 1 of the second year of a term, the Governor would make an appointment and that appointee would have an election in both the primary and the general election of that year. If the vacancy occurs between February 1 and May 1, the vacancy would be filled at the general election that year and you would get on the ballot by petition. And if the vacancy occurred after May 1 of that year, the appointee would serve the remainder of term. I see Senator Vargas' light is on and I'm sure he will want to discuss it, but that is the fruit of the conversation that we had and I'd like to thank Senator Crawford and Senator Vargas for working with me on this to create what I believe a good bill to be a little bit better. Thank you, Mr. President. [LB451]

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

SENATOR VARGAS: Thank you very much, President. I would like to thank Senator Murante for bringing this amendment and working with Senator Crawford and I. What this does address is two things, and I just want to make sure this is on the record. The first is when the election commissioners brought this, there was a need to address this really tight turnaround time potentially for not having a good election. But this also had unintended consequences of then creating a scenario where appointed officials would potentially have a longer term as a result of changing the date and they wouldn't be elected by the general population. And so we wanted to address that. So what this does do is create these tiers that I think appropriately give the clarity as to what happens when somebody is replaced and appointed and when it goes to an election. I think this satisfied the need, especially between this February and May, so that people that are within that would go to a...sort of a special election in the general election and would still need to be certified, get...by petition make sure they get on the ballot, and then fight to get their voice out there and get the votes. It is not going to have a primary and a general if it falls within that gap, but the most important thing is that it solidifies that the public is voting for the representative rather than extending an "appointmentship." And so this is a good compromise. I do want to thank Senator Murante again for bringing this and for Senator Crawford as well and those that spoke on this on the floor. I ask everybody to support AM1244 and then the underlying bill, LB451. And thank you, everybody, for the great conversation. [LB451]

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PRESIDENT FOLEY: Thank you, Senator Vargas. Seeing no further discussion, Senator Murante, you're recognized to close on AM1244. [LB451]

SENATOR MURANTE: Thank you, Mr. President. I will close simply by saying Senator Vargas outlined AM1244. But since this is an election bill, I will take this opportunity to continue my previous discussion of a month ago in which I demonstrated concerns that I have over the municipal elections, particularly in Omaha and Lincoln. Yesterday the citizens of Lincoln went to the polls and elected their city council at a voter turnout percentage of 23 percent, up from the 18 percent they had in the primary of five weeks ago. This bill doesn't deal with that directly. But what you will see from me in the days to come, that the interim study has already been drafted, is an interim study in which we will be discussing and studying the elections across all political subdivisions and the propriety of having them in off years which in this instance was a cost to Lancaster and next week to Douglas County when they have their city of Omaha elections in the six figures. We're talking about hundreds of thousands of dollars in the case of Lancaster County every single year that does not need to take place. And what we saw today or, excuse me, yesterday in the city of Lincoln were three members, good people I'm sure, who were elected on an at-large basis and not on a district basis. And the problem that we see and that research clearly demonstrates is that at-large elections tend to result in elected officials coming from a concentrated area of town. And in a town the size of Lincoln, with as diverse a population as Lincoln has, I would like to see and have a conversation with both my colleagues from Lancaster County and Lincoln and from city officials in Lincoln about the wisdom of having at-large elections in a city of Lincoln's size. So that isn't directly relevant to AM1244, but it is an election bill and it is a conversation that will be forthcoming in the Government Committee. So I would encourage your adoption of AM1244 and your advancement of LB451. Thank you, Mr. President. [LB451]

PRESIDENT FOLEY: Thank you, Senator Murante. Members, you heard the discussion on AM1244. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB451]

ASSISTANT CLERK: 39 ayes, 0 nays on the adoption of the amendment. [LB451]

PRESIDENT FOLEY: AM1244 is adopted. Mr. Clerk. [LB451]

ASSISTANT CLERK: Nothing further on the bill, Mr. President. [LB451]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB451]

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SENATOR WISHART: Mr. President, I move to advance LB451 to E&R for engrossing. [LB451]

PRESIDENT FOLEY: Members, you've heard the motion to advance LB451 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB451 advances. Members, we're now going to proceed to about 14 bills on Final Reading, if you'd all return to your desks. We will now proceed with Final Reading. Mr. Clerk, on the first bill, LB97, the first vote is to dispense with the at-large reading. All those in favor vote aye; those opposed vote nay. Record, please. [LB451 LB97]

ASSISTANT CLERK: 34 ayes, 4 nays to dispense with the at-large reading, Mr. President. [LB97]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB97]

ASSISTANT CLERK: (Read title of LB97.) [LB97]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB97 pass? All those in favor vote aye; those opposed vote nay. Record, please. [LB97]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1301.) Vote is 43 ayes, 0 nays, 1 present and not voting, 5 excused and not voting, Mr. President. [LB97]

PRESIDENT FOLEY: LB97 passes. We'll now proceed to LB152. Mr. Clerk. [LB97 LB152]

ASSISTANT CLERK: (Read LB152 on Final Reading.) [LB152]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB152 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please, Mr. Clerk. [LB152]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1301-1302.) Vote is 46 ayes, 0 nays, 3 excused and not voting, Mr. President. [LB152]

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PRESIDENT FOLEY: LB152 passes. We'll now proceed to the next bill, LB172. Mr. Clerk, the first vote to dispense with the at-large reading. All those in favor vote aye; those opposed vote nay. Record, please. [LB152 LB172]

ASSISTANT CLERK: 37 ayes, 4 nays to dispense with the at-large reading. [LB172]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB172]

ASSISTANT CLERK: (Read title of LB172.) [LB172]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB172 pass? All those in favor vote aye; those opposed vote nay. Record, please. [LB172]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1303.) Vote is 47 ayes, 0 nays, 2 excused and not voting. [LB172]

PRESIDENT FOLEY: LB172 passes. Proceeding now to the next bill, LB223E. [LB172 LB223]

ASSISTANT CLERK: (Read LB223 on Final Reading.) [LB223]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB223E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted? Record, please. [LB223]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1303-1304.) Vote is 47 ayes, 0 nays, 1 present and not voting, 1 excused and not voting, Mr. President. [LB223]

PRESIDENT FOLEY: Thank you. LB223E passes with the emergency clause attached. Proceeding now to LB253. [LB223 LB253]

ASSISTANT CLERK: (Read LB253 on Final Reading.) [LB253]

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PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB253 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB253]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1304-1305.) Vote is 46 ayes, 0 nays, 2 present and not voting, 1 excused and not voting, Mr. President. [LB253]

PRESIDENT FOLEY: LB253 passes. (Visitors introduced.) Proceeding now to the next bill, LB257. Mr. Clerk. [LB253 LB257]

ASSISTANT CLERK: (Read LB257 on Final Reading.) [LB257]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB257 pass? Those in favor vote aye; those opposed vote nay. Record, please. [LB257]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1305.) Vote is 48 ayes, 0 nays, 1 excused and not voting. [LB257]

PRESIDENT FOLEY: LB257 passes. Proceeding now to the next bill, LB300. [LB257 LB300]

ASSISTANT CLERK: (Read LB300 on Final Reading.) [LB300]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB300 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB300]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1306.) Vote is 46 ayes, 0 nays, 2 present and not voting, 1 excused and not voting, Mr. President. [LB300]

PRESIDENT FOLEY: LB300 passes. Proceeding now to LB323. [LB300 LB323]

ASSISTANT CLERK: (Read LB323 on Final Reading.) [LB323]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB323 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB323]

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ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1306-1307.) Vote is 48 ayes, 0 nays, 1 excused and not voting. [LB323]

PRESIDENT FOLEY: LB323 passes. Proceeding now to the next bill, LB346. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; those opposed vote nay. Record, please. [LB323 LB346]

ASSISTANT CLERK: 37 ayes, 2 nays to dispense with the at-large reading, Mr. President. [LB346]

PRESIDENT FOLEY: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB346]

ASSISTANT CLERK: (Read title of LB346.) [LB346]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB346 pass? Those in favor vote aye; those opposed vote nay. Record, please. [LB346]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1307-1308.) Vote is 47 ayes, 0 nays, 2 excused and not voting. [LB346]

PRESIDENT FOLEY: LB346 passes. Proceeding to the next bill, LB478E. [LB346 LB478]

ASSISTANT CLERK: (Read LB478 on Final Reading.) [LB478]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB478E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB478]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1308-1309.) Vote is 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting. [LB478]

PRESIDENT FOLEY: LB478E passes with the emergency clause attached. Proceeding to the next bill, LB481. [LB478 LB481]

ASSISTANT CLERK: (Read LB481 on Final Reading.) [LB481]

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PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB481 pass? Those in favor vote aye; those opposed vote nay. Record, please. [LB481]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 1309.) Vote is 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB481]

PRESIDENT FOLEY: LB481 passes. Next bill, LB509. [LB481 LB509]

CLERK: (Read LB509 on Final Reading.) [LB509]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB509 pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB509]

CLERK: (Record vote read, Legislative Journal page 1310.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB509]

PRESIDENT FOLEY: LB509 passes. Proceeding now to LB509A. [LB509 LB509A]

CLERK: (Read LB509A on Final Reading.) [LB509A]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB509A pass? Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB509A]

CLERK: (Record vote read, Legislative Journal pages 1310-1311.) 46 ayes, 0 nays, 1 present and not voting, 2 excused and not voting, Mr. President. [LB509A]

PRESIDENT FOLEY: LB509A passes. Proceeding now to the final bill on Final Reading, LB605E. [LB509A LB605]

CLERK: (Read LB605 on Final Reading.) [LB605]

PRESIDENT FOLEY: All provisions of law relative to procedure having been complied with, the question is, shall LB605E pass with the emergency clause attached? Those in favor vote aye; those opposed vote nay. Record, please. [LB605]

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CLERK: (Record vote read, Legislative Journal pages 1311-1312.) 47 ayes, 0 nays, 2 excused and not voting, Mr. President. [LB605]

PRESIDENT FOLEY: LB605E passes with the emergency clause attached. That will conclude Final Reading for the day. Members, while we're in session and capable of transacting business, I propose to sign and do hereby sign the following legislative bills: LB97, LB152, LB172, LB223E, LB253, LB257, LB300, LB323, LB346, LB478E, LB481, LB509, LB509A, and LB605E. Proceeding on the agenda, General File, 2017 committee priority bill. Mr. Clerk. [LB605 LB97 LB152 LB172 LB223 LB253 LB257 LB300 LB323 LB346 LB478 LB481 LB509 LB509A]

CLERK: And, Mr. President, if I may, one new item: LR124, offered by Senator McDonnell calling for an interim study. That will be referred to the Executive Board. (Legislative Journal page 1312.) [LR124]

LB644 on General File, originally introduced by the Government, Military and Veterans Affairs Committee. (Read title.) Bill was introduced on January 18 of this year, referred to the Government Committee, advanced to General File. There are committee amendments. (AM1111, Legislative Journal page 1126.) [LB644]

PRESIDENT FOLEY: Senator Murante, you're recognized to open on LB644. [LB644]

SENATOR MURANTE: Thank you, Mr. President. Members, good afternoon. LB644 is the result of a yearlong process that is undertaken by the Government, Military and Veteran Affairs Committee every four years. If I would for a moment, I'd like to kind of outline the process by which we got to the committee amendment that is before you to sort of give you an understanding of the detail that went into LB644, as it is amended in the committee amendment. First of all, as you all know, state law requires the Government, Military and Veterans Affairs Committee every four years to conduct a survey review of all boards, commissions, and similar entities in the state of Nebraska. The review has three purposes: First, it cleans up entities which have sunset; second, it ensures that boards and commissions are fulfilling their intended purpose; and finally, it determines whether there are any boards and commissions which are obsolete and no longer necessary. This process began in June of last year when the committee sent a letter to all of these entities requesting that they complete a survey. After receiving the surveys at the beginning of August, the committee worked with the entities to determine the reasons for discrepancies and ensure that each of the entities that was required to respond had responded. This process was completed in October. In November the committee's report was compiled and it was submitted in December. In January, the Government, Military and Veterans Affairs Committee introduced LB644, which is the product of those discussions. We had a public

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hearing in February, and at that public hearing we heard from the stakeholders of the entities which were impacted by the green copy and learned about what was being impacted and made additional changes in the committee amendment. Subsequent to the public hearing, we had several Executive Sessions in which the members of the committee voiced their opinions about what was contained in the green copy of the bill, and the committee amendment before you eliminates all opposition that was expressed to the committee either by members of this Legislature, members of the Government, Military and Veterans Affairs Committee, or the boards and commissions which are impacted by the bill. LB644 was introduced based on the information we have received. It has been the past practice of Government Committee Chairs to treat the bill as an initial draft and to use the hearing process as an opportunity for boards and commissions, proposed to be eliminated, to state their case. This year we followed that process. Based on the information we received at that time, we have removed six entities, displayed that...determined that they are still necessary that were in the green copy of the bill and that are removed in the committee amendment. Those entities are the Board of Emergency Medical Services, the critical incident stress management board, the stem cell research advisory committee, the agriculture assessment matrix advisory committee, the Potato Development Committee, and the noxious weed advisory committee. Also, in keeping with past practice, the bill, the green copy of the bill included any entity that refused to respond to our survey and that included three boards and commissions that dealt with the judiciary. I'd particularly like to thank Senator Hilgers for his work on helping the committee obtain that information. Information was received by the judiciary on those three commissions and, accordingly, they were taken out of the bill in the committee amendment. Through this process, we were able to work with all interested parties to create a bill before you that eliminates obsolete and unneeded boards and commissions, while also eliminating opposition to the bill. The final version of the bill was advanced from committee unanimously. In addition to the board and commissions relative to state government, the committee amendment also includes a limited version of LB655, which deals with the Legislature and the Legislative Council and employees and the volunteer activities at public schools during normal work hours, which was also advanced to the floor unanimously. So with that, Mr. President, I think we've gone over the bill. If you have any questions about the individual, I won't line item and go through all of the matters that are before you--you can see what is on the committee statement--and that would take a lengthy amount of time. But if you have any questions, I would be happy to answer those for you. Thank you, Mr. President.
[LB644 LB655]

PRESIDENT FOLEY: Thank you, Senator Murante. Senator Murante, you're recognized to open on the committee amendment. [LB644]

SENATOR MURANTE: I think we generally ran through what the committee amendment does. Again, this largely takes out those boards and commissions which demonstrated their necessity

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and we believe that AM1111 is appropriate to ensure that those boards and commissions continue to exist. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Murante. Debate is now open on LB644 and the committee amendment. Senator Krist. [LB644]

SENATOR KRIST: Thank you, Mr. President. And good afternoon, colleagues and Nebraska. I wondered if Senator Murante would yield to a few questions. [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR KRIST: I'm looking at AM1111, which I think you've already opened on in conjunction with LB644, and on page 1, line 3, Section 1, let me just read this for the record. "The Legislative Council may permit an employee of the Legislative Council to participate in volunteer activities at a public elementary, middle, or high school, or a nonprofit organization," 501, etcetera, that was my ad lib, "that focuses on such education during normal work hours without loss of pay, vacation time, sick leave, or earned overtime accumulation." Do I understand that taxpayers' dollars will be paying the salary of a person and we are going to allow them to volunteer their time for another cause besides working? [LB644]

SENATOR MURANTE: I think the explicit answer to your question is no. What the amendment does is give the Legislature to...the authority to create such a program if it so chooses. [LB644]

SENATOR KRIST: And why would we do that? [LB644]

SENATOR MURANTE: That's a reasonable question. I think in the public hearing we heard quite a bit of instances about how volunteerism is helpful both for employees and the people for whom the volunteers are serving. And at a time of budget cuts when services are being cut, I think the Legislature, having the authority to determine whether in the interim or otherwise that it has the ability to create such a program for its employees without a cost to the state is a level of permission which is appropriate. [LB644]

SENATOR KRIST: Okay. So the cost to the state is the actual salary that's being paid to the person who is now being paid to volunteer for a 501. Thank you, Senator Murante. I wonder if Senator Watermeier would yield to a question or two. [LB644]

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PRESIDENT FOLEY: Senator Watermeier, would you yield, please? [LB644]

SENATOR WATERMEIER: Yes. [LB644]

SENATOR KRIST: Senator Watermeier, I've been in your position and I can't find myself actually authorizing any legislative employee at any time to get paid from the public taxpayers' money to go volunteer someplace else. To me, that's not volunteerism. That's paying somebody to do another job other than what they're being paid to do. Could you add anything to that? [LB644]

SENATOR WATERMEIER: I would agree with your interpretation as well. My light was on, ready to start asking questions on this issue as well. I've never seen anything like this before. I was going to ask Senator Murante a question on my time. [LB644]

SENATOR KRIST: I wonder if Senator McDowell would yield...McDowell (laugh), McDonnell would yield to a question, please. [LB644]

PRESIDENT FOLEY: Senator McDonnell, would you yield, please? [LB644]

SENATOR KRIST: How much time do I have left, Mr. President? [LB644]

PRESIDENT FOLEY: Two minutes. [LB644]

SENATOR KRIST: And while you're making your way to the mike, Senator McDonnell, I want to relay an issue that I think happened and I'll let you fill in the pieces on the balance of this time. And then I'll punch my mike for...my light for another time. Wasn't it just a few years ago that your firefighters were actually getting paid to be in a fire station, but there was an allowance to have them out with a boot raising money for a nonprofit which created such an issue and such a flap that you had to deal with those issues? Could you elaborate on that, please? [LB644]

SENATOR McDONNELL: Yes. Since 1955, the Omaha Firefighters and the International Fire Fighters throughout the country adopted Muscular Dystrophy Association as their charity. And every Labor Day, the firefighters on duty, within their response territory, would go out on the streets and try to raise money to help cure 1 of the 38 neurological diseases, muscle diseases. And at that point that was stopped and no longer were they able to do that on duty in their response territories. [LB644]

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SENATOR KRIST: You can argue, colleagues, that the cause was valid, but once again the taxpayers' dollars were paying firefighters to sit on alert ready to respond and it was deemed to be illegal. I for one believe that AM1111 is by itself a good amendment minus Section 1, and I will move to remove that at all costs and I hope you will follow me through that. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Chambers, you're recognized. [LB644]

SENATOR CHAMBERS: Mr. President, members of the Legislature, in view of the fact that others who are connected with the Legislative Council and have served in positions, that I'm not going to comment on but the bill in general. I had made a motion to rerefer this bill to the Judiciary Committee because of the references to the Qualifications Commission and the Nominating Commission. And I went through this entire amendment that would become the bill. I marked every section that was to be eliminated, read what that section dealt with, then I did something that I've never done before. I went to the repealer clauses and they comprise parts of two pages, and I went through every single item which would be a section or sections of statute which would be stricken pursuant to the white copy of the bill and I struck those sections. And overall I would say that Senator Murante did almost as good a job as would have been done by the Judiciary Committee where I wanted the bill to be referred. The concerns that I had have been adequately met and the other work, which I would not have read to the extent that I did, was well done, too. The reason I read it carefully, Senator Murante and I have kind of a little inside discussion from time to time on Italy and Sicily so there is kind of a tendency to watch each other. And I was watching to make sure that nothing had slipped in to one of those other areas which ought not to have. That did not occur. So I think the committee did very good work and I'm waiting to hear the outcome of the discussion on the provision that Senator Krist raised, because there are some concerns that this language have raised in my mind. But I will wait and see what the debate or the discussion is before I comment on that at all. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Hilkemann. [LB644]

SENATOR HILKEMANN: Thank you, Mr. President. I'm wondering if Senator Murante would yield to a question. [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: I would. [LB644]

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SENATOR HILKEMANN: Senator, I'm going to be kind of nonspecific here. But I received several e-mails and...early on, earlier in the year when LB644, particularly from people of the legal profession. And then I heard in your opening that you addressed some of those issues in this AM. Can you expand more? What were the concerns that the legal profession had on these? [LB644]

SENATOR MURANTE: I can answer, but it would probably be most efficient to answer at a 30,000-foot level. There were changes to the Judicial Nominating Commission, to the Judicial Resources Commission, and the Judicial Qualifications Commission which they took exception to in the green copy of the bill but which has been removed from AM1111 and which removed opposition from that organization to the bill. [LB644]

SENATOR HILKEMANN: And so you worked with the Bar Association on these particular issues? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR HILKEMANN: And so to your knowledge, and I checked back with my staffer and we did get one letter back from one of those persons saying that this...that you did amend it prior. So this issue has been worked out to the best of your knowledge? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR HILKEMANN: Thank you, Mister...Senator Murante. And if you'd...I'll yield any time to you if you would so desire. [LB644]

PRESIDENT FOLEY: Thank you, Senator Hilkemann. Senator Murante, 3:25. [LB644]

SENATOR MURANTE: I'll waive at this time. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Murante. Senator Watermeier. [LB644]

SENATOR WATERMEIER: Thank you, Mr. President. Good afternoon, Nebraskans. I'm just going to have to rise in opposition to AM1111. I'm looking back to the history of AM1111. It just came to light a couple weeks ago when we found this amendment and it was going to end up on the floor. I see this is basically LB655. I guess I'd ask Senator Murante to maybe walk me through the testimony on that, if he would yield to a question. [LB644 LB655]

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PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: I would. [LB644]

SENATOR WATERMEIER: LB655 is basically this amendment. Is that correct? [LB644 LB655]

SENATOR MURANTE: This is a very... [LB644]

SENATOR WATERMEIER: Part of it, yeah. [LB644]

SENATOR MURANTE: ...scaled down version of LB655. [LB644 LB655]

SENATOR WATERMEIER: Yeah. You had five or six, I see, proponents to this bill: TeamMates, a small list of volunteer organizations and stuff. And I just...I guess I'm going to have an issue with this as far as...and I see you rewrote it for the Legislative Council may permit instead of having the Division of Administrative Services if it's outside the body. But I just see it's very problematic as far as trying to decide who can do it, who can't. Personally, I'm still involved in the TeamMates. I've just taken a hiatus from it now. I know it's an issue when you are a paid employee on how you manage your time and do that. But I just really think this is going to be problematic. So I'll let you yield on how we can manage it. [LB644]

SENATOR MURANTE: Sure. I can answer that to the best I can. I would say so there's sort of two issues, because I'm not exactly sure what the concern is beyond just...if there's a concern with the organizations themselves or if there's a concern with being in schools or if it's just, broadly speaking, legislative employees or employees of the Legislature should not be permitted to do these sorts of things. I would say the question on the table really is, do we think there are instances where our...where legislative staff could be involved in schools or in organizations which are involved in educational programming in schools which would be well worth taxpayer dollars, and should the Legislature have the authority to have that discussion? Right now what's pretty clear is that state law does not permit us to have that discussion or to set up any program. Even if you, Senator Watermeier, and the Executive Board wanted to, you don't have that permission. So this is permissive language to give you that authority to create some sort of structure or framework. That's why the language is relatively broad, to allow the Legislature to have some flexibility in, if there was going to be a program, what that program looks like. And so that's the logic behind it anyway. [LB644]

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SENATOR WATERMEIER: Okay. I appreciate that. And I apologize for not coming to you two weeks ago when this was brought to my attention, when I first saw you made the amendment to bring it into LB644. I appreciate the opportunity, like you said, we could set up if we needed to do, if we wanted to. But it's going to put a policing effect on side of the Legislative Council and Executive Board indirectly that I'm just concerned with. So at this time I'm going to stay opposed to AM1111. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Watermeier. Mr. Clerk. [LB644]

CLERK: Mr. President, Senator Krist would move to amend the committee amendments by striking Section 1 from AM1111. (FA72, Legislative Journal page 1313.) [LB644]

PRESIDENT FOLEY: Senator Krist, you're recognized to open on FA72. [LB644]

SENATOR KRIST: Thank you, Mr. President. Good afternoon again, colleagues and Nebraska. The amendment is clear. Section 1 is the section that I just read for you. It would say, in Senator Murante's own words, that a person would be paid as an employee of the Legislature and would be allowed to volunteer. I can't imagine any taxpayer, I can't imagine any group, no matter how tilted they might be towards left or right, in fact, I can't imagine the company that I work for and with allowing one of my mechanics to be paid at a rate that he is being paid to work on an airplane and go volunteer. The definition of volunteer, in my mind, is dedication of one's self without due regard for any kind of reimbursement coming back. I think it's great that people volunteer. I think it's great that Senator Murante wants to encourage volunteerism. But I think it is blatantly illegal and that Section 1 needs to disappear. If it's such a good idea, I think there are several pizza joints in Omaha that should allow their employees to be paid and go out and volunteer and my aviation company should do that and door companies should do that and let's go right down the line. Small businesses are in business to make money and the government is in business to make sure that the taxpayers...we are in business to make sure that the taxpayers' dollars are being used in the most efficient and obviously in the way that they were intended to. So I would say this from being the Chairman of the Executive Board for a period of time. I think it puts an unusual amount of pressure on the Executive Board to, as Senator Watermeier said, police and watch over these activities. Now, there's been a few that have come to me while I was the Chair of the Exec and said, you know, during the interim period I hardly ever see anybody in Senator X's room. Staff is just not there during the interim period. And yet, when I check the time cards, as the Chair of the Executive Board, I see that someone has filled in a time card and has paid an employee for being there. That, ladies and gentlemen, is falsifying official documents and it is a felony. And I think any of the lawyers can stand up and say just that. This enables any of you to sign a time card and it puts the onus on you to require that you know where your employees are. This is bad legislation. AM1111 is bad about idea just in this way. I

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would hope that you would support removing Section 1 from the amendment and then continue to support the amendment as it would stand after and support LB644. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Krist. Continuing discussion, Senator Howard. [LB644]

SENATOR HOWARD: Thank you, Mr. President. I won't speak to the floor amendment or the AM, but I wanted to touch on the Medicaid Reform Council's elimination, which is I believe still included in LB644. Would Senator Murante yield to a question? [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR HOWARD: Is the Medicaid Reform Council elimination still included in LB644? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR HOWARD: So I wanted to ask you specifically, because this is actually the second time that we've dealt with the Medicaid Reform Council on the floor. Previously, we've already passed LB417, which included a partial elimination of the Medicaid Reform Council. And so just as a point of clarification, I think because LB417 was a cleanup from the department and it was well-vetted by the HHS Committee, I think you may want to consider just removing Section 46 so that you don't have any misalignment between the reporting periods for the Medicaid Reform Council and its elimination. And I'm certain Senator Riepe and his counsel would be happy to help you with that. [LB644 LB417]

SENATOR MURANTE: I'd be happy to research that. Our information suggested that, since it is a council that oversaw the Medicaid Reform Plan, which no longer exists, the council doesn't meet. The department informed the committee that the council was no longer necessary. To the extent that we can make sure that we're conforming duplicative pieces of legislation and making sure that we're not doing anything bad that way, I'm happy to do that. [LB644]

SENATOR HOWARD: (Laugh) Right. Yeah. You know the council hasn't met since 2013. The report has been issued every year by the department. They just put it together themselves. But I think LB417 kind of beat you to the punch on this one,... [LB644 LB417]

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SENATOR MURANTE: Okay. (Laugh) [LB644]

SENATOR HOWARD: ...and so it may be something to consider on Select File. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Howard and Senator Murante. Senator Pansing Brooks. [LB644]

SENATOR PANSING BROOKS: Thank you, Mr. Lieutenant Governor. I have some questions for Senator Murante, if he would... [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: I would. [LB644]

SENATOR PANSING BROOKS: Thank you, Senator Murante. I was just trying to wrap my head around what AM1111 is supposed to do and try to get some of the history, which I can't glean from the committee report exactly. So as somebody who's volunteered significantly in our community, I see the value of volunteering. Did this arise because people are working at the Legislature and they can't take off to go see their kids or help in a class or how did this all arise and what is the intent? [LB644]

SENATOR MURANTE: Sure. The evolution--and this really gets to the LB655 portion of the committee amendment--was, first of all, I'm personally involved in some mentoring organizations in the city of Omaha that deal with K-12 education. And being involved in those sorts of mentoring programs, one of the biggest challenges that mentoring programs face, as I'm sure you know, is the lack of mentors. That's probably the single biggest challenge. And private sector companies are rapidly evolving to a point where they are understanding, we are understanding, that to have the sort of volunteerism, which is sort of a generally described term, it is good for the business that is allowing their volunteers, their employees, to volunteer in organizations. But it's good for the employees themselves. They're more productive. There is clear evidence that employees who engage in mentoring programs are more engaged employees. They're more productive employees. So to the extent that we can help facilitate that as state government and sort of kind of join the trend that the private sector is engaged in, I think that's, at the very least, a discussion that's worth having. [LB644 LB655]

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SENATOR PANSING BROOKS: Okay. I'm familiar with the talk...or what you're discussing because one of our sons is at a company called the Advisory Board Company in D.C. and they allow, in fact encourage, ten hours a month of volunteering in the community. And it's sort of a twist on volunteering because it's a way for the company to give back and to have social enterprise capital and to be able to participate. So I understand that. I haven't really seen it from a public standpoint. Are other states doing this? Are other public entities that you know of promoting this kind of social enterprise? [LB644]

SENATOR MURANTE: Yes. There are several states. I can get you the statistic of which states are on board. The typical trend is for governors to issue an executive order making it permissive for government employees. As Senator Krist plainly stated, and he is correct, current state law prohibits that, current Nebraska state law prohibits that. So if that is something...if that's a road we want to go down, we have to give permission, essentially, for agencies of government to do it, starting with the Legislature and us saying (A) yes, mentoring is important; (B) it's something that's worthwhile for our folks to be doing, that we can lead the way on it. And that's what the scaled down version in AM1111 does. [LB644]

SENATOR PANSING BROOKS: Okay. So do you know if the other states have limited it to a certain number of hours? Have they limited it to proximity to the position? I just am wondering because somebody could obviously take this to some extreme level and say I'm going to do it 40 hours a week, I mean. [LB644]

SENATOR MURANTE: So generally speaking, how I have seen it performed is that on a broad level the... [LB644]

PRESIDENT FOLEY: One minute. [LB644]

SENATOR MURANTE: ...the language of executive orders are permissive and they allow agency directors to, like for example, when...LB655 does not just encompass legislative employees. It encompasses all state government employees. [LB644 LB655]

SENATOR PANSING BROOKS: Uh-huh. [LB644]

SENATOR MURANTE: So employees of the Department of Corrections and employees of the Legislature are in two totally different circumstances. Even if employees of the Department of Corrections could participate in such a program, it wouldn't look anything like what the Legislature would come up for its employees. So the broad, permissive language allows in this instance the Legislature. What I would recommend is to say in the interim perhaps and limit the

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number of hours a week or per month to be somewhat restrictive. We can kind of figure out at what point do we not have a loss of productivity and then set that as the standard. And that, in my view, is the best way going forward. [LB644]

SENATOR PANSING BROOKS: Okay. Thank you for answering those questions. Thank you, Mr. Lieutenant Governor. [LB644]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks and Senator Murante. Members, please come to order. Senator Krist, you're recognized. [LB644]

SENATOR KRIST: Hello again. I have a copy of the transcript prepared by the Clerk of the Legislature for the testimony of Dr. Tom Osborne, who came in and specifically talked about TeamMates and going into schools at a time when you're supposed to be employed during normal duty hours, normal, I'm sorry, not duty hours, you normal hours being paid to do your primary job. He finds...Dr. Osborne found that--Coach Osborne found--that it was very helpful to TeamMates to do what they needed to do. You know, I'm the first one who will support TeamMates, I have for years, and I see that that is a worthwhile cause. The problem I have and the problem that I want you all to think about is when you vote for AM1111, you go back to your district and say, we've decided that we're going to take your tax dollars, instead of paying a legislative staff to do their job, we're going to send them out to TeamMates or another 501, registered 501. Can you stand that heat? I don't think I can. And I think you're putting your council, your Executive Board into a really bad position if you're asking them to differentiate between what causes they will support and what causes they will not support. This is pretty clear. I mean, there is a point at which volunteer is a volunteer. And I applaud...and I have a lot of volunteer time, folks, as I'm sure most of you do. But this is taxpayer dollars we're talking about. Now, I'll tell you that First National Bank, where my son works and is a junior executive in that, gets paid a salary and he is encouraged to go out and volunteer for those things and they're given time to do that. But again, that's not taxpayer dollars. That's not government. Those aren't government employees. Those aren't state employees. It's a huge weight on you to manage their time and say, well, they went to something that I think is important. Where, again, do you draw that line? If it's not TeamMates then something else. I think there's other ways to solve this problem, but this isn't it. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Morfeld. [LB644]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I rise in support of Senator Krist's floor amendment and in opposition to the issue at hand that we're discussing in AM1111. Now I will say, Senator Murante, I think that this policy has some merit, but I think it needs to be more well thought out than what we have here in the amendment. For instance, nonprofit

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organization is not defined. Well, there's a lot of different nonprofits. There's (c)(3) nonprofits, which must be overwhelmingly for educational and nonprofit, charitable purposes. There's (c)(4) nonprofits, which are considered educational but can do a lot of advocacy, including political advocacy. So all of a sudden here you're saying nonprofit, that's a very broad term. There are a lot of different nonprofits. The Nebraska State Education Association is also a nonprofit, so...and they deal with education. So can I send my two staff over to help out the Nebraska State Education Association for the summer? Or, you know, Americans for Prosperity, they're a nonprofit as well. Platte Institute, also a nonprofit, I believe they have a (c)(4) arm as well. So can our staff now go to these nonprofit organizations that deal with education--education is not defined in this statute--and spend the summer educating people across the state? Colleagues, like I said, I think that this is well-intentioned but I think that we have a lot of work to do on this. I think it requires further study, it requires more definitions. I was also talking to some colleagues on the side. I run a nonprofit. Eighty percent of the services that we provide are actually direct service with youth for civic leadership. Can I send my two legislative staff full time to help out with our educational programs for the rest of the year? I think that would be inappropriate. So I think that we need to step back. I think this requires more study. I think it requires definitely more fine tuning. And I think this is something that perhaps we can work out in the interim. I think it has a noble goal. But again, the language is too broad. And I also, just from a fundamental level, I do have an issue with using taxpayer funded legislative staff to be paid for going and volunteering. I...there's just something a little bit different about that. And believe me, I run a civic engagement organization. I'm all about civic engagement. I'm all about volunteerism. I'm all about encouraging that. But I think that this is territory that needs to be explored a little bit more, studied more. I think that we need a lot of work on the definitions and to narrow the scope. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Morfeld. Mr. Clerk for an announcement. [LB644]

ASSISTANT CLERK: Mr. President, the Urban Affairs Committee will hold an Executive Session under the south balcony now; that's Urban Affairs. [LB644]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Continuing debate, Senator Chambers. [LB644]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I think those who have opposed this amendment have been right on point. This could be an implied waiver of the state's sovereign immunity because you are sending a state employee to do this work, whatever it is. And if that employee misbehaves or is careless, simply negligent, or intentionally does something wrong, the state could have liability which would follow that employee. I don't think volunteerism and compensation can go together. They are mutually exclusive. If these people want to genuinely volunteer, let...and whoever they work for is willing to let them take

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some vacation time, they can do whatever they want to with their vacation time once they have it. So if they want to volunteer, let it be that way. But I think the term that ought to be used here is "state subsidy." It would be the state subsidizing selective operations. I know some people see Tom Osborne as almost a god, but Tom Osborne and I never saw eye to eye. There were black speakers whom Tom Osborne did not want the black football players to listen to. But when-- who's that guy who played God?--Charlton Heston, when he came to talk, all the football players were there. So I don't trust Tom Osborne. He is not that great a person. And let me tell you what he did. I had a bill to allow compensation for the players if the NCAA did not object or when a majority of the schools in the conference of which Nebraska was a part, if their legislatures did the same thing, the state of Nebraska would allow the university to give compensation to the football players. I was ridiculed, but now most people who followed that know that what I tried to do over 35 years ago is now being done. Nebraska and all these big schools can give what they call a stipend. But when I brought it up, I was mocked and ridiculed. Here's where Tom Osborne showed his treachery. The then-chancellor of the university had said that the way the bill was drafted, it did not violate NCAA rules. It went along with what the university had been trying to do. So they had no opposition to the bill. So the Legislature passed the bill. It may have been the last day of the session but when we were out of session, Tom Osborne went to Governor Kay Orr and he persuaded her to veto that bill when we were out of session. The players were deeply offended. The representative of the university said to the media that Tom Osborne did an end run around the university by going against what the head of the university said. So this was a case where a coach overruled the head of the university and the Governor, Kay Orr, listened to that coach instead of the head of the university who had sent his statement to the Legislature in writing. So Tom Osborne may be a god to you all but I think he's one of the biggest, pious hypocrites who ever walked the face of the earth. The players knew it. Others knew it. And Tom Osborne knew about a program where these kids went to various families who were something like stand-in parents. And these players were given benefits that violated NCAA rules and Tom Osborne knew about it. There were young co-eds who squired some of these players around, and Tom Osborne knew about that. So he wanted to win at any and every cost. It didn't matter to him. And he played horrendous favorites. I'm saying it on the record. And it might be news to you all, but it was in the newspapers back in, what they say, back in the day. And I have those articles. So... [LB644]

PRESIDENT FOLEY: One minute. [LB644]

SENATOR CHAMBERS: ...to let a person like that come here with his chicanery and persuade a committee of the Legislature to say let those who are paid by the taxpayers work in his organization is par for the course for him. But I think it would be the worst thing that this Legislature could do, not just because it was brought to us by hypocritical Tom but because it waives the state's sovereign immunity and I believe there would be state liability for whatever

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these "volunteers" did. You cannot be a genuine volunteer if you are being paid. So I'm supporting Senator Krist's motion to strike that language... [LB644]

PRESIDENT FOLEY: Time, Senator. [LB644]

SENATOR CHAMBERS: ...from the committee amendment. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Watermeier, you're recognized. [LB644]

SENATOR WATERMEIER: Thank you, Mr. President. I need to once again rise and be...I'd be supportive of Senator Krist's floor amendment, FA72, which would strike out Section 1 of this amendment. I'd be completely supportive of AM1111 without Section 1, because there's a lot of items in here that really did do the good work on LB644 that Government Committee had done. Let me just give you an example. Two things that really bothered me the most about this bill, if the employee is actually being paid while he's volunteering his time, you're going to have all kinds of workmen's compensation issues just if he gets injured on that job site while he's doing that. It's just going to open up a complete can of worms that I would just think would be bad policy for the state of Nebraska. And obviously, this is good intentions. But I can name you a lot of examples in my work as volunteering, even in rescue squad and volunteering in TeamMates, where specific nonprofits and/or public businesses do not allow their employees to be volunteers because of licensure issues. There's just a whole host of issues besides the benefit issue. And if somebody gets hurt on the workplace, whose employee are they really if they're volunteering their time at that point in time? And here's just another general example of how would we possibly police this. The bill is written in such that it talks about education or education...focuses on such education, middle, elementary, or high schools. What if you're going to volunteer to be a coach? And I've done a lot of coaching and a lot of ball coaching and it's an enormous amount of time. It's hard to schedule it. It may be done at the whim and you may be gone from 3:00 in the afternoon till 8:00 at night. So the last three hour...two or three hours of the day you're going to be gone from work. This is going to be awfully burdensome for me to manage to the Executive Committee to the Legislative Council. And another question, I guess...that's just the biggest issue for me. And I'd like to ask Senator Murante a question as well. [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR MURANTE: Absolutely. [LB644]

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SENATOR WATERMEIER: Senator Murante, on LB655, which is basically the gist of this part of the volunteerism, the original part of LB655 addressed every employee except the Legislative Council. It was under the DAS umbrella. And now you've switched it around and said it's just the Legislative Council. Was that an idea to just keep it contained to a smaller group to see how it was going to work? [LB644 LB655]

SENATOR MURANTE: Okay. So LB655 is a green copy and LB655, as it has been advanced unanimously on General File, which was amended in a committee amendment, was a little bit different. It basically changed who was...the committee amendment authorizes agency heads or, in the case of employees of the university of Nebraska, the Board of Regents, or in the case of community colleges, community colleges' boards who gets to establish this program from within their agency. What AM1111 does is it narrows it to exclusively employees of the Legislature and says the Legislative Council has that authority. [LB644 LB655]

SENATOR WATERMEIER: That's what I took from when I read your bill on LB655 and I just didn't understand the wide-reaching side of DAS, which we are excluded from, but when you specifically name Legislative Council and the, I can't even think of the employees, the 200 employees we have, whatever, would be defined inside of that. So I'm going to ask the body to vote for, a green light for, FA72 and then we can pass AM1111 on and do the good work that the Government Committee has done. But as it stands right now, we need to get Section 1 out of this amendment. Thank you, Mr. President. [LB644 LB655]

PRESIDENT FOLEY: Thank you, Senator Watermeier. Senator Wayne. I do not see Senator Wayne. We'll move on to Senator Groene. [LB644]

SENATOR GROENE: Thank you, Mr. President. I stand in favor of FA72 and against AM1111. This makes no sense to me. My own staff, I walk into the office and I'd say, where's Joe, and, well, Joe isn't here; he's coaching a basketball game. I said why did that happen? I didn't give him permission. Oh, he got permission from Senator Watermeier at the Legislative Council. That's what it says here. It says Senator Watermeier is going...or the Legislative Council, which is the Executive Board, will. So all of our staff will be running there to go do something. And we have important business to conduct. And they were given time off--I guess it isn't time off, they're being paid--to go do their good works. This is not good. I mean, we're talking, you're taking administrative authority away from the Clerk of the Legislature with his employees, the Executive Board, the Fiscal Analysis (sic--Analyst), the Ombudsman, Performance Audit. I mean, I don't think I have to say any more. You are being paid for a job. If you're not needed there, because you got free time, then you're not needed at your job and maybe we have too many employees. You don't need to be paid. I'm going to agree with Senator Chambers. I haven't said that many times on the floor here. But if you're going to do volunteer work, do it on your

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own time. That's what volunteerism is, not being paid to do it. I don't know where this came from but if we're in such a crisis in country that nobody volunteers anymore and they have to be paid to volunteer in the 48...40 hours we ask them to work. And I'm not criticizing employees here. I don't think any employee of this body asked for this. I will ask Senator Murante if he'll answer a question. I'll ask him that exact question. [LB644]

PRESIDENT FOLEY: Senator Murante, would you yield, please? [LB644]

SENATOR GROENE: Apparently, he's gone. [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR GROENE: Senator Murante, did you have a request from any employee of the Legislative Council for this? [LB644]

SENATOR MURANTE: No. [LB644]

SENATOR GROENE: Thank you. Again, you know, sometimes we cast aspersions on individuals, which I regret. None of the employees asked for this. They took this job to work. They want to work. I don't know where it came from but it needs to die. When I call my office in the summertime, my employees are there. My staff is there. I ask them what is going on. They say, nothing. But they're at work. And Senator Krist, when he checked our time cards, I'm sure he was able to check and my staff was at work or they wouldn't be working there. So anyway, thank you. Please vote green on FA72 and go from there. Thank you. [LB644]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Wayne. [LB644]

SENATOR WAYNE: Thank you, Mr. Speaker...or, sorry, Mr. President. Colleagues, I was going to give you...I'm on the committee and I just want to give some background on how I guess we got here with the issue of mentoring and volunteering. So at Omaha Public Schools we had some issues around government officials not sure if they could provide reading to kids over lunch. Wasn't sure, and maybe it's a management issue, but Senator Murante was approached by numerous groups to figure out how maybe we can help with this. So what I heard today when I was in the Senators' Lounge listening was a lot of nos, nos. But what I would ask is the concept we should try to figure out how to solve: How do we engage our government employees to be a part of their communities? And I, if you read the report in the committee or the testimony in the committee, was very adamant about leaving it only to education. I also volunteer at a nonprofit and have been in charge of one for over 16 years and I wanted to make sure that we focused

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strictly on education. Kind of goes back to the third grade reading and everything else that I've been talking about. That was the focus of this. Now I heard Senator Chambers and I understand some of the concerns from a liability standpoint. There is a good Samaritan statute that I think some of your liability, Senator Watermeier, would cover many of the things that you're doing. But the issue was we were trying to--and I'm not a cosponsor of the bill--but we were trying to figure out how to allow employees, just like we have in the private sector. When I worked for a railroad, we were able to volunteer and make up those hours later. We were trying to figure out a way to give the green light for people to go in and read to children, to be a part of schools. And maybe this isn't the best way to get there. Maybe we could have hammered it out some more but...and maybe that's coming back next year to figure it out. But I just wanted everybody to understand the background of how we got here. It was a good idea, which in committee, if you read the report or read the testimony, I had a lot of grave concerns. I wanted to limit it to education. But it was a way for us to engage our government employees, at times of budget crisis and things going down, to be able to commit to helping out schools. Again, I think it's a noble concept. We have to figure out how to get there and I think we can still have those conversations to figure out how to get there, but the idea isn't necessarily wrong. I would love my staff to go into my district and read to kids and see what we're actually experiencing in our schools, and we probably will do that. But that was the intent behind it. So I know there's a lot of frustration about where it's at. And I do want to point out the example that Senator Krist gave about the firefighters raising money is completely different. They're actually raising money for a nonprofit. This is not raising money, this is reading to kids, and I will tell you legally there is a complete difference. So I understand the concept, not all the way in agreement with it, but I think we should have a conversation about how do we make that happen or there needs to be instructions put out--and maybe that's simpler without a bill--letting managers and supervisors have some leeway on this type of topic. And I think maybe that's the better way to do it. We probably don't need a statute. But I do want this body to understand the reasons behind it. And with that, I'll submit. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Wayne. Senator Linehan. [LB644]

SENATOR LINEHAN: Thank you, Mr. President. I understand the concerns about this. I do. But I also think probably maybe nine or ten months ago, I heard Dr. Osborne speak to a group of people about TeamMates and I was very impressed with the work he does. So I just...it seems like maybe it's appropriate to recognize that his efforts on the behalf of many youth across the state have proved valuable to those kids and to their families. And he clearly is very, very dedicated to it. So as Senator Wayne said, maybe there's another way to do this. I think, if I remember Dr. Osborne's comments, one person, you know, in a kid's life who they can trust and see once a week makes a huge difference. So maybe this isn't quite the right way to go about it, but I appreciate what the committee has done here and I appreciate Senator Murante's efforts. And I do think it's a discussion we have and see if maybe we all can't figure out how to

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encourage, without cost, our employees to be active in this. And maybe it's more not getting paid but more flexible schedules and I'm not sure how that all works, so. But I appreciate this conversation and do think if there's a way to encourage people over lunch hours and they get expanded and they have to say an hour later, whatever, that maybe it's something we should look at. So with that, I would yield the rest of my time to Senator Murante. [LB644]

PRESIDENT FOLEY: Thank you, Senator Linehan. Senator Murante, 3:20. [LB644]

SENATOR MURANTE: Thank you, Mr. President. I appreciate the discussion on this issue that we've had. I believe I'm next in the queue and I am going to call the question when that time comes on FA72. I believe that LB655 is a good bill. It is currently sitting on General File and I'm happy to have the discussion. I think Senator Chambers has brought up some interesting points relative to sovereign immunity. While I don't share the belief that we need to be terribly explicit on the nature of a program when we're just making permissive language, and I believe the Executive Board is perfectly capable of narrowing and tailoring it down to be flexible, to be clear, the language in the green copy of the bill was deliberately flexible so that different state agencies could approach it different ways. But perhaps it is worthwhile, if we are talking exclusively about legislative employees, to be more specific, to be more definitional, and I think there's probably a case to be made there. So what I would like is the opportunity to have that discussion on LB655, if and when we get to it. So what I will do is support the Krist amendment so that we can advance this bill and without the provision in it, and have the discussion about mentoring when we get to LB655. So, thank you, Mr. President. [LB644 LB655]

PRESIDENT FOLEY: Thank you, Senator Murante, and you are next in the queue. [LB644]

SENATOR MURANTE: Question. [LB644]

PRESIDENT FOLEY: Question has been called. Do I see five hands? I do. The question is, shall debate cease? Those in favor of ceasing debate vote aye; those opposed vote nay. Record, please. [LB644]

CLERK: 30 ayes, 0 nays to cease debate. [LB644]

PRESIDENT FOLEY: Debate does cease. Senator Krist, you're recognized to close on FA72. [LB644]

SENATOR KRIST: I'll be brief. I thank Senator Murante for his support of FA72. I'm going to ask him to come on the mike in just a second so we can have a bit of a conversation. I think that

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there is a solution to encouraging volunteerism, encouraging the support of organizations like TeamMates. And I said on the record I'm a huge supporter of TeamMates and have been in the past, especially when they allow me to play golf. However, I would tell you that this is creating...this creates for me some issues that I think would...the council does not need on their plate and some other issues may be worked out as comp time, etcetera. With that, I'd ask Senator Murante to join me on the mike for just one second. [LB644]

PRESIDENT FOLEY: Senator Murante, will you yield, please? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR KRIST: We had a conversation off the mike and you also said it, but just for the legislative record, the support of FA72 and then the support...obviously, our support for AM1111 and the underlying bill, LB644, you would support all of those things? [LB644]

SENATOR MURANTE: Yes. [LB644]

SENATOR KRIST: And we're going to have a discussion, as you said, later on LB655, I believe the number is? [LB644 LB655]

SENATOR MURANTE: That's correct. [LB644]

SENATOR KRIST: Okay. And I think it's a valid discussion and a great discussion to have. And thank you, Senator Murante, for your courtesy with that. I would ask you for a green on FA72, AM1111 after FA72 is attached, and LB644. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Krist. Members, you've heard the debate on FA72. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB644]

CLERK: 44 ayes, 0 nays on adoption of the amendment. [LB644]

PRESIDENT FOLEY: FA72 is adopted. Continuing discussion, Senator Chambers. [LB644]

SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I like to get people's interest. I'm going to bring...articles were written about what I was doing. I was paid to write an article by The New York Times, which I did, and they would interview me. I was

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allowed to do an article for The Baltimore Sun, Sports Illustrated interviewed me, papers all over the country. Phil Donahue, when he had a program, even invited me to be on his program. And the president of the NCAA was there and Bo Schembechler, who was an iconic coach from one of the Michigan schools. And his position was that a player would never be paid, and now they can get it. And I emphasize that something that is right is going to prevail. But what I'm going to do is bring you all...I'm going to hand out articles like I hand out, let you see where, after Tom pulled his underhanded work of doing an end run around the head of the university, The New York Times wanted to get an interview with him because they knew he had stated that he was in favor of players getting a stipend. He said when he was going to school they were actually given an amount of cash. It was called laundry money. So if the amount that I had in mind was within that range, he supported it. So then, when he did his about-face, what he had said in the past had made the national media and when they called him for an interview, he would not respond. And that is contained in The New York Times. The media, the sports media in Nebraska, were coopted by Tom Osborne. They were unwilling to print criticisms of Tom Osborne. So the kind of coverage I got came from the Associated Press and news media around the country. It was a very heated issue. And after it got warmed up, there were heads of universities who stated that these players should be paid. A player named Franco Harris, who wouldn't be known to any of you all but he'd probably be known to linebacker Stinner and others, had said the players should be paid. Then more and more players began to say it. I was invited to a national conference at LSU and the associate, whatever you call the person who is the athletic director at Notre Dame-- I don't know if they have some kind of religious designation--but anyway, that person was there. There was a coach of a basketball team named Dale Brown and he was legendary. And he had said during this conference that he supported my idea and he thought it would succeed. And he said that what he wanted and wished would happen is that his players would make it again to the Final Four in basketball and all of them would say they refuse to go on the court unless there was an agreement that they would be compensated for their contributions to the university. Johnny Rodgers, by the number of fans he brought in, was responsible for building a wing to the stadium. And everybody in football at the high level, Division I-A, knew that players were receiving money under the table, because generally they came from poor families. The only ones under NCAA rules who could help would be a member of the family or a guardian. Yet, these players who came from poor families were getting things and having things which their families couldn't support. So people who were ordinarily honest had to pretend. They had to look the other way. [LB644]

PRESIDENT FOLEY: One minute. [LB644]

SENATOR CHAMBERS: And rather...did you say time? [LB644]

PRESIDENT FOLEY: No. There's one minute. [LB644]

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SENATOR CHAMBERS: Okay. Thank you. Rather than go ahead and be honest and let this compensation be above the table, everybody had to be part of dishonesty. And the players learned that when it came to winning, winning was everything. And since the coaches, the athletic directors knew that they were taking money under the table, they said I'm not going to do it just for peanuts, I'm going to make me some money. Then when the player got caught, the player was the bad person, and I was very opposed to that. They were a part of the group that I designate the downtrodden. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Watermeier. [LB644]

SENATOR WATERMEIER: Mr. President, I just want to reiterate I forgot to say the last time I was on the floor that I'll look into this on the interim and we'll get it figured out if we can come up with some better language. So I will support it AM1111. There's lots of good things in there. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Watermeier. Senator Murante, you're recognized to close. He waives closing. The question before the body is the adoption of the committee amendment, AM1111. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB644]

CLERK: 35 ayes, 2 nays, Mr. President, on the adoption of committee amendments. [LB644]

PRESIDENT FOLEY: Committee amendment is adopted. Senator Murante, you're recognized to close. [LB644]

SENATOR MURANTE: Thank you, Mr. President. Members, I want to thank a couple of people. First of all, Andrew LaGrone is the Government, Military and Veterans Affairs Committee legal counsel who did a tremendous amount of work on LB644; also Sherry Shaffer, the Government Committee clerk, who really put all of this together. I look forward to having a discussion with Senator Watermeier and others relative to what we can do to help facilitate mentoring and encourage mentoring, because I really believe that's the wave of the future, both in the private sector and the public sector. And I would encourage your support for the advancement of LB644. Thank you, Mr. President. [LB644]

PRESIDENT FOLEY: Thank you, Senator Murante. Members, you heard the debate on LB644. The question before the body is the advance of the bill to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB644]

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CLERK: 44 ayes, 0 nays on the advancement of LB644. [LB644]

PRESIDENT FOLEY: LB644 advances. Pursuant to the agenda, we'll now move to the 3:30 p.m. item, Select File budget bills. Mr. Clerk. [LB644]

CLERK: Mr. President, may I read some items?

PRESIDENT FOLEY: Please, please do.

CLERK: Bills read on Final Reading were presented to the Governor at 2:33 (re LB97, LB152, LB172, LB223, LB253, LB257, LB300, LB323, LB346, LB478, LB481, LB509, LB509A, and LB605). Senator Hughes, new resolutions, LR125 and LR126, both calling for interim studies. Those will be referred to the Board. And your Committee on Enrollment and Review reports LB86, LB204, LB280, LB318, LB371, LB375, LB406, LB463, LB476, LB584, and LB624 as correctly engrossed. That's all that I have, Mr. President. (Legislative Journal pages 1313-1315.) [LB97 LB152 LB172 LB223 LB253 LB257 LB300 LB323 LB346 LB478 LB481 LB509 LB509A LB605 LR125 LR126 LB86 LB204 LB280 LB318 LB371 LB375 LB406 LB463 LB476 LB584 LB624]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Now we will proceed to the budget bills. Mr. Clerk.

CLERK: Mr. President, Senator Wishart, LB328, I have no amendments to the bill, Senator. [LB328]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB328]

SENATOR WISHART: Mr. President, I move the advancement of LB328 to E&R for engrossing. [LB328]

PRESIDENT FOLEY: Members, you heard the motion to advance LB328 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB328 advances. Next bill, please. [LB328]

CLERK: LB329, Senator. I have no amendments to the bill. [LB329]

PRESIDENT FOLEY: Senator Wishart. [LB329]

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SENATOR WISHART: Mr. President, I move to advance LB329 to E&R for engrossing. [LB329]

PRESIDENT FOLEY: Members, you've heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB329 advances. Next bill, please. [LB329]

CLERK: Mr. President, LB330, I do have E&Rs, Senator. (ER81, Legislative Journal page 1229.) [LB330]

PRESIDENT FOLEY: Senator Wishart. [LB330]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB330. [LB330]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB330]

CLERK: Senator Stinner would move to amend with AM1217. (Legislative Journal pages 1315-1316.) [LB330]

PRESIDENT FOLEY: Senator Stinner, you're recognized to open on AM1217. [LB330]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, AM1217 is a technical fix of changes in the capital construction bill as a result of LB340 passed earlier this year. LB340 was passed last week and signed into law by the Governor on April 25. Under LB340, the Division of Veterans' Homes at the Department of Health and Human Services will be transferred to the Department of Veterans' Affairs. Under AM1217, the authority for construction projects at the Central Nebraska Veterans' Home and the Western Nebraska Veterans' Home will be transferred from DHHS to the VA consistent with the responsibilities of LB340. Thank you, Mr. President. [LB330 LB340]

PRESIDENT FOLEY: Thank you, Senator Stinner. Debate is now open on AM1217. Seeing no discussion, Senator Stinner, you're recognized to close on the amendment. He waives closing. The question before the body is the adoption of AM1217. Those in favor vote aye; those opposed vote nay. Record, please. [LB330]

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CLERK: 33 ayes, 0 nays, Mr. President, on the adoption of Senator Stinner's amendment. [LB330]

PRESIDENT FOLEY: AM1217 is adopted. [LB330]

CLERK: I have nothing further on the bill, Mr. President. [LB330]

PRESIDENT FOLEY: Senator Wishart. [LB330]

SENATOR WISHART: Mr. President, I move to advance LB330 to E&R for engrossing. [LB330]

PRESIDENT FOLEY: Members, you heard the motion to advance LB330 to E&R for engrossing. Those in favor say aye. Those opposed say nay. LB330 advances. Next bill, please. [LB330]

CLERK: Mr. President, LB149. Senator, I have E&R amendments first of all. (ER82, Legislative Journal page 1234.) [LB149]

PRESIDENT FOLEY: Senator Wishart. [LB149]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB149. [LB149]

PRESIDENT FOLEY: Members, you heard the motion to adopt the E&R amendments. Those in favor say aye. Those opposed say nay. The E&R amendments are adopted. [LB149]

CLERK: Senator Stinner would move to amend with AM1260. (Legislative Journal page 1316.) [LB149]

PRESIDENT FOLEY: Senator Stinner, you're recognized to open on AM1260. [LB149]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, AM1260 includes a couple of substantive changes to LB149. Under this amendment, it would do three things: number one, increase cash fund spending authority for the Division of Vocational Rehabilitation under the Department of Education to match federal funds; decrease an unobligated balance with the Governor's Emergency Program for disaster response; increase the salary limit for the

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Nebraska Commission on Law Enforcement and Criminal Justice to pay accrued vacation and sick leave for retiring personnel. AM1260 would be amended into the existing committee amendment which was adopted on General File. Thank you, Mr. President. [LB149]

SENATOR KRIST PRESIDING

SENATOR KRIST: Thank you, Senator Stinner. You heard the opening on AM1260. Seeing no one in the queue, Senator Stinner, you're recognized to close. Senator Stinner waives closing. The question is the adoption of AM1260 to LB149. All those in favor vote aye; opposed, nay. Have all those voted that wish to? Please record, Mr. Clerk. [LB149]

CLERK: 41 ayes, 0 nays, Mr. President, on the adoption of Senator Stinner's amendment. [LB149]

SENATOR KRIST: AM1260 is adopted. [LB149]

CLERK: I have nothing further on the bill, Mr. President. [LB149]

SENATOR KRIST: Senator Wishart for a motion. [LB149]

SENATOR WISHART: Mr. President, I move to advance LB149 to E&R for engrossing. [LB149]

SENATOR KRIST: You heard the motion. All those in favor, aye. Opposed, nay. It advances. Mr. Clerk. [LB149]

CLERK: Mr. President, LB327, a mainline budget bill. There are E&R amendments first of all, Senator. (ER83, Legislative Journal page 1269.) [LB327]

SENATOR KRIST: Senator Wishart for a motion. [LB327]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB327. [LB327]

SENATOR KRIST: You've heard the motion. All those in favor, aye. Opposed, nay. They're adopted. [LB327]

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CLERK: Mr. President, I might indicate to the membership, pursuant to the Speaker's authority under the major proposal rule found in Rule 1, Section 17, that he has ordered the reordering of the first three amendments to include those three amendments being Senator Stinner's. The Chamber laptop will reflect that. So, Senator Stinner, the first amendment that you have, I have in front of me, Senator, is AM1277. (Legislative Journal page 1316.) [LB327]

SENATOR KRIST: Senator Stinner, you're welcome to open on AM1277. [LB327]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, AM1277 is the response to last week's discussion on Title X funding for public health screenings. I want to take this time to apologize to everybody in the body. I didn't do my job as Chairman. This got by me. I didn't see it, and I do want to apologize to everybody in this body. Title X is important legislation and I understand that. Obviously I've gotten e-mails and listened to the debate that we went through; and I get the fact that Title X is not only important, it is contentious. So what I'm going to recommend is the withdrawal of the Title X language. And I do have three or four people in my committee working on an LR language to where we can pull that LR10 (sic--Title X) out, put it into a...put it to the Executive Committee, have the Executive Committee direct it to the right--whether it be HHS to look at it or whether it be Judiciary to look at it or maybe both--to have a good debate on it, a good vetting of the items within Title X so that we can have, first of all, responsible and fair debate. Secondly, we can modify it to what the body wants to have in Title X and come back with that legislation in next session. Even though the amendment doesn't address the LR, I will commit to you and I will commit to you that this LR will get done and will be sent to the Executive Committee for the referral to the appropriate committee. I know it isn't in the language. The reason it isn't in the language is because I didn't want the Appropriations Committee to direct HHS or something along those lines. We need to have the Executive Committee make that determination. So that's my proposal. That's the amendment. That's my word as it relates to this issue. We can have a fair debate. We can have an in-depth debate, and it needs to go to a committee that really understands the breadth and scope of what Title X is about. So again, I apologize. But, you know, my dad says when I make a mistake I need to take responsibility for it, and I am taking responsibility for it. And he also told me that I need to make sure that I try to right a wrong. So thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Stinner. You've heard the opening on AM1277 to LB327. Those wishing to speak: Senator Bolz, Wishart, Craighead, Erdman, and others. Senator Bolz, you're recognized. [LB327]

SENATOR BOLZ: Thank you, Mr. President. During my time in this body, I have always done my best to vote according to my convictions and code of ethics as it relates to protecting life. And what that has meant this year has been voting for the Choose Life license plate. What it has

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meant in previous years has been voting against the legislation about people's choices at the end of life. Colleagues, to me, being pro-life doesn't just mean issues related to reproduction. It also means that we protect life in terms of prenatal care. We protect life in terms of children. We protect life in terms of senior citizens. Colleagues, Title X brings together a number of issues that are related to protecting life: the life of moms, the lives of children who are newborns, and the lives of pregnant mothers. And this issue needs to be addressed carefully and thoughtfully. And because the Appropriations Committee, to my knowledge, is the only committee in this body that has to vote out a bill by a specific legislative day, when we get proposals toward the end of our time frame, sometimes we just have to vote them up or down and that's what happened in this case. And in this case, the individual who made the motion to put this language in recognizes that we did that without our due diligence. And the reason I know that he recognizes that is that he voted for this language removal out of committee. I was there. The media was there. The rest of the committee was there. Will Senator Clements yield to a question? [LB327]

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

SENATOR CLEMENTS: Yes. [LB327]

SENATOR BOLZ: Senator Clements, yes or no. Did you vote for the removal of this language in this amendment out of the Appropriations Committee? [LB327]

SENATOR CLEMENTS: Because of wanting transparency... [LB327]

SENATOR BOLZ: No, sir,... [LB327]

SENATOR CLEMENTS: Yes. [LB327]

SENATOR BOLZ: ...yes or no. Yes. The answer is yes. Thank you very much, Senator Clements. So, colleagues, I ask for your support in doing the appropriate due diligence that we need to do. Regardless of the side of the issue that you land on, there are too many lives at stake to not get this policy right. And I ask for your consideration of giving this body the opportunity to do that. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Bolz and Senator Clements. Senator Craighead, you are recognized. [LB327]

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SENATOR CRAIGHEAD: Thank you, Mr. President, and good afternoon, colleagues. I do not support AM1277. This is Senator Schumacher's amendment the body voted down last Friday on a 17-19 vote. Many members were present not voting, including myself. Near the end of the debate on General File, Speaker Scheer tasked Senators Pansing Brooks and McDonnell to work on a compromise to address concerns shared on the floor regarding access to comprehensive family planning and related preventative health services in the more rural areas of our state. I appreciate their efforts to craft the best language to protect all Nebraskans; and I believe my amendment, AM1255, accomplishes this. AM1255 adds the language: and public or private health facilities that provide comprehensive primary care in addition to preventative care services. The department shall disburse such funds to a public or private healthcare facility which does not provide comprehensive primary care if necessary to prevent severe limitation or elimination of access to services of the kind provided by the Federal Title X Program in any region of the state. This amendment addresses the issues of accessibility that were addressed on General File. They are: AM1255 guarantees that no one will lose access to services simply because we prioritize clinics that actually provide comprehensive healthcare services. My amendment guarantees that no clinic will close as a result of prioritizing comprehensive care clinics. AM1255 requires the Department of Health and Human Services to continue distributing funds to family planning clinics currently serving residents in greater Nebraska. Specifically, it states that DHHS shall disburse such funds to a public or private healthcare facility which does not provide comprehensive primary care if necessary to prevent severe limitation or elimination of access to family planning services. Colleagues, I dropped this amendment yesterday afternoon so that everyone would have time to review the language and ask questions. Yesterday and this morning, I discussed my language with many of you, including my colleagues who were also present not voting last week. I am encouraged by the broad bipartisan support many of you have shared with me. Please vote no on AM1277 and let's get to AM1255. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Craighead. Senator Erdman, you are recognized. [LB327]

SENATOR ERDMAN: Thank you, Mr. President. Great day to be a Nebraskan, right? Okay. I rise today to speak to Senator Stinner for a moment. Senator Stinner, I don't believe that you needed to apologize. Okay? I understand what your parents told you and what you should do. But in my opinion, this bill had a hearing. I don't know that it's the obligation of the committees to send out a memo to everybody and say did you read the bill? Did you see what is in the bill? How about line 75? Did you see that line? That's not the job of the committee. The committee puts the bill out there. Lobbyists or whoever is concerned about it reads it. They draw their own conclusions. They come to the committee and they make comments. If someone didn't see what was in the bill, so sorry, so sad. That's the way it goes. Read the bills. Find out what is in them. I don't believe Senator Stinner needed to apologize to anybody about somebody missing

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something that was in a bill. That is not his job as the Appropriations Chairman. So consequently, I don't think this LR is necessary. I agree with Senator Craighead: Vote red on AM1277. Let's look at her amendment and see if we can come to a conclusion that will make sense and move on. That is my conclusion of this whole situation that happened when we spoke about this last time. People were concerned that they didn't see it and it was hidden and all the conversation we had people asked was that in the bill when it was introduced? Yeah. Was that in the green copy? Yeah. It was all there. Yes, it was. Okay. Well, I'm so sorry you missed it but it was there. So now we move on. Vote red on AM1277. I'm pretty good at red. And then we'll vote green on Senator Craighead's motion, amendment. And we'll adopt the bill and we'll move on to the next amendment. And there's one down there a ways that will generate a lot of discussion and it will be an interesting topic. Thank you for your time. [LB327]

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

SENATOR HILGERS: Thank you, Mr. President. Good afternoon, colleagues. I rise in opposition to AM1277 just as I rose in opposition to its predecessor, AM1198. Nothing has changed. I don't want to recap or go into detail into the arguments that were raised before, but just to restate them briefly. If you recall, this change that was introduced in LB327 which was in the original green copy of the bill was a reprioritization to emphasize and give precedence to those clinics that offer more comprehensive care than other particular clinics. And as we discussed when this debate came forward the first time, I argued and thought and still think that that was a rational reason to prioritize those healthcare funds in order to allow women to have greater access to greater levels of care. Now the arguments that were raised in opposition were-- there were a number of them and I'll briefly address them--one was that this would allow to...this would cut off funds to various parts of the state. I did not think that was the case because of the way that the Federal Title X guidelines and regulations are structured and that we have to play within the federal government's sandbox. We can't play outside of that sandbox. And we are required to act a certain way. We couldn't just unilaterally do things to cut off access to rural parts of the state. To the extent that that was a concern, however, Senator Craighead has offered an amendment which she discussed in detail that would address that concern. And I wholeheartedly support that amendment when it comes up. The second argument was an argument relating to that this didn't have a hearing. And I completely agree with Senator Erdman and the comments that were raised the last time we discussed this which is this was in the green copy. There was a hearing. The fact that no one came to the hearing in opposition or support is not dispositive and should not be the test, I submit, for us to then send things back to the committee. If that were the case, there would be whole numbers of aspects of our bills that would need to be sent back. Now what I've heard this morning is...or this afternoon, I'm sorry, is largely a rehash of the arguments that I believe were already...did not receive majority support the last time this came up. The one new argument that I've heard is that...is the fact that Senator

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Clements voted for this motion in the Appropriations Committee. Would Senator Clements yield to a question? [LB327]

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

SENATOR CLEMENTS: Yes. [LB327]

SENATOR HILGERS: Senator Clements, I believe you said before that you did vote for this out of the committee. Is that correct? [LB327]

SENATOR CLEMENTS: Yes. [LB327]

SENATOR HILGERS: Now I believe when you were asked the question before you were going to provide some additional context to that vote. Would you like to add that context now? [LB327]

SENATOR CLEMENTS: Yes. The other day when the provision was brought up and argued about...it was said to be slipped in or hidden. And that was, I felt, a lack of transparency. And I feel that we should have transparency here. Then I voted this so that it could be openly and by itself debated on the floor. [LB327]

SENATOR HILGERS: Thank you, Senator Clements. Senator Clements, do you intend to vote for AM1277 today? [LB327]

SENATOR CLEMENTS: No. I did make the motion to adopt this wording in the committee. And I think Senator Craighead's amendment will fix it well enough, but I do not support AM1277. [LB327]

SENATOR HILGERS: Thank you, Senator Clements. So, colleagues, I have not heard the new argument that I've heard which is based, I guess, on the fact that Senator Clements voted this out of committee, I don't think should change the result at all. Senator Clements is still against it. The reasons have not changed. The reasons we discussed the last time this came up have not changed. The arguments have not changed. I believe my position certainly has not changed although I'm always willing to listen to argument, new evidence. I have not heard it this morning...or this afternoon. And I wholeheartedly support Senator Craighead's upcoming amendment that I believe addresses the concerns raised by some of our rural colleagues regarding access to care, which again I do not think could have been the case anyway given

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applicable federal regulations and statutory authority. But you know, one of the things we do...
[LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HILGERS: ...in this body is belt and suspenders different things. And I think this is important enough to have a belt and suspenders. So I wholeheartedly support Senator Craighead's amendment, and I encourage you all to vote red on AM1277. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Hilgers and Senator Clements. Still wishing to speak: Senator Geist, Watermeier, McCollister, Pansing Brooks, and others. Senator Geist, you are recognized. [LB327]

SENATOR GEIST: Yes. Thank you, Mr. Speaker. I rise in support of AM1255 and in opposition to AM1277. This amendment is clear, actually AM1255. Let me be clear which amendment I believe is clear. The one that is coming that you will hear from Senator Craighead I believe it is clear. It's inclusive. We did have a cloture vote on this amendment included with the appropriations bill. There were 42 votes for that. We were charged to come up with a compromise amendment and we've done that. I urge a red vote on AM1277 and then, when we get to it, a green vote on AM1255. Thank you. [LB327]

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

SENATOR WATERMEIER: Thank you, Mr. President. Senator Geist, you need to use your five minutes. That surprised me. I am going to stand here in opposition to AM1277 and in support of Senator Craighead's motion that will come up here, I'm thinking behind AM1277 or maybe after the budget bill, budget amendment, or after the technical amendment changes to the budget. But my remarks would be somewhat similar to what Senator Hilgers had spoke to. But let me give you another example of some of the things that may go on inside of Appropriations that we are not aware of as a general member inside of the body. If you'll open up your budget books if you want to or I can just tell you basically what we've done. And I neglected to bring this up on General File. I totally forgot about it. But the Appropriations Committee had decided in debating discussions about reduction of our expenses, for Legislative Council, we're going to eliminate the second year of travel expenses for senators. Right now we're allowed \$2,500 per year in each year of the biennium, \$2,500 your first year; \$2,500 in your second year. We voted in our committee to reduce that first year of the biennium down to \$1,500 and to take it away completely in the second year. So if you're looking for examples of things that happen that you may not have been aware of, I do apologize for not bringing this up on General File because it

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would have been an easier time if there would have been debate if someone really insisted that we bring that back. I argued against it, honestly, and I'm not arguing today that we bring it back in. But that was my case on the floor but the majority ruled inside of Appropriations as did the language on LB327. So with that, I'll just say that I'm going to be in opposition to AM1277. And now that I opened the can of worms on the travel expenses, I'm sure I'll get questions from many of you if you want to come talk to me. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Watermeier. Senator McCollister, you're recognized. [LB327]

SENATOR McCOLLISTER: Thank you, Mr. President. Good afternoon, colleagues. I support AM1277. And I also support LB327 as well. Since I've been here, I've been a real big supporter of transparency and accountability. I've had two bills in conjunction with the State Treasurer. And even during my time at the Platte Institute I was a big supporter of transparency. I contend that the Title X issue embodied in LB327 was not adequately debated. And I think we need to address that issue as Senator Stinner indicated. I think that is only fair and proper. I would now ask if Senator Geist would answer a couple of questions. [LB327]

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

SENATOR GEIST: Yes, I will. [LB327]

SENATOR McCOLLISTER: Senator Geist, you indicated that some compromise language had been composed. Is that correct? [LB327]

SENATOR GEIST: That's correct. [LB327]

SENATOR McCOLLISTER: Who were the parties to that compromise? Who was involved with that effort? [LB327]

SENATOR GEIST: That was...that's a good question. That was Senator Craighead and I and Senator Hilgers and there was a number of us all putting language together. [LB327]

SENATOR McCOLLISTER: Were there any persons on the opposite side of the question? [LB327]

SENATOR GEIST: There was...you know what? [LB327]

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SENATOR McCOLLISTER: Thank you, Senator. Thank you very much. So just to respond again, I think we need to debate this topic and come up with language that is truly between the two sets of parties. So with that, I'll yield the balance of my time to Senator Howard. [LB327]

SENATOR KRIST: Thank you, Senator McCollister. You've been yielded 2:50, Senator Howard. And again, happy birthday, Senator McCollister. [LB327]

SENATOR HOWARD: Thank you, Mr. President. And happy birthday, Senator McCollister. I wanted to...and I apologize. I have to leave early tonight so I wanted to touch base on some of the regs that I lean on when I'm making decisions about some of the amendments that we're looking at in regards to Title X. So I took the liberty of making a copy of the federal regulations. And then if you look on the back, there's a highlighted section. And the highlighted section says, "No recipient making subawards," so Nebraska is the recipient and anybody that we give Title X dollars to therein are subawardees. So, "No recipient making subawards for the provision of services as part of its Title X project may prohibit an entity from participating for reasons other than its ability to provide Title X services." And so my concern regarding the Craighead amendment, AM1255, is that if we require comprehensive primary care and preventive care for these subgrantees or subawardees, we will be violating the federal regulations. If we decide that we're going to violate the federal regulations and violate the program therein, most likely, they will not allow us to continue our full contract and we will have to return the money that we've already spent for this calendar year. What I wouldn't be surprised by is that as we continue discussing narrowing the scope of Title X, Title X is a competitive program. There are (c)(3)s out there who are doing this type of work who would be eager to take on the work of this grant, and we would not be able to direct those funds in any way after that. Further, the Craighead amendment limits us and doesn't meet the aims which we were going for originally, which were preserving the funding for our clinics in Grand Island and Kearney and North Platte because those are stand-alone clinics that provide one specific service, not preventive and primary care, as well as family medicine and family reproductive health medicine. So my concerns with AM1255 are purely based on the regulations... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HOWARD: ...that stand as such around Title X. I've passed them out. I'm happy to try to answer any questions you may have. But I would certainly urge the body to, if you want to do something around Title X, I guess adopt AM1277, but please don't adopt the Craighead amendment, AM1255, because that would certainly jeopardize our ability to draw down these funds. Thank you, Mr. President. [LB327]

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SENATOR KRIST: Thank you, Senator McCollister and Senator Howard. Senator Pansing Brooks, you're recognized. [LB327]

SENATOR PANSING BROOKS: Thank you, Mr. President. Nebraska women, listen up now. If you care about your healthcare, rise up. Write to people. Senator Groene is now waffling on this. He was concerned about it last time we discussed this. Those of you out in North Platte whose healthcare center and your ability to be tested for cancer, for poor women to be able to get screenings, listen. Speak up. This is an assault on women's healthcare in this state. Very easy for Senator Erdman to say, oh, well, if you didn't catch it, too bad for you. We are not playing gotcha in this state. That is not the way that we pass laws. And because the Lieutenant Governor was able to bring something in and have Senator Clements bring it in and secretly put it in and everybody was fine and they talked about it the last day we're supposed to say that's fine, that was enough public hearing, too bad for you. Senator Craighead, could you please answer a question? Senator Craighead? [LB327]

SENATOR KRIST: Senator Craighead, would you yield to a question, please? [LB327]

SENATOR CRAIGHEAD: Certainly. [LB327]

SENATOR PANSING BROOKS: Senator Craighead, could you please tell me what this does that is different than what's already in the bill right now? [LB327]

SENATOR CRAIGHEAD: Absolutely. [LB327]

SENATOR PANSING BROOKS: Thank you. [LB327]

SENATOR CRAIGHEAD: AM1255 adds the language: and public or private healthcare facilities that provide comprehensive primary care in addition to preventative health services. The department shall disburse such funds to... [LB327]

SENATOR PANSING BROOKS: I can read it. What does it do that isn't allowed in the bill right now? [LB327]

SENATOR CRAIGHEAD: In AM1277. [LB327]

SENATOR PANSING BROOKS: In LB327. What does your bill, what does your amendment add? [LB327]

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SENATOR CRAIGHEAD: It clarifies. [LB327]

SENATOR PANSING BROOKS: It clarifies it how? I don't understand it. I've got 15 people saying to me we don't understand the amendment. So go ahead and please explain it to us. I don't want you to read it to us. I'd like you to explain to me what it does. Who is included? [LB327]

SENATOR CRAIGHEAD: All right. Nothing is deleted from LB327 at all. [LB327]

SENATOR PANSING BROOKS: Yes, I know. [LB327]

SENATOR CRAIGHEAD: All right. [LB327]

SENATOR PANSING BROOKS: And we've got the "up to" language so any healthcare facility is now at risk of having zero dollars funding, so go ahead, yes. [LB327]

SENATOR CRAIGHEAD: Okay. And then if all organizations receiving Title X funds are providing comprehensive healthcare as they say they are, then they aren't eliminated from the funding. That's the difference. [LB327]

SENATOR PANSING BROOKS: They are not eliminated in what way and who is it that you're talking about? Stand-alone clinics? [LB327]

SENATOR CRAIGHEAD: There should be...no. [LB327]

SENATOR PANSING BROOKS: No stand-alone clinics. [LB32]

SENATOR CRAIGHEAD: No. The stand-alone clinics remain with their funding. They still have the funding. [LB327]

SENATOR PANSING BROOKS: You just said that they're not included. So the stand-alone clinics are included. So this... [LB327]

SENATOR CRAIGHEAD: No, that's not what I said. [LB327]

SENATOR PANSING BROOKS: Okay, what are you saying? [LB327]

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SENATOR CRAIGHEAD: I said if all organizations receiving Title X funds are providing comprehensive care as they say they are. [LB327]

SENATOR PANSING BROOKS: So you're talking about like heart care and everything like that. So a clinic that's a women's clinic is not allowed to receive this. Is that correct? [LB327]

SENATOR CRAIGHEAD: I'm talking about the services that are listed in LB327 and I can find that. [LB327]

SENATOR PANSING BROOKS: Yes. [LB327]

SENATOR CRAIGHEAD: It's colonoscopies and all of those things. [LB327]

SENATOR PANSING BROOKS: It's a...like a hospital, a hospital that provides comprehensive care but not a clinic that handles women's healthcare. [LB327]

SENATOR CRAIGHEAD: No. The stand-alone clinics do not receive their funding...do not lose their funding. This is to protect the funding of those four clinics, the stand-alone alone clinics. [LB327]

SENATOR PANSING BROOKS: That's not what I'm hearing outside is what this means. [LB327]

SENATOR CRAIGHEAD: Okay. Well, then... [LB327]

SENATOR PANSING BROOKS: And there's the whole problem of this is that we are going to have a bill that we are expecting that a couple of senators who think they know what they're talking about and too bad says Senator Erdman. We can just come ahead and if the people don't get it and it's caught in the middle of a budget, too bad, that's enough of a hearing. This is a great way for us to move forward and present law. I'm asking the women of Nebraska to rise up. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR PANSING BROOKS: I want you to write the senators. Thank you. [LB327]

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SENATOR KRIST: Thank you, Senator Pansing Brooks and Senator Craighead. Senator Howard, you are recognized. [LB327]

SENATOR HOWARD: I forgot to turn my light off. I didn't think that I would get called on again. This is very exciting for me. So I'll go back to the federal, the federal regulations because I do think that this addition, anytime that you're adding an additional service above the Title X service, so primary care and preventive care. So primary care covers a wide range of sniffles to physicals and those are not generally covered by an exclusively women's clinic. Now a stand-alone clinic--and I've used the example with Senator Hilkemann pretty regularly--a stand-alone clinic is a clinic that provides a very specific singular service, so like podiatry clinic, which is why I look at Senator Hilkemann. So a women's health clinic would be considered a stand-alone clinic. The issue around Title X though is that you cannot require them to offer any other service above what is required within Title X. And so my concern with this language is that when you require primary care and preventive services...not that they're not providing some preventive and some primary care. Often there is some confusion because for women primary care often ends up being their Pap smear and their annual exam. But when you're requiring primary care above and beyond the Title X services, that's when you run into a challenge with being able to draw down these funds. I am very concerned that if the Craighead amendment is adopted we will have to return the Title X funds that we've already used for this calendar year because we'll be...I believe there's an E clause on the budget bill. And so if it goes into effect immediately, this provision would go into effect immediately and any funds that we've used up to that point would have to be returned for that calendar year. I know it's not a lot of money, right? But we're looking at a deficit. And so not only would we be returning funds, but we would have to get them back from the subgrantees which seems overly harsh for these clinics who are really just trying to provide healthcare to women and families in our state. And if you look at these clinics, most of them are really working in areas where we want them to work, areas where there's high poverty, areas where they're medically underserved. I think about Kearney and Grand Island and North Platte because those are the clinics where we want physicians to go and where we want to make sure that they're getting these funds. And so I stand in opposition to the Craighead amendment even though it hasn't gotten here yet. And I would certainly urge the adoption of AM1277. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Howard. Those still wishing to speak: Senator Lowe, Groene, Chambers, Wishart, and others. Senator Lowe, you're recognized. [LB327]

SENATOR LOWE: Thank you, Mr. President. You know, I stand in opposition of AM1277 and I'm for LB327. We have a really good senator, Senator Clements. He felt that this needed more discussion. He decided to bring the bill out of committee for more discussion. It was weighing heavy on his heart that we did not have enough discussion on this. So I would like to thank Senator Clements for bringing this back for us to have more discussion because it needs it. You

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know, this was in the green copy. There was a chance to read this. And, yes, we do need to read things carefully. It is not the people's of Nebraska's fault that we don't read things carefully. So that is why we're now discussing this on the floor. We're doing that for the people of Nebraska. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Lowe. Senator Groene, you are recognized. [LB327]

SENATOR GROENE: Thank you, Mr. President. I stand in opposition to AM1277. I was overwhelmed with calls and e-mails over the weekend. This should have never been in this budget bill. I have a lot of topics I want to talk to about what's in the budget. You know, we're in a budget crisis, folks. I would just assume everybody stood up and hit their light and started talking about the budget and don't even talk about this stuff. Just let it go to cloture, but we have to discuss the budget. We have to. We have cuts to make. I like Senator Craighead's amendment because it does cover our clinic, maybe. If the local hospital decides they want those funds, they could trump my clinic. I've been ensured that that might not happen or should not happen. I'm firmly against abortion. I read in James this morning, the Bible, while I was...about 5:00 this morning, Chapter 4. It's a sin if you do not ought...do what you ought to do. Can somebody explain ought in this situation? I have an entire government, state government to be concerned about as 1 of 49 senators to make sure things are funded--schools, the college, Medicaid. Should I help hold this all up because of four lines that were inserted into a budget bill? I haven't defined ought yet. Ought to do. It's a mess. Senator Chambers is not going to let this go on. Can we trust the HHS Committee that they'll bring a bill out that we can vote on this next year? There's another ought that we aren't sure of. So right now, I don't know what to do. I'll follow the debate for a while and see what happens. But I do want my, our clinic funded because it is a good clinic. It doesn't harm. It does not recommend abortions. There was only seven in Lincoln County last year, and you say that's too many. I agree. But if you compare it to other counties of that size, it's very low. That tells me there's nobody, no clinic in North Platte or Lincoln County recommending abortions or else we would have a lot more than that. There would be a taxicab going to Lincoln every day, but it isn't happening. So here in my little county, Lincoln County, in a little clinic that was doing its job got caught up in this mess. So what's ought? What is the ought we ought to do? I'll listen to the debate and you explain it to me. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Groene. Those still wishing to speak: Senator Chambers, Wishart, Crawford, Hansen, Wayne, and others. Senator Chambers, you're recognized. [LB327]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I have made harsh comments about Senator Groene in the past on other issues. This is a very serious one and I listened to Senator Groene and I see a man in pain. I see a man with a split in his own mind. I

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see him struggling with himself in terms of what he ought to do and he knows what he ought to do. But he was honest enough to say in the beginning he got a lot of telephone calls and that put him in that position that he's in now. I'm going to be realistic. I don't believe this budget bill has 33 votes. So we can talk on this until midnight. And if somebody feels the need to invoke cloture, they will not have 33 votes. And those people who see the Catholic Church behind what we are confronted with will know that the church is not going to let people off the hook. Bishops are calling I'm sure. Priests are calling. And it shouldn't be a surprise to anybody because later in the debate I'm going to read this article, the headline of which is "Kansas Archdiocese Ushers Out Girl Scouts and Their Cookies." They're not going to allow Girl Scout cookies to be sold in their archdiocese. So if they're against the Girl Scouts and try to dictate about that--and there are Catholic mothers who are very angry about this--it shows the church disregards in many instances what the parishioners want, but the church has an agenda. Now here's where I could be miscalculating. Maybe there are not 17 of us who feel strongly enough about this to hold this budget bill. We can come back for a special session. If cloture is invoked and the bill does not get cloture, I don't believe that the Speaker ought to change the rules and say, well, it's the budget bill, therefore. He invoked a provision of a rule and wants it to be complied with. This is when there is a special bill like this, which the Speaker has designated, the Speaker can set the order of amendments and motions. At some point a bracket motion is going to be made. At some point we're going to get a test vote. This thing that Senator Craighead has, she didn't write it. I see people over there trying to explain to her how to answer questions that are put and all she can do is read it. And what they do is give people something to read which the person bringing it does not understand. So when you say explain it, they just read it. And this is what is meant when you say this is a person who speaks at great length on the wrong side of an issue about which he or she is profoundly ignorant. I listened to Senator Lowe. He doesn't know what we're talking about, doesn't care. He has got his marching orders. We may as well be frank. This is against Planned Parenthood. It's against women. They go on the crotch watch whenever something about women's health comes up. That means they go sniffing around women's crotches and vaginas. That's all they can think about. When you've got a male-dominated church and they have a perverse, I didn't say perverted, although some of them do, notion of human sexuality, you have crazy stuff like we have here. They put it in the budget bill. If there are not 17 people who are willing to stand firm, then you may as well let go of everything else. The only leverage any of us have is to talk this bill to death, force them to move for cloture. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR CHAMBERS: They have to leave here to go get additional instructions. Watch them when they walk out of here. They don't know what they're talking about. At least Senator Lowe is smart enough not to go into any of the intricacies of this bill because he doesn't even know what they are. Senator Groene doesn't know whether that little clinic he's talking about is going to get money or not, but the phone calls are what backed him off. I read him. I study him. And

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that's what got him. I bet a bishop called him. I don't know if has bishops out there, but there are three of them in Nebraska. And Senator Groene would have done differently had he not gotten the phone calls. So we're going to have the opportunity to assess each other and see what we are made of. I'm talking about being practical. Are there 17 votes to hold this bill captive? Then let the Catholic Church bring us back here for a special session on the budget. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR CHAMBERS: Did you say time or? [LB327]

SENATOR KRIST: Yes, sir, time. [LB327]

SENATOR CHAMBERS: Thank you very much. [LB327]

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

SENATOR WISHART: Thank you, Mr. President. I rise this afternoon in support of AM1277 and the underlying bill. It was clear to me after the General File debate on our budget that this portion that changed the way that Title X is funded needs more time for research and review to fully understand the effects of this change on women's access to very important healthcare services in Nebraska. This amendment that we've introduced restores the system of funding for Title X that has been in place for many years in our state. When discussing this amendment in the Appropriations Committee, I was clear that I intend on supporting an interim study that looks into Title X funding and ways in which we can improve quality access and efficiency, as well as address other concerns senators and Nebraskans may have with this program. Regardless of how you feel about this policy change, the time to debate it is not during our budget debate. We have decisions to be made about our minimum reserve, about budget cuts, about cash transfers. Those are the things we need to focus on. An interim study followed by potential legislation introduced next year is, in my opinion, the most reasonable and responsible way to move forward. I encourage you to vote in support if AM1277 and let's move this budget forward. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Wishart. Senator Crawford, you're recognized. [LB327]

SENATOR CRAWFORD: Thank you, Mr. President. Good afternoon, colleagues. I appreciated Senator Groene's reflection on the mike about his struggle with this bill. Colleagues, we have so many tough budget issues that we need to discuss. And right now we need to recognize that we

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cannot fix and resolve the ongoing discussion and debate about Title X funding today, but we do need to address many of these other critical budget questions today. And so I urge you to support Senator Stinner's amendment. Pull this language now. And Senator Wishart has already promised she's bringing an interim study. This is an issue that needs much more study. I think that the Craighead amendment will be in violation of the regulations and we lose all of our money for Senator Groene's clinic and these other clinics. People who are arguing to vote for the Craighead amendment do not know what it does, do not know how it interacts with the regulations. There are questions about the existing language in the bill and how it interacts and what it does, and what it does to those clinics. Colleagues, this is an issue that needs much more debate and study. It's time to vote for Senator Stinner's amendment and recognize the need to spend more time and effort having this conversation and thinking about how we want to address this Title X funding. This is critical funding for cancer screenings, abstinence education, and contraception. This is not a time to play politics. We are in a budget crisis year. This is not a time to play politics. I understand there are deep concerns about how we spend our money, and those are concerns that we need to consider. But it is time to pull this language out of the budget and get to our other issues that we need to debate and discuss. It is time to make sure that we are addressing the health issues of individuals in our state and the women in our state. And if you ask what we ought to do, we ought to make sure that these women and children have the healthcare that they need. We ought to make sure that there's abstinence education that's funded by Title X. We ought to make sure there's contraception coverage covered by Title X and available in all of our communities to prevent abortions. We ought to make sure that before we do anything that restricts access to healthcare we have considered it carefully and made the right choice. We ought to vote yes on AM1277 and we ought to get to our conversations about all of the other critical issues that need funding in our state: education, higher education, our foster care. We have children dying each year because there aren't enough caseworkers addressing those needs, and we're talking about cutting some of those services. We have a lot of critical life issues to debate and discuss. Please, vote yes on AM1277. We'll have this conversation more about what we need to do on Title X in the future. We need to make sure that funding is secure in our state, across the state, including our clinics in rural areas, and continue our conversation about all the other things we need to do to protect the health and safety and life of our Nebraskans. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Crawford. Senator Hansen, you're recognized. [LB327]

SENATOR HANSEN: Thank you, Mr. President. Good afternoon, colleagues. Colleagues, I rise in support of AM1277. I just wanted to kind of first address the point that initially made me click my light was we're talking about whether or not how much of a hearing and whether or not does the green copy and all sorts of different things. And to me that point, for kind of policy and legacy and procedure and what we're going to do with budgets in the future, makes some sense to have, makes some sense to have that discussion. But as to the language in this budget, I think

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that's a little bit maybe more theoretical and less practical. Because as a practical matter, there are 40 of us in here who only have a vote on the budget on the floor. There are 40 of us in here who do not serve on the Appropriations Committee. So to say the Appropriations Committee had a hearing and they talked about it briefly, it's over, removes some responsibility from us. Now if they stand together and if they stand together and make a good case as to why they included this in the budget, if we make a good faith effort as to why it was included in the budget, you know, that is strong and it weighs strong on me. In past years, and this year included, I tend to give strong deference to the Appropriations Committee, knowing the hours and hours and hours they put in on the budget and all of the different testimonies and hearings and experts and numbers and actuaries, Legislative Fiscal Office they work with. That being said, giving strong deference to the Appropriations Committee, when the Chair of Appropriations says, you know what, I've reconsidered. I've talked with my committee. I've talked with the members of the committee and we think we need to change our initial proposal. We think AM1277 is important or, bare minimum, Senator Stinner, our Appropriations Committee Chair, thinks it's important, that is a strong deference for me. That gets my attention. Now I obviously felt strongly on this issue and voted on it in past rounds, so take that with you (inaudible). But when the Appropriations Committee Chair gets up and the Speaker, under this new rule that we've never done in our tenure, says this is the amendment we want to resolve first, this is the proposal, this is what we want, this is what we as our leaders in this body, regardless of whether or not...regardless of how you might feel on some of the side issues, the politics, the mailers that may come out of this, we feel that this is important to our budget; we feel that this is important to our session; we wanted to have this first and Senator Stinner is introducing, carrying this amendment, that gets my attention and I will support it. Thank you, Mr. President. [LB327]

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

SENATOR WAYNE: Thank you, Mr. Speaker or Mr. President. I have been listening to this debate and trying to figure out...I guess let me start off by saying I was asked by a reporter the other day what is the biggest surprise and I really didn't have one. Today as I listen to this debate, I guess my biggest surprise is it seems like we're still struggling to decide whether we are three branches of government, whether we all knocked on doors and made a commitment to come down here or are we here just listening to one or two people or just the Governor or whoever it may be? And the reason I struggle with that is because I guess what I need somebody to explain to me off the mike, anytime in the next couple of days, what is the fear? And maybe I'm just cut from a different cloth. Because if the fear is somebody is going to run against me, if the fear is there's going to be a whole bunch of money against me, well, go check my election record because that's been every election that I've ever ran in. Every election, my own party went against me. Every election, the billionaires in Omaha went against me. All that did was make me go knock more doors. I bought a Fitbit to make sure I was doing 20,000 steps a day. So I'm

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trying to figure out what the fear is. What is the fear? I understand the politics. And if it's just political, just say it. Be honest about what we're down here doing. But if you're afraid of somebody running against you, you have to look no farther than LB68. If you haven't seen, I've been getting beat up all over the place for that. And if somebody runs against me, I'm going to explain my position and we're going to keep moving. But I can't be afraid of that. If I'm a one-term senator, I'm a one-term senator. I can go back to helping kids. The kid I helped today not get a felony this morning, why I was late, I can go do that. But a phone call, from whether it's the Governor or not, shouldn't change how we are, shouldn't change how we got down here. So I'm asking anybody out here, explain to me the difference, explain what the fear is. We shouldn't have policy changes coming through budget. We shouldn't have 37 different senators vote for a bill and now it comes time to override, everybody is having questions. I came down here to get things done. And if you check my record on the school board, I was 1 of 12 and I came down here and said we needed a whole new school board. And I met with every 49 senators down here and got them to do something. I got something that had never been done before. Senator Lautenbaugh and Senator Chambers agreed to something. That's work. And to this day, I'm paying the price for that. But that's what I believed in. And so if you believe in something, stand up and do something. But otherwise, come talk to me and tell me what the fear is because I don't know it. I don't know it. Maybe it's because I grew up and watched people go to jail or die in front of me. Maybe it's because I had a tenth grade kid who I used coach get killed because he was at the wrong place at the wrong time. And we're scared of somebody running against somebody? We're scared against having a tough vote? Maybe we all need to come down in District 13, take it to a barbershop and let's have a conversation about what real fear looks like; when a third grader can't read; when there's drive-bys in the middle of the night. [LB327 LB68]

SENATOR KRIST: One minute. [LB327]

SENATOR WAYNE: But there's no way a phone call from any elected official is going to change that. You know what I'm doing this weekend? I'm walking over 20 miles because Medicaid denied a young person in my district--yes, we're walking, our community. The community I represent is standing up and we're doing a fund-raiser to raise to put a helmet on a kid because Medicaid denied it. That's the community I come from. We don't get scared. We just buck up and get it done. And maybe I'm cut from a different cloth and maybe this entire body is just different than where I came from. But I know the hard work of farmers out here and they're not scared. When there's a drought, we figure out how to get it done. When there's too much water and it's flooding, we figure out how to get it done. But we come in here and we start getting scared because somebody made a phone call. We start getting scared because we're afraid of what's going to happen next election round. If that's the case, let's just sign over everything to one house, one party, one everything. And let's just have that person come in here and vote for us all because that's what we're doing. [LB327]

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SENATOR KRIST: Time, Senator. [LB327]

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

SENATOR KRIST: Thank you, Senator Wayne. Those still wishing to speak: Senator Halloran, Geist, Scheer, Craighead, Hilgers, and others. Senator Halloran, you're recognized. [LB327]

SENATOR HALLORAN: Thank you, Mr. President. I stand in opposition to AM1277 and in support of AM1255. We're dancing on the head of a pin here. It's unfortunate that we're talking about a subject in a budget bill. It's not that it's not a subject worth talking about it, it is. It's a subject that deserves a lot of discussion and a lot of debate. But we're dancing on the head of a pin here. The opposition to the language in the bill is centered on protecting Planned Parenthood. It's as simple as that. We all understand that. Let's just discuss that. And it's all about Title X: Where does Title X money go to, where can it go, where should it go, how is it managed? I personally have some anxieties about funding Title X funds to Planned Parenthood and have it commingled with their operating capital. I know it's not supposed to be. I know the federal regulations dictate that it's not supposed to be. I just don't trust that it won't be. Okay. These other small clinics around the state that are doing great service for women's healthcare are doing a service without doing abortions. And so instead of dancing on the head of a pin, let's talk about Planned Parenthood for just a minute. I'm going to do something I don't like to do, but I'm going to read a little bit about a topic called eugenics. Okay. Eugenics is a movement aimed at improving the genetic composition of the human race. The use of the word means well born, originated in 1883 by Sir Francis Galton, a British scholar and the cousin of Charles Darwin. And it was Galton's belief that the condition of the human race could be improved via the selective breeding of individuals possessing desired traits. This type of eugenic science is called positive eugenics. While Galton's plans never came to fruition, the United States picked up where he left off in the late nineteenth century. However, unlike the British counterpart, eugenists in America adopted negative eugenics, which focused on preventing the reproduction of people with what they considered to be undesirable traits. This led to the creation of a Eugenics Records Office, ERO, in 1911. And it was this office that identified the poor, those in low social standing, immigrants, and minorities as unfit to procreate. How awesome. It was around this time that Margaret Sanger arrived on the scene as birth control, population control, and eugenics activist, and she fully embraced negative eugenics as a basis for creating what we now know as Planned Parenthood. In a rejection of positive eugenics, Sanger stressed the connection between birth control and eugenics when she wrote in the 1930s...when she wrote, excuse me: Like the advocates of birth control, the eugenists, for instance, are seeking to assist the race toward elimination of the unfit. Both are seeking a single end, but they lay emphasis upon different methods. Eugenics without birth control seems to use a house built upon the sands. It is at the mercy of the rising stream of the unfit. Again, in the 1930s, Sanger's, Sanger, Margaret Sanger, the creator of Planned Parenthood, created the Negro project, quote unquote,

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designed to kill off the black race. And her ideas on eugenics inspired Adolf Hitler and Nazi Germany,... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HALLORAN: ...culminating--thank you, Mr. President--culminating in the slaughter of over 6 million Jews. While Hitler was a successful murderer, gas chambers were messy and hard to hide. Today with the advances of science, Planned Parenthood murders its victims inside the womb, making it neater and easier to hide. I can go on. You can all look it up. Eugenics, Planned Parenthood, it's all there, many sources. It's well documented. We all sit around and talk about how great Planned Parenthood is for providing women's healthcare. It's hiding behind that image. And many people in this body like to keep cloaking it in that image. It's more than that. Okay. I'm okay with these other women's healthcare facilities being funded, but not Planned Parenthood. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Halloran. Senator Geist, you're recognized. [LB327]

SENATOR GEIST: Thank you, Mr. President. I would just like to respond that I am seeing women rise up in my e-mail in-box. I have been hearing from constituents ever since this issue began, who actually approve of this language in AM1255. And there's another issue that I think we need to talk about, and I want to make sure that this is heard and heard correctly. The compromise amendment, AM1255, ensures that no community will lose access to family planning and preventative services. So I want to say that again. This ensures that no community will lose access to family planning and preventative services. It guarantees that no community will lose access to services. Under AM1255, DHHS will disburse Title X funds to stand-alone clinics that would otherwise close as a result of a reduction in their Title X grants. As an affirmative...an affirmative vote on AM1255 will guarantee access to services for all people across the state. As a result, it will break any impasse on the underlying budget bill and ensure that the Legislature fulfills its constitutional obligation by also passing a balanced budget. Thank you, Mr. Speaker. [LB327]

SENATOR KRIST: Thank you, Senator Geist. Speaker Scheer, you are recognized. [LB327]

SPEAKER SCHEER: Thank you, Mr. President. I...just a heads up to Senator Kolterman, I plan on giving him half my time as well. I stand in support of AM1277 and the reason for that is not that I'm not pro-life. This shouldn't be a pro-life issue. This is a budget. This is a money issue. I'm actually quite perturbed that this was slid into a budget bill. It was an intentional action. Would I support this if it was a bill, the original concept? Maybe. Would I support it as a budget item? No way. This is a budget. If the Governor or the Lieutenant Governor or somebody at the

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Catholic diocese wants this type of process, put it in a bill, have somebody introduce it, have a hearing, and bring it forward. The reason it's here, real simple--we've got to pass a budget. All we've got to do is find 25 people. And from my perspective, I'm going to sound like Senator Chambers, you're being used. You're being used because they know if it gets in the budget, it only take 25. It doesn't have to get out of committee. It's here. And it doesn't have to stand for a cloture vote. They only need 25 because they know darn well that the budget has to get passed at sometime. This is the wrong way to do business. We can all talk about the Nebraska way. Well, this sure as hell is not the Nebraska way. We're up-front. We're transparent. I'm pro-life. This is wrong, period. I'll yield the rest of my time to Senator Kolterman. [LB327]

SENATOR KRIST: Senator Kolterman, 2:50. [LB327]

SENATOR KOLTERMAN: Thank you very much, Mr. Speaker as well as Senator Scheer. This is very complicated. We've been put in a very, very difficult position. I don't need to tell people that I'm pro-life. I am pro-life. I've been pro-life. I voted for death penalty repeal because I don't think we ought to kill anybody. On the other hand, I feel somewhat used in this bill. I don't want to deprive any woman from getting healthcare benefits. I like the amendment that both of them are bringing. But at the end of the day, this shouldn't be in...this should not be in an appropriations bill with the budget. I know that I can be questioned about my position on pro-life, and I'll stand my record up against anybody's. I'll get a lot of calls. I'll get the Governor and all of his people mad at me. I'll have the Catholic Conferences mad at me. I just have to vote my convictions. This is not the way we do things in Nebraska. I just got to tell you that. I know that there's others in this room that are wrestling with the same issues that I'm wrestling with. Nobody wants to offend anybody, but what's right is right and what's wrong is wrong. And the way this has been handled has not been fair since day one. I applaud Senator Stinner. I don't believe he understood this or his committee, and it shouldn't have been handled the way it has been handled. So with that, I plan on supporting Senator Stinner and the Appropriations Committee. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR KOLTERMAN: That won't sit well with people, I understand that. But I can't change who I am. So thank you for listening. [LB327]

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

SENATOR CRAIGHEAD: Thank you, Mr. President, and good afternoon again, colleagues. I agree--this is a budget issue. It's not a pro-life issue. It is a budget issue. We are here today

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because the Appropriations Committee left this Title X information in committee and passed it out. Okay, that's not the rest of us fault. So this is a budget issue, not a pro-life issue. I introduced my amendment, AM1255, to make the best of what is here today, right where we are. I also want to refer back to what Senator Howard had to say. And I will agree that she really is an expert in the healthcare industry and Medicaid as far as it goes, but she is incorrect. This does not cut. This AM1255, the amendment, does not cut out any of the funding. It is simply prioritizing the funding. It does not defund anyone. It's prioritizing, not defunding. I want to make sure that's clear. I also find it very interesting that this has turned into a women's health issue, and I want to read you something. Here's the definition of Title X. It's the only federal grant program dedicated solely to providing individuals with comprehensive family planning and related preventative health service. Its overall purpose is to promote positive birth outcomes and healthy families by allowing individuals to decide the number and spacing of their children. And by the way, Nebraska has an 11 percent male participation in Title X. Where are we getting off on this that this is only a woman's issue? This is not. This is a people issue. This is a Nebraska issue. And again I'm going to say it--this is a budget issue because of where we are. And when we get to AM1255, I hope you will support it. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Craighead. Senator Hilgers, you're recognized. [LB327]

SENATOR HILGERS: Thank you, Mr. President. Good evening, colleagues. I want to respond briefly to some of the comments that Speaker Scheer made. I don't know what the intent was for this particular language that is in the bill, but I did look in the bill and I looked in the amendment for this type of language because it seems to me the charge is that this type of prioritization language is not appropriate in an Appropriations bill. That's the charge. The only way for me to answer that charge is to see whether it's true, whether it's not true, whether it's incomplete or mischaracterizes the evidence is actually look at what's in front of us. And I've done a quick search in the minutes since Speaker Scheer has made his comments, and I've seen 36 instances where in AM...in the original underlying committee amendment there has been an intent of the Legislature to do something with certain funds. It is the intent of the Legislature to spend this money and then do X. We would like the agency to do Y. We think that they should spend this money and then do something like Z. The notion, as far as I can tell, that this intent language is something brand new and is not appropriate in the Appropriations bill may ultimately be true. But my review of the bill suggests that this is the type of language that is in an Appropriations bill, that we can as the Legislature say that it isn't our intent that an agency spend dollars in a certain way. Now, I've had a very productive and thoughtful, in my view, conversation with Senator Howard off the mike about the impact of this particular...or Senator Craighead's amendment in relation to the Title X guidelines because it's been my...one of the premises of my argument is that we are "cabined." And I've used the analogy to a federal sandbox. We're in the federal government sandbox. We can't play outside of that sandbox. And I think it's important for that to be true. And I've had some conversations with Senator Howard, and she has expressed

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some concern. And we've spoken off of the mike and I think she is not here at the moment to clarify, but there's some concern that in Senator Craighead's amendment that maybe it goes beyond the authority that we have within the Title X guidelines to essentially mandate a certain level of services be provided before an entity may have those funds. And I've looked at that and I will have some continuing discussions with Senator Howard about that. But I do think it's important to read these two...or the amendment, Senator Craighead's amendment as well as the original language in AM590 together just to show what I think that it does. And the original AM590--and this was in the green copy of the bill on page 55, lines 7-13, essentially lays out a series of priorities, first priority being federally qualified health centers, the next being community health centers, hospitals, and the like. My understanding is that sort of prioritization system is consistent with Title X statutes and federal regulations apply in that statute. And so if prioritization is allowed, then the question is what does Senator Craighead's amendment do? As I read it and now I'm on AM1255, which isn't on the board now but it is on the Web site, what it says is at the end of AM590, in other words, at the end of the series, (A) then (B), then it says you can..."the Department of Health and Human Services shall prioritize," and then there's essentially a category (C)--now it doesn't say (C) but I think it's implied: and public or private healthcare facilities that provide comprehensive primary care in addition to preventative care. So first what it does is it adds an additional category of healthcare facilities in that series of prioritization. It does not exclude any other category but it does add another category in the line of prioritization. So if we've already accepted the premise that priority, prioritization is okay, then adding another line to that prioritization or another priority to that level of...or series of prioritizations, seems to me to be also okay. The second thing it does is address what I believe is a concern that's been raised by some of our rural colleagues which is to ensure that the prioritization does not result in the loss of services in areas where when other... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR HILGERS: Thank you, Mr. President. The situation is where in a rural area there's only one provider and the loss of these funds would result in the shutdown of that provider, which would result in a loss of services completely for a particular area. The second part of AM1255, Senator Craighead's amendment, deals directly with that situation. In other words, it would allow the department to...it would mandate, not prioritize, it says "shall," shall mandate that funds are provided to ensure no loss of services. So I think for record purposes to understand where we're at, I think it's important to understand what Senator Crawford...or, I'm sorry, Senator Craighead's amendment does in light of the original language in AM590 as well as the green copy of the bill. And I did want to briefly address what my view of some of the...some aspects of the Appropriations bill and where... [LB327]

SENATOR KRIST: Time, Senator. [LB327]

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

SENATOR KRIST: Thank you, Senator Hilgers. Those still wishing to speak: Senator Pansing Brooks, Morfeld, Murante, Chambers, and others. Senator Pansing Brooks, you're recognized. [LB327]

SENATOR PANSING BROOKS: Thank you. I will try to address the mike this time with the...and remembering the note that I've attached to my podium which says "kindness in my voice." So I'm reattempting this because I was so angry about this duplicity, this couching the terms in some sort of method as if it isn't intentional. I'd like to ask Senator Craighead another question, if you please. [LB327]

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

SENATOR CRAIGHEAD: Certainly. [LB327]

SENATOR PANSING BROOKS: Thank you, Senator Craighead. I just wondered, so you said it wasn't...it's not about a pro-life policy and it's not intentional. Is that correct? [LB327]

SENATOR CRAIGHEAD: I said it is not pro-life. I said it is about Nebraskans. Eleven percent of Title X deals with men. [LB327]

SENATOR PANSING BROOKS: But you said it wasn't intentional is my understanding. That's what I heard. [LB327]

SENATOR CRAIGHEAD: No, I didn't. I don't believe I did say the word "intention." [LB327]

SENATOR PANSING BROOKS: Okay. So this was intentional and it clearly was because why are we changing the policy if this wasn't intentional? We had it last year in the previous Title X funding language from the Appropriations budget language. So thank you, Senator Craighead. And, yes, Senator Craighead is correct. I mentioned last time on the mike that 11 percent of the people that are covered under Title X are men; 89 percent are women. Statewide, because of the "up to" language, we have 27,954 who are now at risk of not being covered under Title X. There are 15,510 users who are free because of their levels of poverty. So over half are free; 16,445 of the users are uninsured with no public or private insurance. So you can all say, oh, well, it's covered now, oh, this language covers it. Does anyone understand it? Have the experts come to talk to us to help us to understand all the sides of this? No, they haven't. Last time we talked about this Senator Scheer, Speaker Scheer, asked me to meet with Senator McDonnell and try to

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come up with a compromise. I was then told in the interim, don't worry, the Appropriations Committee has realized that it doesn't want to do this and is taking it out and that's what's going on. So meanwhile there's a whole nother group that's meeting, of course not including or talking to me about anything, as Speaker Scheer had suggested and asked, as we normally work to try to find common ground together. This is setting a wonderful standard. What a great way to work together and find common ground. May I please speak to Senator McDonnell? Senator McDonnell? [LB327]

SENATOR KRIST: Senator McDonnell, would you yield to a question? [LB327]

SENATOR PANSING BROOKS: Senator McDonnell, while you're walking there, I'm wondering, did you understand that the Speaker had asked that we work together to find a compromise? [LB327]

SENATOR McDONNELL: Yes. [LB327]

SENATOR PANSING BROOKS: Okay, and so why was it? Did you have any idea that this other idea was going forward? [LB327]

SENATOR McDONNELL: Well, I had discussions on it but I... [LB327]

SENATOR PANSING BROOKS: Yes or no, did you know it was coming forward? [LB327]

SENATOR McDONNELL: I'll give a full answer. [LB327]

SENATOR PANSING BROOKS: Okay, I'd like a yes or no. [LB327]

SENATOR McDONNELL: Okay. [LB327]

SENATOR PANSING BROOKS: You don't want to give a yes or no? [LB327]

SENATOR McDONNELL: I'll give a full answer,... [LB327]

SENATOR PANSING BROOKS: Okay, I... [LB327]

SENATOR McDONNELL: ...but don't tell me how to answer it. [LB327]

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SENATOR PANSING BROOKS: It's my time on the mike. [LB327]

SENATOR McDONNELL: Sure. [LB327]

SENATOR PANSING BROOKS: I'm just asking you, yes or no, please. Okay, so you did know, and so I'm wondering why it was that you decided not to come forward and work with me on this. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR McDONNELL: I did not have a compromise to bring forward to you that I felt comfortable with. [LB327]

SENATOR PANSING BROOKS: Okay, and so...but we didn't even talk. How do we know where we could come to a compromise? [LB327]

SENATOR McDONNELL: So when I asked you to meet with me on Tuesday... [LB327]

SENATOR PANSING BROOKS: I asked you four times. [LB327]

SENATOR McDONNELL: ...I asked you to meet with me on Tuesday... [LB327]

SENATOR PANSING BROOKS: Yes. [LB327]

SENATOR McDONNELL: ...and you said you would,... [LB327]

SENATOR PANSING BROOKS: Yes. [LB327]

SENATOR McDONNELL: ...and you never got back to me. That's compromising, huh? That's getting together and meeting? [LB327]

SENATOR PANSING BROOKS: I asked you four times to meet me. [LB327]

SENATOR McDONNELL: I asked you on Tuesday to meet with me,... [LB327]

SENATOR PANSING BROOKS: Tuesday. [LB327]

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SENATOR McDONNELL: ...Tuesday morning. [LB327]

SENATOR PANSING BROOKS: Yes. [LB327]

SENATOR McDONNELL: Okay, and you never met with me. [LB327]

SENATOR PANSING BROOKS: I...we... [LB327]

SENATOR McDONNELL: But I did not have a compromise to bring to you. [LB327]

SENATOR PANSING BROOKS: Thank you. [LB327]

SENATOR McDONNELL: But I did ask you to meet with me. Isn't that correct? [LB327]

SENATOR PANSING BROOKS: That was good because I had asked you four times. [LB327]

SENATOR McDONNELL: Is that not correct that I asked you Tuesday to meet with me?
[LB327]

SENATOR PANSING BROOKS: You did. I said we would...I'd be happy to meet with you, we need to do that. And did we ever set a time to do so? No. Thank you for your answers. So anyway, clearly, we all need to do better in finding common ground, in working together. I had asked Senator McDonnell four times to meet with me prior to this and he never got back to me, didn't answer at all, so I... [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR PANSING BROOKS: Thank you very much. [LB327]

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

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I rise in support of AM1277 much for the reasons that the Speaker has already outlined, and Senator Kolterman and Senator Stinner and many others. First, I think the thing that disturbs me a little bit about the proposed compromise, and I'll put "compromise" in quotes, that Senator Craighead and Senator Geist have

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talked about, is that in order to have a compromise you have to bring two opposing parties together and find common ground. I've talked to people on the other side of this issue that are with me on this issue, and I haven't heard from anybody that was included in drafting this amendment that Senator Craighead has brought and stated is a compromise. So if we're just trying to shove something down our throats in terms of this issue in the budget bill, let's just be honest about that, but let's not get on the floor and be disingenuous about having a compromise because a compromise is when you bring two opposing parties together and find common ground. That hasn't happened. It's not a compromise. So let's not be disingenuous about it. I'd like to go on to the second disingenuous part of the statements made by some of the senators proposing this purported compromise, first that this is not about pro-life/pro-choice. What a bunch of nonsense! A bunch of you must think that I was born yesterday, that I'm some kind of idiot. I see the same e-mail blasts that are going out and talking about who's in support of pro-life issue X and pro-life issue Y. My constituents send them to me. You get the same ones. I see the same people out in the lobby pulling people out and talking to the side. This is the pro-life/pro-choice issue. So don't get up on the floor and look at us and go, oh, gee, golly gee, this isn't about pro-life/pro-choice. Of course it is. And the problem that I have with this isn't so much whether it's pro-life or pro-choice but, rather, the fact that this has been brought in a disingenuous, sneaky way in a budget bill, and everybody is running around going, oh, golly gee, no, it wasn't. Yes, it was. This is an issue that deserves to be debated. You can send it to the Judiciary Committee. You can send it to the Government Committee. It'll probably end up in the Government Committee. But in any case, it deserves to have a stand-alone hearing, it deserves to have a discussion, because it's a policy issue that is contentious, it's a social policy issue, and it's an issue that does not deserve to be slipped into a budget bill. Colleagues, I think Senator Stinner's amendment will allow us to move forward with the budget and discuss the merits of the budget. And I would guess that if this proposal is introduced as a bill next year, it'll likely get out of whatever committee it's referenced to, and I'm sure it'll be referenced to a favorable committee on this issue. It'll get out onto the floor and we can have a floor debate about the issue. But to stand up on the floor and say that this wasn't slipped into a budget bill to go under the radar, that this isn't a pro-life/pro-choice issue, and that this had full and fair debate in the committee hearing is a bunch of nonsense. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR MORFELD: And it's really disappointing for me to hear people that I respect get up on this floor and make this statement. It's nonsense. For the sake of the budget, for the sake of moving on to issues that involve a lot more money, this issue is important but other issues that involve a lot more money, and to focus on the budget, I urge you to adopt AM1277. Thank you, Mr. President. [LB327]

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SENATOR KRIST: Thank you, Senator Morfeld. (Visitors introduced.) Senator Murante, you're recognized. [LB327]

SENATOR MURANTE: Question. [LB327]

SENATOR KRIST: The question has been called. Do I see five hands? I do see five hands. The question before you is, shall debate cease? Those in favor vote aye; opposed, nay. Please record, Mr. Clerk. [LB327]

CLERK: 30 ayes, 7 nays to cease debate. [LB327]

SENATOR KRIST: Debate does cease. Senator Stinner, you're recognized to close on AM1277. [LB327]

SENATOR STINNER: Thank you, Mr. President, members of the Legislature. Again, I apologize. This obviously has morphed into women's health issues and religious issues and a whole lot of things other than the budget. And to tell you the truth, I'm not real good at those other issues. I just want to talk about the budget. I just think we owe it to Nebraska to talk about the budget. That's why I'm trying to get it away from this bill, this budget bill. That's the whole intent. I'm not trying to bury it. I promised to you when I got up here the first time we'll take this to an LR, we'll put it in the right committee. You know, to debate it in my committee, Appropriations, with what I heard today? And Senator Hilgers did a good job. You know, it was just analyzing what the law is and comparing and contrasting it to reality. That's kind of the way I like to do things. It deserves a good debate. It doesn't deserve to be in a budget bill. I can't stand up and defend it. I mean I can defend most of the things the Appropriations did. And, yeah, I'm the Chairman and, yeah, I've made a mistake and obviously we should have found it and discussed it. But right now it's a poison pill in the budget, folks. If you want to get to talking numbers, you want to get to balancing the budget, you want to talk about whatever you want to talk about, this thing needs to get gone. Thank you, Mr. President. [LB327]

SENATOR KRIST: You've heard the closing on AM1277. The question before you is the adoption of the amendment to LB327. All those in favor... [LB327]

SENATOR CHAMBERS: Call of the house. [LB327]

SENATOR KRIST: Been a request for the house, for a call of the house. There's been a request for a call of the house. The question is, shall the house go under call? All those in favor vote aye;

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opposed, nay. Senator Riepe, could you check in for me, please. Senator Erdman, could you check in. Record, please. [LB327]

CLERK: 44 ayes, 2 nays to place the house under call. [LB327]

SENATOR KRIST: 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 Stinner, could you check in, please. Okay, everybody is here or accounted for. And I understand someone called for a roll call in regular order. Is that correct? Reverse order. Okay, Mr. Clerk. [LB327]

CLERK: (Roll call vote taken, Legislative Journal pages 1316-1317.) 22 ayes, 20 nays, Mr. President, on the amendment. [LB327]

SENATOR KRIST: The amendment fails. [LB327]

CLERK: Mr. President, I have a priority motion. Senator Bolz would move to reconsider the vote just taken. [LB327]

SENATOR KRIST: Senator Bolz, you're recognized to open on your motion. Raise the call, please. [LB327]

SENATOR BOLZ: Colleagues, there's a better way to do this. There is a smart, thoughtful way to do this. And the way to do this is to put it aside for now, study it, and do it in a way that this floor can vote forward. If you want to make the rules about how funding is used, then you have to fund it yourself. We can't use federal funds in any way we want to. And if we are to use federal funds, if we are to use state funds, we have to set that up in a manner that makes sense and is fair and is equitable. There's not a way to do that in the floor now. So, colleagues, I urge you to reconsider. I urge you to set aside what might be your personal or even your district's particular opinion on this or point of view on this issue and give us the opportunity to do it in a way that is thoughtful, meets federal guidelines, takes stakeholder opinions into consideration, and is in the best interest of all Nebraskans. Thank you, Mr. President. [LB327]

SENATOR KRIST: You've heard the opening on the motion to reconsider. Those still in the queue: Senator Chambers, Vargas, Hansen, Craighead, and Pansing Brooks. Senator Chambers, you're recognized. [LB327]

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SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I will not question anybody because it's pointless, but I'm observing and being practical and realistic. If Senator Bolz had voted yes, then I believe there would have been 23 votes. Senator Craighead did not write the amendment that she brought. I've seen people trying to tell her how to explain it and that's the reality. She's not the first one who had something fed to her that they did not understand. Here's the reality. They don't have 25 votes to accept that and if you accept it you've made a bad situation worse. You cannot get 33 votes on this budget bill. All of the rules continue to be in place. And if you have to make a cloture motion and don't get it, then the Rules of the Legislature come into play and the bill is through for the session and we'll come back. See, the Governor is watching this and he's on pins and needles. He put us in this situation and for Senator...I don't know...Senator Hilgers--I'm not asking questions--said it's not a pro-life issue or whatever. That's exactly what it is. And if he had really done his research, he'd see that Senator Foley tried to get this thing slipped through several times when he was a senator. And he was reamed out for having lied and misled the Legislature when he tried to do it as a senator and that's a matter of record, not only in the transcripts where you hear the senators condemning him but in the news accounts of what happened. Disingenuousness, dishonesty, lying has always been what happened. And what's so tragic, Senator Hilgers? It's the church that's behind it, the dishonesty. You will not get 33 votes. Senator Craighead's amendment isn't going anywhere and it's a nothing amendment anyway and it's designed to do nothing because it was given to her by the evil forces out there. And you know what I mean by evil, not in a moral sense: those who don't care about the Legislature; they don't care about the integrity of our processes; they don't even care about the budget. They have one narrow notion and that's pro-life and they must prevail because they have made promises and commitments. And I wouldn't question Senator Groene, as I stated earlier, as I ordinarily do because this is a different type of issue. That man is suffering more than anybody else because Senator Groene kept saying, oh, he knows what he ought to do. And if he was the man that he has indicated around here on other issues he would vote to take that out. He knows it should be out and he has said as much on other occasions. But the right person made a phone call so we're here, we're stuck. Senator Craighead is going to do the next thing if this effort does not succeed. I don't know if the Speaker has promised that her motion, her amendment would be taken ahead of everything else. I just don't know what the order of the motions and the attempted amendments will be. But as I've said before, the more time that you take, the more you play into my hands. I think you might have 15 days left. Is that what it takes? That's how many days left? It doesn't make me any difference. So we'll run the time off the clock. The pro-life people will keep being used. And I'm surprised that Senator Stinner thought Senator Hilgers did such a good job of analysis. He didn't do a very good job compared to what I know he's capable of on this one. [LB327]

SENATOR KRIST: One minute. [LB327]

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SENATOR CHAMBERS: I thought he cared about the integrity of our process. And he knows this is a pro-life issue. It shouldn't be and it shouldn't be in the budget bill. So Senator Erdman can say he wants to discuss the budget, all these others can say that, but they're doing everything to make sure we don't get to those issues. They know we won't get to them. But they saw the power that the Governor has. Even if they didn't get the Governor's help, they fear what the Governor can do against them in the future. Those are the realities. You all have to nibble around the edges and play like it's something else. I know what it is. I've been in politics a long time and I've observed senators and I've observed them shilly-shally. I've listened to them on certain issues, then I watch them on this one and I see through them like I see through a clear piece of windowpane. I can see right to the other side. Her amendment is going nowhere. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

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

SENATOR KRIST: Thank you, Senator Chambers. Those still wishing to speak: Senator Vargas, Hansen, Craighead, Pansing Brooks, and others. Senator Vargas, you're recognized. [LB327]

SENATOR VARGAS: Thank you very much, President. We have been talking about this for some time and I am...I have so much faith in this body. I've said this before. I really do. I hope this comes across. When I individually am talking to people, I think we are always assuming the best in every single person. That's the only way that this body works. We come from different places. We represent different constituencies. We have different demographics. We have so many differences. But the one thing that does align us is we were elected here to do what's best for Nebraska and we were elected to a nonpartisan body, a nonpartisan body. Now that doesn't mean that we put aside our ideological differences at times, but we do make informed choices based off the facts that we have in front of us, and there are several facts here that tell us that this is the wrong vehicle to be having this conversation. We should not be having a policy conversation within our budget bill. And I commend many of my colleagues that I've spoken out to their beliefs but the basis foundation of their argument is still that we should not be having this conversation in a budget bill. I want to react to a couple things that Senator Hilgers spoke to around our budget process and there is intent language. But I will tell you something about the intent language that we cover within the Appropriations Committee has to do with how we appropriate funds. We have agency requests that come to us. We do things because we need to do them. An agency says we want you to do X or we're asking you to do or we're making a debate that some agency or some program requires more or less funding and then we debate it. Or one of our amazing fiscal analysts comes and asks us to do something, to change something, to address a technical issue. We still have not had any rationale that we need to do this. I think that's a problem. We've had some good conversations about different bills and why we need to do

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something because a constituent of ours brought it or because of 15 people came and testified in support of it. We're making a decision that nobody testified in support of a specific piece of language, my friends. So then why are we doing this? If there is not a rationale as to why we need to do this now, then why are we having this debate? We come into this body every day and we look at each other and we assume the best and I do still assume the best in every single one of my colleagues. But I am looking at every single one of you because our budget bill deserves a fair discussion on how we appropriate funds on everything that we have in front of us. And this doesn't have to do with appropriating funds. This has to do with language that nobody came in and said we need to have happen. The agency didn't come and say we need to have this happen. This was put in and now it is causing us to stop our budget process. I do commend people for talking about their different ideological differences, but I am disappointed because we need more people to come in and not make this a sensationalized political issue. I'm proud of some of the words that Senator Wayne brought up about that we're elected and we are going to stand by a set of our votes. I truly hope that every single one of us is not making a decision on whether or not we put this in out of fear of whether or not... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR VARGAS: ...we get reelected. I'll say that again: that we're not making the decision to do this out of...to not vote this amendment in out of fear of not getting reelected, because if any of our constituents believed that that was the case, I think they would think differently about what type of body we are. Now I'm asking you and I'm pleading with you as a fellow colleague to please consider that this is not something that any individual specifically asked us to do. The agency did not ask us to do this and we're not...there's no need that we need to do this. So then why are we including it in our mainline budget bill? Colleagues, I ask you to stand with Senator Stinner and Senator Bolz for this reconsideration and to stand up for something that shouldn't have happened in the first place and right a wrong so that we can move on to the duties that we were elected to be here, which is to pass this budget and get on with passing bills that have had fair hearings, that are actually going to support, protect, and better make Nebraska right for everyone. Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Vargas. Senator Wayne...I'm sorry. Senator Hansen, you're recognized. [LB327]

SENATOR HANSEN: Thank you, Mr. President. I got confused for Senator Kuehn earlier today, so being confused for Senator Wayne is new though. Colleagues, I rise in support of the Bolz reconsideration motion 118, and still in continued support of the Stinner amendment, AM1277. I do think it's important to talk about, kind of reframe and make sure we go back to the issues. Actually Senator Craighead mentioned talking about that this is a people's health bill as opposed

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to just a women's health bill. I think that's, you know, an appropriate conversation, including that it's been...the number we've been using is that in Nebraska 11 percent of the recipients are men. Eleven percent of those recipients are men and there are plenty of people who I know, both who have come to me since we've been debating this bill and since this issue has come up, and just people I've known in my life as maybe a younger individual who are more likely to have friends and colleagues and acquaintances who are struggling with access to healthcare, who are struggling with finding affordable services in their area, who do have to rely on Title X services for preventative healthcare and family planning. And I think that's important to realize that's what we're talking about. Now I think the debate on whether or not the Craighead amendment that potentially we're getting to is kind of...it's kind of interesting. But if you're holding out for the Craighead amendment, I just want to be clear, you're holding out for an amendment that there's a pretty good dispute over whether or not that jeopardizes all of our Title X funding. Right now, tonight, you want to go to a different amendment that could potentially jeopardize all of our Title X funding in the state of Nebraska, where instead we have an offer here, we have an option here with AM1277 where--the Senator Stinner amendment--where we say as of tonight there are too many moving parts; there are too many things to consider; there are potentially too much risk, the risk of too many men, women, and children losing access to needed healthcare that we just want to go back to where we were, where we are in 2016, 2015, 2017 during this biennium. We just want to go back to the previous language. We don't have a priority. We don't insert new regulations that may conflict with federal regulations. We want to go back there. That is our option and that's what we have in front of us. And frankly, I think at this moment that remains the wise course. Let's figure out this issue. Let's figure out this issue in full before we move on, one way or the other. The Stinner amendment just takes us back to where we've been in past bienniums and by all accounts there has not been a problem in terms of access to healthcare for family planning and preventative services. And, Mr. President, if I have any time left, I would yield it to Senator Pansing Brooks if she needs it. [LB327]

SENATOR KRIST: Senator Pansing Brooks, two minutes. [LB327]

SENATOR PANSING BROOKS: Thank you, Senator Hansen and Mr. President. So again, what we're talking about is the stand-alone clinics. And if everybody feels like there's such a compromise, let's just go back. We can bring it...people can bring their bill next year. Again, we're all about transparency here except when we're not. And the places that will be left are in Chadron, Scottsbluff, Hastings, Columbus, Norfolk, and Omaha, not Lincoln. So we're talking about over 14,000 low-income women being able to have access... [LB327]

SENATOR KRIST: One minute. [LB327]

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SENATOR PANSING BROOKS: ...to--thank you--access to screenings, to STD treatment and testing, to HPV testing and vaccinations. I don't know if some of you know that because you may not have had children recently. But that is, the HPV testing, is something that's basically required of kids who are in their early teens to make sure that they don't get cancer when they do get to the point when they become sexually active and become married. So we're talking about annual well woman and well man exams. Senator Crawford is...or Senator Craighead is correct. We are talking about men and women and the ability to fund family planning, including contraceptive information. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR PANSING BROOKS: Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Hansen and Senator Pansing Brooks. Senator Craighead, you're recognized. [LB327]

SENATOR CRAIGHEAD: Thank you, Mr. President, and good evening again, colleagues. I stand in opposition to the reconsideration motion. The time before this when Senator Pansing Brooks was speaking...and I would like to ask her to yield to a question to make sure I have this correct. [LB327]

SENATOR KRIST: Senator Pansing Brooks, will you yield to a question, please? [LB327]

SENATOR PANSING BROOKS: I will. [LB327]

SENATOR CRAIGHEAD: Okay, thank you. Did I hear you correctly when you said if this language has been in the budget for years, why do we need to pull it now? Did I mishear that or did I hear it correctly? [LB327]

SENATOR PANSING BROOKS: It had been in the budget previously, but it had not been changed. So the budget of 20...let's see, this is '17-18. In '15-16, there was language in the budget but there was a new paragraph added and that paragraph acts as if it includes all federally funded Title...recipients of Title X. So you have to be an expert to understand, and that's what I've talked to the various members of Appropriations. They did not understand that it specifically excluded certain healthcare entities. [LB327]

SENATOR CRAIGHEAD: Thank you. I thought that's what I'd heard. Now the way I look at this is our Appropriations Committee is our budget committee and that budget committee

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runs...comes up with the budget for the state of Nebraska. It's just like our budget at home only on a much, much, much larger scale. If there was something in my budget that kept coming up and I didn't know what it was or it was there and it shouldn't be, I would have said, okay, this has got to go, and I would have taken care of it; same with this. I think finally people just took note of what was in there and said, wait a minute, why is this here? And now we've got this discussion. You know, I also find it very interesting that when there is a subject that we are not really interested in, it's like, oh, we're wasting time and he didn't write that or she didn't write that or I don't know what they said or things like that. But I think I remember last year we spent an entire week on dry beans. Okay? Now to me, that was not the most exciting week of my legislative career, but we spent a week on dry beans. Going back to just refresh on this, I am putting forth AM1255 because there is no compromise. There had been no compromise. Both sides had tried last week and this week to get a compromise. Nothing came up. None was...nobody could get a compromise. I think...don't think there's any kind of shoving down anybody's throats. I think we have differences of opinion. I think we're all strong people and we're all leaders. If we weren't, we wouldn't be here. And as we know, the definition of a good bill is one where no one is happy. It means we have to compromise and I think that that is what we're going to have to do. And just as we're talking about this, my office received today over 200 calls from the ACLU and Planned Parenthood and about another 200 calls from the Right to Life people, and I'm sure you all did too. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Craighead. Senator Pansing Brooks, you are recognized. [LB327]

SENATOR PANSING BROOKS: Thank you. Well, I would agree with Senator Craighead that it's important to have compromise where neither side is happy. But when one side isn't even brought into the discussion, that's not a compromise, had no opportunity. Senator...Speaker Scheer asked that we meet and discuss this. I then heard that Appropriations was moving forward with an amendment and that that was what was going to happen. And then other people decided, oh, no, we're going to do this instead and not even include Senator Pansing Brooks or others who have a different opinion on this. And so I don't know how this is compromise or the fact that by...that neither side is happy. Well, you know, if you don't bring in somebody...one side to talk and then say, well, it isn't exactly what I wanted but I know you're not happy, too, so this is a compromise, that's not a compromise, at least in the legal world it's not. Again, I think that this is something that should be brought as a bill. I'm happy to have it come as a legislative study or interim study; in fact, we drafted language to bring it as a study which I thought was really reaching out and doing some extra work. Then we were told, nevermind, don't worry, there's already a plan going forward and other people are working on it too. So we pulled it back. So, you know, I think it's a game of gotcha, as I said before. I think that it's really sad that because this is an incendiary issue the way to deal with it is to just stick it into a place and not be forthright or forthcoming about it. And when the Appropriations Committee has as complicated

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a bill and project as they have and we have term limits, do you know how many new people are on Appropriations? That's...I'm not blaming them. I'm blaming myself; I'm blaming everybody. But Senator Stinner has the most time on Appropriations, I believe; then we have Senator Wishart who is new; Senator Vargas is new; Senator McDonnell is new; Senator Clements is new, dealing with our budget. And Senator Craighead is saying, well, they should have realized it and they should have caught on and if they didn't catch on then that's too bad and that's what happens to our state. We're not going to discuss it. Healthcare for 14...for at least 14,000 people is at risk because it wasn't transparent and obvious. So if you're all happy with going forward with that, I'm just telling you, I'm not. So we have got some work to do and I don't want to take this budget on forever and neither do any of you. So maybe somebody should talk to us about compromise and come and actually compromise and not have the people behind the glass demanding what's going to happen. I just don't...I think that's really sad that this is the point that our Legislature is in. Oh, you should have caught it! I can't wait till there's something that you really care about that you should have caught and it affects people in your district, it affects those who are branded, it affects those who are dealing with surface water issue, it deals with those who are dealing with herbicides, it deals with those...I mean then the world is... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR PANSING BROOKS: ...upside down. But, boy, you know, the fact that 14,500 women could be without healthcare or have to travel 190 miles to get it, well, they should have been there and caught it. And to even bring up eugenics, that, my friends, I will not even deign a comment regarding that. That is so far beyond what we're talking about. So thank you, Mr. President, for the time. [LB327]

SENATOR KRIST: Thank you, Senator Pansing Brooks. Mr. Clerk, items? Mr. Clerk, items for the record? [LB327]

CLERK: I do, Mr. President. Enrollment and Review reports LB200, LB209, LB274, LB307, LB320, LB382, LB458, LB492, LB508, LB517 as correctly engrossed. (Legislative Journal pages 1317-1318.) [LB200 LB209 LB274 LB307 LB320 LB382 LB458 LB492 LB508 LB517]

Mr. President, Senator Hughes would move to recess the body until 6:15.

SENATOR KRIST: You heard the motion. All those in favor, aye. Opposed, nay. We're recessed until 6:15. Thank you.

RECESS

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SENATOR KRIST PRESIDING

SENATOR KRIST: Good evening and welcome to the George W. Norris Legislative Chamber. The evening session is about to reconvene. Senators, please record your presence. Roll call. Mr. Clerk, please record.

CLERK: I have a quorum present.

SENATOR KRIST: Thank you, Mr. Clerk. Do we have any items for the record?

CLERK: Nothing at this time, Mr. President.

SENATOR KRIST: Thank you, Mr. Clerk. We'll proceed back to the schedule. And just as a reminder, we're talking about LB327 from the Speaker. And, Mr. Clerk, if you could just read them off for us, please. [LB327]

CLERK: Mr. President, LB327. The Appropriations Committee had offered AM1277. That amendment failed. Senator Bolz then moved to reconsider. That motion is pending. [LB327]

SENATOR KRIST: I don't think we need any refreshers, so we'll return to the discussion. Those still in the queue: Senator Morfeld, Blood, Chambers, Hansen, Craighead, and others. Senator Morfeld, you are recognized. [LB327]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I want to step back for a moment. And I think I said this last week when we originally talked about this issue. The reason why we do not debate these types of issues within the budget process is so that we can focus on the already contentious issue of the budget in general. That is why we do not insert or make major change in social policy within the budget, particularly in the way that it has been presented this time around in terms of slipping it into the budget, not really having any meaningful discussion about it in committee other than bringing it to their attention at the last minute and then voting on it, and not having the adequate time to analyze the impact of the policy, the ability of different clinics, whether comprehensive in nature or not, having the ability to stay open, and the potential impact of the language that Senator Craighead has also introduced as well. I think the other thing that's troubling that we've discussed a few times is the "up to." I do not believe that the administration should have that type of discretion when it comes to this type of funding. And Senator Chambers has consistently talked about how his strategy has often been to make it so that the less time we have, the more we extend debate, that means the less time that we have to discuss other issues that he and probably I both don't want to discuss and are just fine with the

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body not addressing. I just read a story in the Journal Star today about several different bills still being up for consideration that are going to take a lot of debate, such as voter ID, potentially third grade reading now, winner take all, and a whole host of other issues. I think it's important that we adopt, number one, adopt the Bolz reconsideration motion, and then adopt AM1277, so that we can go on to the weighty issues of the budget, which I know, from Senator Erdman's amendment and many other amendments I am sure to come, will take a significant amount of time as it is. And I think the last time I checked, I think we're on Day 75, which doesn't leave us with a lot of time. I also believe that it's important that we realize that regardless of where you may or may not be on the pro-life or pro-choice issue, these are issues that should be discussed stand-alone in committee and not slipped into a budget bill. I think it would be more prudent, as Senator Stinner noted earlier, to have a legislative resolution, discuss the issue over the interim. People can see if they can find common ground--perhaps they can, perhaps they cannot--and then introduce legislation. I have a feeling it would likely go to the Health and Human Services Committee, and I have a feeling that legislation would come out and we could have full discussion in committee, we could have full discussion on the floor, and the chips will fall where they may. But there is a reason why we don't put this type of legislation into a budget bill. It's because then what happens is \$600,000 stalls the entire budget and when that happens it takes away from some of the broader issues. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR MORFELD: Despite this being an important issue, it takes away from the broader discussion that we have on a lot of the different, larger budget items. I would urge the body to adopt Senator Bolz's reconsideration motion and adopt Senator Stinner's amendment. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Morfeld. Senator Blood, you're recognized. [LB327]

SENATOR BLOOD: Thank you, Mr. President. Fellow Senators, friends, each and every one, I got to say that right now I feel like I've been on a roller-coaster ride, and it's not the good kind when you go "woo"; it's the kind that makes you want to throw up. I look at what Senator Morfeld just said and I am in complete agreement. This is about the budget. How a wedge issue got thrown into this mix is actually very irresponsible. It's not about taking care of the taxpayers and taking care of our dollars and being responsible and discussing the budget and getting us to where we need to be; it's about another wedge issue. And we're really good at that, but it doesn't really get anything done. And I must hang out with Ernie--Senator Chambers--too much because I have this song in my head: (singing) one little, two little, three little minions. And I can't get it to come out of my head because I don't see people really standing up for themselves. I hear they're repeating what they've been told to say, and I can't respect that. I think about over here

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that we came up with a comprise, and apparently "we" is three people. I thought we had 49 senators. I respect the heck out of what Senator Howard said. She is an esteemed colleague who understands Title X, and I don't really believe there is anybody in this room that can do this. There's not a lots of things I can say that hasn't been said already, but what I can tell you is a very quick story from a constituent who asked me to share this with you. Her name is Carrie (phonetic). She now lives in my district, but she previously lived just west of Lincoln. Carrie (phonetic) was a victim of incest, many, many years of incest as a young woman. She went to her parents; and because it was the person's word against the victim's word, the parents were not inclined to believe her unfortunately. She went to her church and she was told to pray on it. She had no choice as to when she got to give away her virginity. She had no choice as to whether she wanted to have sex or not and avoid an STD. She couldn't get people to believe her. She couldn't find empathy. She was in a small town. And for those of you that are from small communities, you know how that can affect you when there's a dirty little secret, even when it pertains to a victim. But you know what she could do? She could get her best friend who had their driver's license to drive her to Lincoln, to a Planned Parenthood, because she could go there and be anonymous and not worry about the gossip that was going to go on in her small, little town, and she could prevent getting pregnant. That gave her control. And the thought that there are so many more victims that we never hear about, especially in small communities, turns my stomach, the fact that there could even be a chance that we could take away this important amenity for these women. And I bet you're wondering what happened to Carrie (phonetic). Carrie (phonetic) is actually a very successful young woman in District 3 who has learned to forgive but never forget. And she is open about her story because she doesn't care what her small town believes anymore. She doesn't care if there is justice. She cares about what the next day is going to bring and what her future brings. But without Planned Parenthood, we might have had been talking about different story; we might have been talking about an unwanted teen pregnancy. [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR BLOOD: We might have been talking about somebody with an STD not being able to get the help that she needs that would make her infertile for the rest of her life. Let's not talk about the abortion issue because that's not what this is about. It's about health. And, yes, Senator Craighead, it's not just about women's health; you say it's also about men's health. But I bet if we were talking about Cialis the vote would change. And the one thing you didn't mention when you talked about who else is provided services is also the LGBT community as well at those clinics. Think about Carrie (phonetic) when you push that button because right now she's watching you. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Blood. Senator Chambers, you're recognized. [LB327]

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SENATOR CHAMBERS: Thank you, Mr. President. Members of the Legislature, I hate that the sun is kind of breaking through because I like it when the heavenly shades of night are falling and we're past twilight time. This is that: When an irresistible force such as you / Meets an old immovable object like me / You'll find out as sure as you live / Something's gotta give / Something's gotta give / Something's gotta give. See, that's the way you make money. You don't have to be able to sing; just do what other people are afraid to do and you'll become famous for being famous. But right now all that I expect to see is more time taken. All that I want to see is more time taken. But in reality I would like to see the Legislature behave as mature adults. You all let people outside this Chamber dictate what goes on in this Chamber. You can't even go in the Governor's Office unless he lets you come in. But he can stand over there and, by remote control, control those senators who belong to him here. I keep on my desk these words "Nebraska Psychological Association" to remind myself of the power of the Catholic Church. Because of the Catholic Conference having a veto power over the rules and regs governing that area of activity, they cannot get rules and regs because of the Catholic Church. And I'm going to read something, because we're not going to get anywhere tonight on anything. But I'll tell you what. Senator Craighead's amendment, if you ever get to it, it's not going anywhere. We're just going to be right here spinning our wheels. This is from the Wednesday...the Tuesday World-Herald, May 2, "Kansas archdiocese ushers out Girl Scouts and their cookies"--paranoia. "The archdiocese for much of the northeastern part of Kansas, including Kansas City, said Monday that it was severing ties with the Girl Scouts and urging an end to cookie sales, citing philosophical concerns with the organization." Oh, cookies will get you, but they don't...you don't hear them coming out against the sale of crack and weed and alcohol. "The Archdiocese of Kansas City in Kansas announced that the Girl Scouts organization is 'no longer a compatible partner in helping us form young women with the virtues and values of the Gospel.' The archdiocese said it is switching its support to a Christian-based scouting program, American Heritage Girls. American Heritage Girls, with 1,005 troops and more than 47,000 members, has become an option for those who claim Girl Scouts are too liberal and have relationships with organizations that don't share traditional family values. The Girl Scouts deny that. 'I have asked the pastors of the archdiocese to begin the process of transitioning away from the hosting of parish Girl Scout troops and toward the chartering of American Heritage Girls troops,' Archbishop Joseph Naumann said in a statement. Naumann said pastors have the option of making that shift 'quickly, or to, over the next several years, "graduate" the scouts currently in the program,' and to form American Heritage Girl troops this fall. Naumann, in a January letter to the archdiocese's priests, also called for an end to Girl Scout cookie sales in the archdiocese, effective after the current school year ends." [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR CHAMBERS: "The action has angered some Girl Scout leaders and parents in the archdiocese who consider Girl Scouts a respected program. Last year St. Louis Archbishop

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Robert Carlson urged priests to sever ties with the Girl Scouts, saying the organization promotes values 'incompatible' with Catholic teachings." Can you beat that? Girl Scout cookies are what the Catholic Church is interested in and concerned about. But I think the priests and others are interested in another kind of cookies that young girls have and they want to be able to take advantage of them and don't want them to learn the things that they can be taught at Planned Parenthood about the realities of life, their bodies, and the need to take care of your own health. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Chambers. Senator Hansen, you're recognized. [LB327]

SENATOR HANSEN: Thank you, Mr. President. Colleagues, I rise in continued support of the Bolz reconsideration motion and AM1277 by Senator Stinner. Let me start off by...I thank Senator Chambers for the first part of his comments when he talked about the continued efforts of the Nebraska Psych Association to have appropriate rules and regulations. I won't necessarily dive into a separate issue, don't want to distract from the issue, but I think that's important to touch upon as that's an issue that's still very important to some of us in the body and I know will be continued to be talked about in the future. Related to that issue, and I think the reason why it might have appeared in Senator Chambers' mind, is we've had several opportunities so far this year, both on the floor, on bills, on the budget in this instance, to talk about issues that are purportedly related to healthcare, including about access to healthcare and about, like, good healthcare. There's a lot of times where I struggle to understand where the proposed change or what the proposed thing, how that's going to end up with better healthcare outcomes for anyone. Some of the proposed languages, some of the proposed amendments, as I understand it, want to give priorities to certain types of healthcare facilities that offer different services over the Title X and I don't...and there's been no argument made so far why that's important. Why does (sic) a full-service hospital with CAT scans the best place to get an STD test? Why is somebody who can, you know, I don't even know, do other biopsies for unrelated things an important place, you know, to get a pregnancy test? Throughout all of our healthcare experiences, and I'm sure we all have our own history and background and perspectives both as patients or the very few of us that...and the very few of us in this body who actually are healthcare professionals or administrators in some fashion, and I just can't figure out why we want to say, no, we want to actively lessen the number of organizations that can provide Title X funding, and somehow this relates to better outcomes. We've already touched on some of the other proposals, both I think the language in LB327 as it is at the moment, as is amended by Senator Stinner, and potential amendments that have been discussed, whether or not we ever get to them, are going to probably jeopardize Title X funding for the state overall. We are, by putting unnecessary and extra burdensome regulations, and we haven't had a good argument for why those regulations need to exist. Why is somebody who can set a broken bone an important place, you know, to get a mammogram? I just...that's not been ever explained. So that's what struggles with me here. I am genuinely concerned representing a district that has a lot of people in a lot of different life

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situations, including a lot of people who have contacted me and I know who rely upon Title X for vital family planning and other health services. And if we are going to pass some language or pass some amendment that is going to jeopardize potentially the entire Title X funding for the state of Nebraska or, at a minimum, best-case scenario, put no priority to the providers that serve my city, I just don't know how we can go forward with that with a straight face and say this is going to lead to better health outcomes. I just don't know how we can do that. So that's the one thing throughout this debate that I keep coming back to, keep coming back to, keep coming back to, if we've got ideas or solutions or what have you, this, that, or the other thing, but nobody has been able to explain how lessening the number of providers somehow creates better and more access. So that's what I struggle with. And with that, Mr. President, I would yield the balance of my time to Senator Pansing Brooks. [LB327]

SENATOR KRIST: Senator Pansing Brooks, one minute. [LB327]

SENATOR PANSING BROOKS: Thank you, Mr. President. Well, I'm getting information because I am hearing that some people are interested whether or not the Governor does have the ability to do this himself. And from the information that I am getting from the request for proposal, it says DHHS reserves the right: one, to reallocate funds among subrecipients as needed to ensure service to individuals at highest levels of poverty (sic--priority); two, to either terminate or curtail all or part of the activities of the subrecipient in order to best utilize available funding in the event that all or part of the federal funds are terminated, superseded (sic--suspended), not released, or otherwise not forthcoming; three, to suspend the subrecipient's authority to obligate funds provided by DHHS pursuant to the subaward pending corrective action by this subrecipient or decision to terminate this substandard (sic--subaward). I think my time is about up. [LB327]

SENATOR KRIST: Time. [LB327]

SENATOR PANSING BROOKS: Thank you (microphone malfunction). [LB327]

SENATOR KRIST: You're welcome. Thank you, Senator Hansen and Senator Pansing Brooks. Senator Craighead, you're recognized. [LB327]

SENATOR CRAIGHEAD: Thank you, Mr. President, and good evening, colleagues. Again, I am going to go back because I keep hearing some variances of things. I understand that the language had been in the budget, not just this year but last year had been there. And obviously people paid attention to it this year. Why do we need to pull it? I think it's because maybe people thought we would sweep it under the carpet. And I would like to see if Senator Morfeld would yield to a question, please. [LB327]

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

SENATOR MORFELD: Of course. [LB327]

SENATOR CRAIGHEAD: Thank you. You made the comment that somebody slipped this into the budget, meaning the Title X. Do you have any idea who that is? [LB327]

SENATOR MORFELD: No, I don't. [LB327]

SENATOR CRAIGHEAD: I was curious because it had been in the budget, so if it had already been in the budget, how could it have been slipped in? [LB327]

SENATOR MORFELD: Well, somebody had to change eventually, whether it was last year or this year or the...whatever year. [LB327]

SENATOR CRAIGHEAD: Okay. [LB327]

SENATOR MORFELD: So somebody slipped it in. [LB327]

SENATOR CRAIGHEAD: Thank you. I just wondered if maybe you knew. We keep talking about compromises and we've heard a lot about, well, people couldn't get together, they couldn't meet, they tried to get together, there could be no compromise, and things like that. But you know what? With all the people on Appropriations, and I know everybody in this Chamber is extremely busy, not one person came and knocked on my door and said, hey, here's what we're trying to craft, we're trying to craft a compromise. I didn't hear anybody come knocking on my door. I would have been available and that's why I tried to come with something so that we would have a compromise. Again, AM1255, my amendment, if we get to it, requires the Department of Health and Human Services to contribute...continue distributing funds to family planning clinics currently serving residents in greater Nebraska. Specifically it states that DHHS shall disburse such funds to a public or private healthcare facility which does not provide comprehensive care if necessary to prevent severe limitation or elimination of access to family planning services. Again, I hope we get to it and I would like to yield my time to Senator Geist if she is interested. [LB327]

SENATOR KRIST: Senator Geist, you have been yielded 2:30. [LB327]

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SENATOR GEIST: Thank you, Senator Craighead. Yes, and I guess a thing that I would just state with my time is that, you know, this has been voted on a couple of times. We voted on a reconsideration motion. It's come out the same way. I would just urge the body to let's go ahead and take a vote and then let's move forward. We've done that. We're trying to move forward. I would like to move forward with the budget. I would like to not stay here and do this over and over and over. It's obvious that the votes are not with AM1277. I would like to move forward. Let's go ahead and hear the Craighead amendment. If the votes are there, great; if they're not, great, we can move forward. So that would be my advice. I'm not sure that everyone is listening to my advice but that would be my advice and I think we would all like to move forward. So there is a pathway and that would be my suggestion. Thank you for your time, Senator Craighead. [LB327]

SENATOR KRIST: Thank you, Senator Craighead and Senator Geist. Senator Pansing Brooks, you are recognized. [LB327]

SENATOR PANSING BROOKS: Thank you, Mr. President. I am...what I was reading to you I've now given to Senator Stinner and so what that information was to show is that the Governor does have the ability through Department of Health and Human Services to decide where the funds are allocated and to whom they go. I said to people, then why haven't they cut out the funding on the great evil that we are discussing--and that was said with sarcasm, for transcribers--for Planned Parenthood? And they said, because the work that we provide and the healthcare that we are providing in Lincoln is too good and too many people would be without, so they haven't done it. But it is the prerogative of the Governor if he wants to cut this. This does not have to be on our body to decide out of the blue. I don't like that idea any more than this idea of Senator Craighead and Senator Geist, but I do think it's important for us to have a hearing. And obviously this is a policy issue; obviously we have quite differing opinions. So to me, to have...if we have this many differing opinions in our budget, we have two things. We have to pass a budget and we have to fund education constitutionally. So if this issue is holding up members of the body this much, clearly it's a policy issue that needs to have a hearing. And to say, oh, well, they missed it, too bad for them, that's just really not a reasonable answer for us. And so I think what we need...it's quite clear that we need to make things as obfuscated as possible. I'll make sure to use as much legalese as I can so that if you guys miss something, too bad for you, you could have read the bill. That's not a way to go forward with transparency and working as a state for the good of Nebraskans. So again, my friends, this is not a way to go forward and I'm really sorry. I think I...Senator McDonnell and I had some harsh communication earlier. We sat by each other at dinner and he brought me a glass of water. We're not sure what he put in it, but he did bring me a glass of ice water, so I thought that was really good and I punched him in the arm. It was good. We got along really well. So I think that we can find common ground, my friends. I think we can move on and let...if the Governor decides that he wants this to happen, let him decide. Why should we allow the executive branch to put this into our budget

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without a hearing because they want it? That's not appropriate. What if we start doing that on all sorts of other bills that are controversial and we, by omission, you miss something that's put into the budget or kept out of the budget. And is Senator Wishart here? Okay, Senator Wishart, I have a question, if you please. [LB327]

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

SENATOR WISHART: Yes, I will. [LB327]

SENATOR PANSING BROOKS: Thank you, Senator Wishart. I think when I was talking to you off the... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR PANSING BROOKS: ...mike, I heard that you did not vote on this as you had voted on other changes. Could you explain that, please? [LB327]

SENATOR WISHART: And I'll be up soon to be able to explain it more in depth, but typically with the decisions that you have in front of you in terms of the budget, they went through multiple votes. We voted, a lot of times, three times on the decisions that come before you today. This we voted on only once the day before we went to a final vote on the budget. [LB327]

SENATOR PANSING BROOKS: Okay, thank you very much. So again, my friends, you are saying that this had a hearing. The people on Appropriations were not fully aware of what was happening or the change that was going on. We have term limits that cause new people to not be familiar with the entire process or what's happened before. I think to be transparent to Nebraskans we need to go and have a full hearing on this matter. I presume I'll lose on that matter when we have a hearing, but I'm ready to have it and make sure people understand what in the world they are doing with Title X. Thank you, Mr. President. [LB327]

SENATOR KRIST: Thank you, Senator Pansing Brooks and Senator Wishart. Senator Schumacher, you are recognized. [LB327]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. If I were asked to recall two memorable times, my time in this service of the Legislature, one would be, I think it was, my second year here; actually it was probably just a little later at night than this, and Senator Flood, who was also Speaker, had a bill, and the bill was to set the abortion time at 20 weeks, the most aggressive, I think, anyplace in the country. And Senator Flood, his chair was

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over in that area. He said before he left the body he wanted to do something truly meaningful and that it was this bill. And we debated the issue. We recognized it would be the most aggressive of any state up to that point and there was a halfway decent chance we were going to get sued over it. And I voted for it, majority of the members voted for it, and we became the most aggressive antiabortion state in the country. There was no question and remains no question that this body is the most aggressive antiabortion state in the country. And it kind of belittles that fact that we sometimes relegate the abortion debate to license plates and sneaky provisions in budget bills. In substance, there is no more antiabortion legislature in the country. I also remember the time just a year or so ago when we voted, when people of principle after listening to a long debate sometimes shifted positions and voted to repeal the death penalty. It was something that was aggressively pursued by the Catholic Conference. I remember the Governor's resistance to that bill, a veto on the bill, people like Senator Hilkemann standing up and right up to the last minute coming to grips with the fact that you've got to do the right thing or at least what was apparent to the body at that point to be the right thing, threats and everything else coming down the pike from other branches of government. Those were moments when we did the right thing. The Governor opposed the Catholic Conference. It turns out that the people of the state oppose the Catholic Conference and voted overwhelmingly against what we had been persuaded here. There's a lesson somewhere in that. In fact, the Governor spent hundreds of thousands of dollars, and his family, fighting the Catholic Conference. The fact is a good argument I think legally that can be made that the Governor has already the authority to do whatever the object of this language is anyway without us being drug into the middle of it. And why we got drug into the middle of it I'm not sure, but we are. We don't have to be in the middle of it. We can do what the constitution says we ought do at this time of year, and that is argue about money in a budget, rather than being siphoned off into this kind of debate which is never ending. You just learn to cringe when this topic comes to the floor, particularly over a minor spin that somebody... [LB327]

SENATOR KRIST: One minute. [LB327]

SENATOR SCHUMACHER: ...has to make principle of because it always ends up the same way. Senator Stinner's amendment is a good one; Senator Bolz's motion to reconsider the last vote, which was, as you saw, very, very, very close and which will keep us here a long time if we don't resolve this issue, are good ideas. Let's study this properly so we can make a sound decision. Many of us may change opinions in the course of a sound discussion, just like we did with the death penalty. But this is not the place for that discussion, particularly when there's a halfway decent chance the Governor could do what he wants us to do here, he could do it under his own authority and doesn't need our cover for it. So I'd encourage you to vote for the reconsideration motion, for Senator Stinner's amendment, and let's move on and let's treat this topic as it should be treated in a special study resolution and a bill next year where we can deal with it. There is no need to change right now. Haste makes waste and we don't need to trip across

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some federal rule or something else and lose funding, messing up programs, putting women's normal health and contraception and Pap smears and stuff like that in jeopardy. [LB327]

SENATOR KRIST: Time, Senator. [LB327]

SENATOR SCHUMACHER: Thank you. [LB327]

SENATOR KRIST: Thank you, Senator Schumacher. Senator Quick, you're recognized. [LB327]

SENATOR QUICK: Thank you, Mr. President. I rise...I'm in support of the motion to reconsider the vote. I want to thank Senator or Speaker Scheer and Senator Kolterman for their words earlier. And I am also a pro-life candidate, but I also feel that this doesn't belong in the budget, that it should have its own hearing at another time. And one of the other things is...that I am concerned about is still that the...there's people telling me that the clinic in Grand Island and Kearney and the stand-alone clinics will receive their funding, but I'm not sure. I'm not getting any guarantees that that can actually happen. So I am...I still have concerns about that. I've talked to, like Senator Howard with her concerns with the federal part of it with the Title X funding, and I don't want to see the clinics in outstate Nebraska lose their funding. And then with that, I'd yield the remainder of my time to Senator Groene. [LB327]

SENATOR KRIST: Senator Groene, you've been yielded four minutes. [LB327]

SENATOR GROENE: I'm a factual person so I want to make sure everybody is making this decision on facts. Planned Parenthood receives about \$528.4 million of federal funding. Do most of you realize that 90 percent of that is Medicaid, 90 percent of it? This regulation will not defund...this bill in LB327 will not defund federal tax dollars for Planned Parenthood. Their doors will still be open. Did you know that? They only get \$200 and...I don't want them to get anything. We are talking about Planned Parenthood in Nebraska getting \$323,000 out of \$1.9 million. Taking that away will not close their doors. They get nine times that in Medicaid. That will never go away. The Obama administration dropped the regulation that put a bind on states that were doing something like LB327 dictated by adding in their regulations that no recipient making--which is the state--making subawards for the provision of services a part of the Title X project may prohibit an entity from participating for reasons other than the ability to provide Title X services. So you couldn't prohibit a women's clinic if they gave abortions--that's what the idea was here--which some states were starting to do, or dental services or anything else. On January 7...January 2...no, the third day of January, the Congress, HJ...whatever resolution, 43, struck that from the regulations. The way I look at this, folks, HHS is in executive branch. They answer to the Governor. They don't answer to us. Prior to this, HHS decided who got the funding of Title X, which is only \$1.9 million out of the millions of Medicaid money in federal money.

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They couldn't restrict where Medicaid went. The Governor can tell his executive director of HHS who to give the funding of Title X money to. We shouldn't be involved in this, period. So am I going to stand up here and make a political statement on something I don't like--abortion--when this is just a litmus test by some folks of how you vote on abortion? The Governor can do this on his own. We don't have to be involved. I'm frustrated. That's where I was, doing research. This is a minor part of the federal funding that any clinic gets, Title X, very minor part. We can do this. We can destroy the budget. The Governor can take it away. Courtney Phillips can dictate how to set it up, who gets it. It doesn't have to be in state statutes. That's reality, folks. That's the "ought" I was looking for. Does the end justify the means? I don't think Christ ever did it. I'm going to support AM1277 because of this. We've got a Governor that's pro-life. He can handle it. I trust him to do it. I trust that Planned Parenthood will not get any Title X money in the future. They will get a lot of Medicaid money. They always have and always will. They will not disappear. If you think doing this will shut the doors on Planned Parenthood, it will not. [LB327]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Time, Senator. [LB327]

SENATOR GROENE: Thank you. [LB327]

SPEAKER SCHEER: Thank you, Senator Groene. Senator Wishart, you're recognized. [LB327]

SENATOR WISHART: Thank you, Mr. President. I did want to clarify for the record and for the body. I have heard some information, some conflicting information being brought today. First, this is new language that we are discussing today. The language to prioritize, to allow the Department of Health and Human Services to prioritize Title X clinics that receive this funding and the "up to" language in terms of the state's portion of this funding is new language. This was not in your previous budgets, for the veteran senators who are here today, so I wanted to clarify that. I also spoke to the Fiscal Office because I do take pretty seriously what Senator Chambers says. He's the most veteran senator here. And so I asked them a little bit more just to confirm my understanding of what we are obligated or not obligated to do in terms of this budget. So it's my understanding after talking with the Fiscal Office...and I would like to say that for any of you that have questions about this budget, I would encourage you to talk to our Fiscal Office. Many of them, most of them have been there 20-plus years. They are incredibly experienced with this budget process, so I'd encourage you to talk with them. But anyway, I just wanted to close with saying that we are not constitutionally obligated to pass this budget. And if we go to July, our fiscal year, and we don't have a budget, we will shut down. So that is not what I want to be known for as a senator so I hope that we pass this reconsideration motion, AM1277, and let's move this budget forward. Thank you. [LB327]

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SPEAKER SCHEER: Thank you, Senator Wishart. Senator Harr, you're recognized. [LB327]

SENATOR HARR: Question. [LB327]

SPEAKER SCHEER: Question has been called. Do I see five hands? I see five hands. The question is, shall debate cease? All those in favor please vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB327]

CLERK: 29 ayes, 1 nay, Mr. President, to cease debate. [LB327]

SPEAKER SCHEER: The debate shall cease. Senator Bolz, you're welcome to close on your motion for reconsideration. [LB327]

SENATOR BOLZ: I think the issue has been sufficiently discussed. I'd like a call of the house and a roll call vote in reverse order, please. [LB327]

SPEAKER SCHEER: There has been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all those opposed please vote nay. Please record. [LB327]

CLERK: 35 ayes, 2 nays to place the house under call. [LB327]

SPEAKER SCHEER: The house is under call. Senators, please record your presence. All 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 Wayne, could you check in. Senator Linehan, Senator Groene, could you check in. We're all here and accounted for. A roll call vote in regular order, was that correct, Senator Bolz? [LB327]

SENATOR BOLZ: Reverse order. [LB327]

SPEAKER SCHEER: Reverse order, Mr. Clerk. [LB327]

CLERK: (Roll call vote taken, Legislative Journal page 1319.) 25 ayes, 21 nays, Mr. President, on the motion to reconsider. [LB327]

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SPEAKER SCHEER: The motion to reconsider is adopted. We are back at AM1277. Going back to the floor discussion, Senator McCollister, you're recognized. Excuse me. Senator Groene, you're recognized. [LB327]

SENATOR GROENE: I'd like to remind everybody why I came here. I am a fiscal conservative. I didn't come here for social fights. My religious tenets are what they are. [LB327]

SPEAKER SCHEER: Excuse me, Senator Groene. The house is still under call, colleagues. Thank you, Senator Groene. [LB327]

SENATOR GROENE: So if this is the only passion you have, fine. It is not mine. Nobody in my family has had an abortion or ever will because we have faith. Nowhere am I supposed to dictate to somebody else what they do. I'm supposed to set an example. I'm tired of this. I came here to be a fiscal conservative and that's what I am. I am going to focus on this budget, I am going to focus on limited government, and I am going to hope the Governor does his job. Maybe he'll get this one done. Maybe we'll have somebody executed here one of these days, too, and do his job. This is not what we came here to do. If you bring a bill and you get it through HHS where legally you can defund them on their 10 percent of Title X and make your statement, I am with you, but I am not with you on the budget, sticking stuff in a budget that don't belong there. That's not good government. Thank you. [LB327]

SPEAKER SCHEER: Thank you, Senator Groene. Seeing no one else in the queue, Senator Stinner, you're welcome to close. Senator Stinner waives closing. The question before us is adoption of AM1277. All those in favor vote aye; all those opposed vote nay. Been a request for a roll call vote. Regular order, Senator Watermeier? [LB327]

SENATOR WATERMEIER: Yes. [LB327]

SPEAKER SCHEER: Regular order. [LB327]

CLERK: (Roll call vote taken, Legislative Journal pages 1319-1320.) 25 ayes, 20 (sic) nays on the amendment. [LB327]

SENATOR McDONNELL: (Inaudible.) [LB327]

CLERK: How did I have you listed, Senator? [LB327]

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SENATOR McDONNELL: (Inaudible.) [LB327]

CLERK: I'm sorry. Senator McDonnell voting...not voting. 25 ayes, 19 nays on the amendment. [LB327]

SPEAKER SCHEER: The amendment passes. Next item, Mr. Clerk. Raise the call. [LB327]

CLERK: Mr. President, pursuant to the Speaker's order, Senator Stinner, AM1279. (Legislative Journal pages 1320-1321.) [LB327]

SPEAKER SCHEER: Senator Stinner, you're welcome to open on AM1279. [LB327]

SENATOR STINNER: Thank you, Mr. President, members of the Legislature. AM1279 includes the substantive changes to the mainline budget bill. There are six main components to this amendment. Under the changes proposed it would: one, increase personal service limitations to the Governor's requested budget levels; two, provide a reappropriation of cash fund balances for the division of vocational rehabilitation under the State Department of Education to match federal funds; number three, transfer 37 full-time equivalents from the Department of Health and Human services to the Department of Veterans' Affairs as a result of the passage of LB340; four, reduce the General Funds appropriation to the Game and Parks Commission; five, provide additional spending authority to the Department of Administrative Services for a shift in employees from the Department of Labor; six, make a transfer from the Unclaimed Property Fund under the State Treasurer's Office. AM1279 will be amended into the existing committee amendment which was adopted on General File. Thank you, Mr. President. [LB327 LB340]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Krist, you're recognized. [LB327]

SENATOR KRIST: Thank you, Mr. President, and good evening, colleagues, and good evening, Nebraska. Sometimes when you are presiding you don't have an opportunity...well, all the time, you don't have an opportunity to weigh in on a discussion. First of all, I want to say again that Senator Stinner and his committee have done yeoman's work. I support AM1279 and LB327 and I'm sure we're still going to have some more amendments to come. But my problem with the Craighead amendment that will be forthcoming is simply this. I have as a pro-life person tried to defund Planned Parenthood overtly and covertly at least three times that I've been in this body. That language in her upcoming amendment would again put this body in a position we are going to have a constitutional issue because of special legislation. We're going to get to it. You all talked about it. I didn't get a chance to, so I'm putting it on the record now. We have to put a severability clause on a mainline budget bill to protect ourselves from going into a constitutional

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issue or question about a mainline budget bill. Does that make sense to you? I leave you with that thought because we're going to come back to this discussion. And with that, I would yield the balance back to the Chair. Thank you. [LB327]

SPEAKER SCHEER: Thank you, Senator Krist. Senator Bolz, you're recognized. [LB327]

SENATOR BOLZ: Thank you, Mr. President. I would just refocus the body's attention on the mainline budget and reiterate that this amendment again protects the priorities that the Appropriations Committee members who voted out the budget have been working to protect, including higher education, provider rates, pensions, K through 12 education, and criminal justice. And so we dug deeper. We found a few more sort of bottom-of-the-barrel strategies for scraping together a little more savings for the budget and filled the gap and we continue to keep the focus that we've been promising to you as we brought the budget to the floor. So we'd all appreciate your vote on AM1279. Thank you, Mr. President. [LB327]

SPEAKER SCHEER: Thank you, Senator Bolz. Seeing no one else in the queue, Senator Stinner, you're welcome to close on AM1279. [LB327]

SENATOR STINNER: Sorry about that. I'm going to waive closing. [LB327]

SPEAKER SCHEER: And Senator Stinner, after the sprint, waives closing. Question before us is adoption of AM1279. All those in favor please vote aye; all those opposed vote nay. Have all those voted that wish to? Please record. [LB327]

CLERK: 30 ayes, 4 nays, Mr. President, on the amendment. [LB327]

SPEAKER SCHEER: AM1279 is adopted. Next item, Mr. Clerk. [LB327]

CLERK: Senator Stinner, I have AM1193. (Legislative Journal pages 1321-1324.) [LB327]

SPEAKER SCHEER: Senator Stinner, please open on AM1193. [LB327]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, AM1193 includes technical fixes to the mainline budget bill. There are a number of items in this amendment, but I want to highlight two of these components for some more clarification. If you look on page 1, line 22, under "Purpose," number 5, you'll see that it reduces General Funds appropriation. This will incorporate triggers to the General Fund as a result of LB225, which was signed into law by

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the Governor on April 27. The second item I want to draw your attention to starts on page 2, line 5, under "Purpose," 7. This item includes both the substantive change and technical change. Under this proposal, there would be an increase in funds for Temporary Assistance for Needy Families to free up General Fund dollars for postadoption services contracts. The other piece to this section would align estimated expenditures for the State Disability Program with historical expenditures. AM1193 would be amended into the existing committee amendment which was adopted on General File. Thank you, Mr. President. [LB327 LB225]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Thank you, Senator Stinner. Debate is now open on AM1193. Seeing no members wishing to speak, Senator Stinner, you're recognized to close on your amendment. He waives closing. The question before the body is the adoption of AM1193. Those in favor vote aye; those opposed vote nay. Record, please. [LB327]

CLERK: 26 ayes, 5 nays, Mr. President, to adopt Senator Stinner's amendment. [LB327]

PRESIDENT FOLEY: AM1193 is adopted. Mr. Clerk. [LB327]

CLERK: Mr. President, the next amendment, as ordered by the Speaker: Senator Craighead, AM1255. (Legislative Journal page 1290.) [LB327]

PRESIDENT FOLEY: Senator Craighead, you're recognized to open on AM1255. [LB327]

SENATOR CRAIGHEAD: Thank you, Mr. Lieutenant Governor, and good evening, colleagues. I rise this evening to introduce AM1255, which would be added to the language regarding how the Department of Health and Human Services shall prioritize the disbursement of all funds associated with the Federal Title X Program. In addition to the federally qualified health centers described in LB327, AM1255 further allows for public or private healthcare facilities that provide comprehensive primary care in addition to preventative care services and that department shall disburse such funds to a public or private healthcare facility which does not provide comprehensive primary care if necessary to prevent severe limitation or elimination of access to services of the kind provided by the Federal Title X Program in any region of the state. AM1255 serves to provide that qualified health centers in rural communities will be funded and able to continue providing comprehensive services for citizens in their community and no clinics would be closed. Nothing is deleted from the bill. If all organizations receiving Title X funds are providing comprehensive care as they say they are, then they aren't eliminated from the funding. I ask that you vote green on AM1255. Thank you. [LB327]

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PRESIDENT FOLEY: Thank you, Senator Craighead. Debate is now open on AM1255. Senator Chambers. [LB327]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, Senator Kuehn and I get along a lot better than people realize off the mike. But I would like to ask him a question if he would yield. [LB327]

PRESIDENT FOLEY: Senator Kuehn, would you yield, please? [LB327]

SENATOR KUEHN: Yes, I will. [LB327]

SENATOR CHAMBERS: Senator Kuehn, what is one of the defining features of a ruminant? [LB327]

SENATOR KUEHN: Well, that would be the presence of a stomach which is divided into four chambers. They don't actually have four stomachs but they have four chambers. [LB327]

SENATOR CHAMBERS: And what does that allow the ruminant to do? [LB327]

SENATOR KUEHN: It allows them to consume cellulose-based plant material, digest and ferment it in a bacteria, process it, regurgitate it, chew it again, and pass it into its abomasum, or true stomach, where it undergoes the typical monogastric digestion that we experience as humans. [LB327]

SENATOR CHAMBERS: I couldn't have said it better myself. (Laughter) Thank you, Senator. Members of the Legislature, I have one question: Who among you would be a ruminant? Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Krist. [LB327]

SENATOR KRIST: Thank you, Mr. President. We've had extended debate on this particular issue. And as it stands right now, I believe, and Senator Craighead is aware of it now, that her amendment now is not going to do what she thinks it's going to do because of the language that's been removed as a function of the amendment we already passed. So I would ask us to punch our lights off, take the vote, move on with the budget. That's it. Thank you. [LB327]

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PRESIDENT FOLEY: Thank you, Senator Krist. Seeing no other members in the queue, Senator Craighead, you're recognized to close on AM1255. She waives closing. The question before the body is the adoption of AM1255. Those in favor vote aye; those opposed vote nay. There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, Mr. Clerk. [LB327]

CLERK: 39 ayes, 0 nays, Mr. President, to place the house under call. [LB327]

PRESIDENT FOLEY: The house is under call. Senators, please return to the Chamber and check in. The house is under call. Senator Watermeier, could you check in. All unexcused members are now present. There's been a request for a roll call vote in regular order on AM1255. Mr. Clerk. [LB327]

CLERK: (Roll call vote taken, Legislative Journal page 1324.) 22 ayes, 12 nays, Mr. President, on the amendment. [LB327]

PRESIDENT FOLEY: The amendment is not adopted. I raise the call. Mr. Clerk. [LB327]

CLERK: Senator Wayne, I have AM1224. Senator, did you want to withdraw that one and offer AM1229 or am I mistaken about that? [LB327]

SENATOR WAYNE: Yes, there was a correction in funding, so I added AM1229; so, yes, I would withdraw AM1224. [LB327]

CLERK: So, Mr. President, Senator Wayne would offer AM1229. (Legislative Journal page 1290.) [LB327]

PRESIDENT FOLEY: Senator Wayne, you're recognized to open on AM1229. [LB327]

SENATOR WAYNE: Good evening. You guys have heard me talk a little bit. This is a...hopefully we can build some consensus around this topic. I know we had a healthy debate earlier. But this topic is really about restoring kinship and relative placements. In the budget there is a recommendation to remove about \$4.7 million and take those services away and bring those services within DHHS. If you'll recall, I asked Senator Erdman and I asked Senator Briese and I asked a couple other people--can government do some of these jobs better? And the answer was no. The reason that's important from a conservative standpoint is that we are about to grow DHHS by about 16 jobs and they believe they can still provide the same services in the same efficient manner. Yet, when asked about it, there hasn't been a real detailed plan of how they're

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going to do it regarding some of what I think are our most neediest kids to provide counseling services and making sure that foster care and kinship placements happen. We had a big debate just a little bit ago, actually all night, about this whole pro-life issue. But everybody in here is pro-family. And that's what this is about. This is about keeping people together, keeping families together, keeping relatives together to make sure the family unit stays intact during some time. Sometimes there needs to be an adoption. Sometimes there needs to be foster care placement. Sometimes there just needs to be a way for a child to go stay with a cousin, aunt, uncle. And when those things happen, we need to make sure that we have the services to not just leave that family out there. What's ironic in this situation is NFC, which I talked about a couple times, for Douglas and Sarpy County had an increase of about \$11.5 million. But the rest of the state, where this area serves, is seeing a significant decrease. And you heard me say multiple times when it comes to children, when it comes to constitutional rights, when it comes to fundamental rights, they should be the same no matter where they are in the state. And I've seen many of you nod your head, agree with me, and this is one of those issues. This is an issue where no matter where you are, you should be provided the same services. And that's what I'm doing; I'm trying to keep it consistent. So becoming a licensed foster parent oftentimes is a very purposeful decision and a very difficult one. The process begins with the prospective foster parent inquiring about how to do it, looking for agency support. And then it continues with background checks, ten-week trauma informed parenting and safety performance, model approach, and many more parenting skills and training; then there is a home study. That's just about becoming a foster parent. And oftentimes the reality is when I often work with families in a situation dealing with juveniles, there is additional burdens on families who are relatives, because typically...typically they want to make sure that that family is not going back to the same situation that got the child in the first place in the situation that they're in. That requires support. That requires a lot more talking and a lot more counseling. And I think I told everybody, I know I did, that I'm adopted. And I'll never forget second grade, actually first grade, Miss Aidan's (phonetic) class where we did the recessive and dominant traits. And I had to go home and say: well, Mom, Dad, what do I put down? Now luckily, I've always known, I was able to deal with it. But there's always been that question. And it wasn't until I became a freshman in law school that I actually met my birth mother. And the emotions and the anxiety that kids deal with, I'm not saying it's bad at all, but sometimes we need an outlet. And when you have that, sometimes of not feeling wanted, and you have a situation where sometimes you don't have the best situation around you, it can steer a kid in the wrong direction. And if that's the ability for to us pick up a phone, find some support so we don't have to pay for it at the end, I think it's a good thing. And all I'm asking for in this situation is \$4.7 million, which, by the way, one of the questions the Speaker said is if you want to propose adding more money back to the budget, tell me where to get it from. We can get it from the TANF fund. There is about \$57 million in there and I'm only asking for \$4.7. So there is a fund available. There is money available to make sure we provide this. Now, it's not a knock on DHHS. I'm not saying they can't one day do it. But this is a special training that is required when dealing with families who are in these situations. You have to know how to talk to not just

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the parent; you have to know how to talk to the kid. And hiring 16 more people in government I don't think is going to be able to provide that service in an efficient and effective way. So to make sure we put money on the front end instead of on the corrections at the back end, this is one way we can do it. Instead of putting more money into TEEOSA and figuring out how to fund schools, these kind of support systems help that all the way around. So again, these are private agencies, and I'm not a big person on contracting out. If you ask people, I'll tell you, so I'm being very direct about that. But when it comes to these specialized skill sets that are needed for the families of Nebraska, for the families of Nebraska, sometimes we have to do that. And we have to do it in a way that makes sure we treat kids no matter where they are born, what situation they're born in, that they're treated equally across the state. Now, my district benefits, my district has NFC and we've got an increase of \$11.5 million. But, Senator Briese, your district has taken a decrease. Most rural senators and everybody...actually everybody outside of Sarpy and Douglas County are taking a decrease, and that's not fair to your kids who live in your districts. The second thing is you have Right Turn and other programs that deal with these adoptive and foster care placements that I think we just need to deal with. And I'm not one to belabor and talk for a long time, because I think this is such a simple issue. We have money to do it. There is left-over money there. We can fund these programs to make sure that our kids are getting the resources they need, and I think that's what everybody came down here to do. Make sure that out of everybody else, tomorrow's leaders, our children, are taken care of. So I ask you to vote green on my amendment. We can send a message that we care about kids wherever they are. And I'm not saying if you oppose this amendment you don't care about kids. I'm just asking you to treat every kid the same no matter where they are. Don't give kids in Douglas County a special treatment. Everybody deserves access to counseling, access through foster care and kinship placement, and we as a state have to take a priority in keeping families together and this is one way that we can do that. So with that, I'll submit the rest of my time, Mr. President, and thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Wayne. Debate is now open on AM1229. Senator Krist. [LB327]

SENATOR KRIST: Thank you, Mr. President; and good evening, colleagues and Nebraska. I think it's an interesting discussion. I bring with you some experience for a botched privatization process from years ago where we tried to go out for contractors across the state and it created an incredible instability in helping our children and families. We had to bring that back into focus and try to refocus after we failed at going statewide in the contract area, and so we now have a stable program, a more stable program than we have had in years. And now because of a budget crunch, we are now going to destabilize those things that we have worked on. I think Senator Wayne has a wonderful suggestion and that fund is called TANF. And I would ask Senator Howard to join me on the mike for a second if she would. [LB327]

PRESIDENT FOLEY: Senator Howard, would you yield, please? [LB327]

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SENATOR HOWARD: Absolutely. [LB327]

SENATOR KRIST: So you and I have gone through the TANF discussions many, many, many times. And you believe that TANF can, indeed, be used for this purpose? [LB327]

SENATOR HOWARD: In Nebraska, we have the TANF rainy day fund. It has about \$57.7 million in it. And it's funds that we've built up over the years when we receive our quarterly block payment...block grant payment for TANF. We don't use all of it because we have one of the most restrictive TANF programs in the country. And so the excess goes into the TANF rainy day fund, which could be used for this service. [LB327]

SENATOR KRIST: Okay. And in terms of the programs that we're talking about here, as Senator Wayne mentioned, the Kinship Support and the Right Turn, talk to us about the Kinship Support portion of what we lose or what the department intends to do. [LB327]

SENATOR HOWARD: Sure. So in Nebraska, we've taken a strong stance towards ensuring that when children are removed from their homes, that we try to, as much as we can, place them with kin. And what was happening was that unlike a foster placement where the foster parents were receiving a lot of support from the state such as respite care and money, kin placements were not receiving that same type of support and then they weren't able to keep those children in the home because they didn't get those additional supports. The state contracted out kinship support services, most notably to Boys Town, and they provide those wraparound services to ensure that when there is a kin placement, there is no disruption in that placement; that they have the supports that they need to maintain that permanent, as close to permanent, home as they can for that child who has been removed from their permanent home. [LB327]

SENATOR KRIST: So I think it's interesting to note, Senator, and I'll let you comment on this, that the department really has no plan in place right now to take on nearly 2,000 cases that a company managed...that will be managed by only what they project to be 14 to 16 new staff members. That ratio is completely out of whack with what we have tried to establish over the years. How do you think they're going to handle those 2,000 cases with 14 new people on staff? [LB327]

SENATOR HOWARD: I think what we'll see is a continued disruption in kinship placement or a new disruption in kinship placement. Right now the caseworkers that we have we already know are overburdened. We know that they have yet to meet our statutory caseload size for our current caseworkers. And so if we move kinship care back to the department, not only will they continue to be critically understaffed, but I believe those kinship placements will be in jeopardy because

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they won't be getting the same support that they need to be successful and to get those kids to permanency. [LB327]

SENATOR KRIST: How much time do I have remaining? [LB327]

PRESIDENT FOLEY: 1:15. [LB327]

SENATOR KRIST: Okay, I wanted to...thank you, Senator Howard. I wanted to get Senator Bolz on the mike, and I see her light is already on, to talk about Right Turn. But what I'll do now, because your light is on, Senator, I'll ask you to address what you can and then maybe clean it up later. What is the significance...if Senator Bolz will yield, what's the significance of what we lose in terms of Right Turn? [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR BOLZ: Right Turn is one of the strategies that was put into place for postadoption services to make sure that kids who were adopted out of the foster system, that those permanent homes stick. So we have a 98.6 percent success rate; 98.6 percent of those families remained intact. They hold regular support groups and training for parents. They have an expansive curriculum and they have developed some very high-quality training. But at the end of the day, the biggest thing that we lose is the support for families. So families have a life line of dedicated, adoption competent professionals who provide crisis management, counseling, case management, and support at the time when a child and a family might need real help. [LB327]

SENATOR KRIST: So one last comment from me before I'm off my time. We have programs here that are completely and totally successful. We have a track record. We have a means test for these. [LB327]

PRESIDENT FOLEY: Time, Senator. [LB327]

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

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Blood. [LB327]

SENATOR BLOOD: Thank you, Mr. President. I stand in support of Senator Wayne's amendment. And I've really listened intently, intensely to the information that's been shared. And I just want to add a little bit to what Senator Howard said. I did the math and I believe our

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statutory limit in Nebraska is 17 to 1. Does that sound right? What is it? Would Senator Howard yield to a question, please? [LB327]

PRESIDENT FOLEY: Senator Howard, would you yield, please? [LB327]

SENATOR HOWARD: Yes, I will. So our caseload size is actually a little bit more complicated than just saying 17 to 1. Seventeen to one would be if that child was still in their original biological home. [LB327]

SENATOR BLOOD: Okay. [LB327]

SENATOR HOWARD: It should be only 12 new cases, new investigational cases in a month for that first month for one worker. And I believe it's ten high risk at a time for one worker. [LB327]

SENATOR BLOOD: So in doing the math, I came up with 30 to 1 ratio based on what is being proposed. Does that sound accurate? [LB327]

SENATOR HOWARD: It sounds accurate, but bananas for any worker. [LB327]

SENATOR BLOOD: Exactly. And thank you, Senator Howard. [LB327]

SENATOR HOWARD: Thank you, Senator Blood. [LB327]

SENATOR BLOOD: That's exactly what I want to say. "Bananas" is a good word. So then I wondered what could happen to us legally, because I remember some of the woes that happened, when Governor Heineman was around, with the Department of Health and Human Services. And I wanted to make sure that if indeed we didn't pass Senator Wayne's amendment, what could possibly happen to us here in Nebraska. And my research showed that the DHHS caseworkers had the right to sue the state of Nebraska for failing to comply with mandated caseloads that's in state statute. We won't be able to deny our failure to comply with our statutory caseload standards either because it's in state statute, so we can't hide. So it's our jobs to impose a clear, absolute, and imperative duty on DHHS to comply with the statutes that are put forth by the Legislature. So I truly believe that we are going to cause issues that we cannot financially handle. We're not even able to get our budget done yet, without passing Senator Wayne's amendment. So think about the responsibility that we have. Think about what's in state statute. "Bananas" is a good word, Senator Howard. This is bananas: 30 to 1 caseload. How many children are going to suffer? I'm not willing to find out. Thank you, Mr. President. [LB327]

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PRESIDENT FOLEY: Thank you, Senator Blood and Senator Howard. Senator Crawford.
[LB327]

SENATOR CRAWFORD: Thank you, Mr. Lieutenant Governor. Good evening, colleagues. Colleagues, when we're looking at spending, I'd like to talk about two kinds of spending. There is spending that's like buying a TV, where you could choose to spend the money. You might get a lot of benefit from it. But you could walk away from it and you would not necessarily be paying more money because you chose not to buy that TV. And then there is what I call timing belt spending. And I'll have to admit that I was foolish at one point in my life and I decided to try to save money by not replacing my timing belt when the mechanic told me I should replace my timing belt. And, colleagues, instead of spending the hundreds that I should have spent on a timing belt, I ended up having to spend thousands. That's timing belt spending. Colleagues, removing this infrastructure to help our kinship placement families is timing belt spending. It's \$4 million now to save us millions later. I want to really emphasize a couple of things. One is how important it is to spend this money now because making sure that these placements work for these kids saves us money later in terms of turnover in our foster care system, in terms of corrections spending, in terms of special education spending. This is timing belt spending. It's wise spending. And the other thing I really want to emphasize, colleagues, is this is family-focused spending. So this is...these are placements where we're wanting to put these kids with kin. And that's why it's so much more difficult and takes more time for the caseworker, because these are not placements with our experienced foster parents who understand the troubles and challenges of someone who has been removed from the home and in a traumatic situation. This is kin. This is Aunt Sally. This is Grandma Jane. They don't know how to handle the situation necessarily. But being with Aunt Sally, Grandma Jane, colleagues, that would be best for Jimmy. We want Jimmy to be with family. If we can find family and they agree to take Jimmy, let's support them so they can do that, so Jimmy has a chance to go to school, to get a job, to build those family relationships. Family is critical, as many of you know. Family is central. This program, these contracts try to make sure that we can help those families keep these kids in the family, keep it in the family. That's why we're asking for your help--wise spending to keep these kids who are in a traumatic situation with kin, keep them with their family. Support this family with \$4 million to save millions of dollars down the road and that's not, I mean, we should care about this even if it didn't save money,... [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR CRAWFORD: ...because it puts these kids in their family where they can be supported and loved and encouraged, and it helps those families who want to help these kids. They want to help these kids. Help them be successful as parents for these kids. I urge your support of AM1229. Thank you, Mr. Lieutenant Governor. [LB327]

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PRESIDENT FOLEY: Thank you, Senator Crawford. Senator Wishart. [LB327]

SENATOR WISHART: Thank you, Mr. President. As I've stated before, my husband and I are proud licensed foster parents through CEDARS Home for Children. And we've had the privilege of fostering a baby several years ago. And so this is an issue that I am very passionate about. And this specific change, I had a lot of concerns with. And I want to highlight to you in the body the importance of this change and the concerns I have as it relates to this change with kinship placements and moving that over to the Department of Health and Human Services. The committee budget accepts...we accepted a recommendation from the department that seeks to achieve savings, as other senators have said, by internally providing postplacement support for a relative and kinship foster homes. And currently, these support services are provided by external agencies such as CEDARS here in Lincoln, Christian Heritage, and others. And this is support that is provided to a foster family after the department has removed a child from an abused or neglected situation and placed the child in the home of a relative or close family friend. In order to explain the concerns I have with the decisions we're making with this, I want to first explain to you the different types of foster care and then further explain the support relative and kinship foster homes need and currently receive from these participating agencies that I already listed. Becoming a licensed foster parent and the experience I went through is a really purposeful life decision. The process begins with a prospective foster parent inquiring and selecting an agency for support. And the progression continues with background checks, an application requirement, and a ten-week trauma-informed parenting for safety and permanence model approach to partnership in parenting training. It's a mouthful and it's a really important training. And this is all...we do all of this while the agency is completing a detailed home study of our home. Foster parents, once we've completed the training, we identify the preferences of placement, the age, gender, history of trauma, and a whole multitude of experiences a child could have prior to entering the foster care system and we determine what we as foster parents are going to be able to handle to make sure that the placement is a quality placement for both the foster parents and the child. And all of these preferences are choices again that we as foster parents make with the licensing specialist, with our licensing specialist that fit, again, our life experiences, our history and our ability to parent that child or those children. These preferences are outlined to each of us and to each placement made within the home and making sure that there's the greatest potential of success. And the licensed foster parent is aware that we will be taking the child into our home. We're usually...we work with a plan as to when the child will be coming into our home and then that agency that we work with supports us financially and emotionally. And so it's a very thought-out process for the kind of foster parent training that I went through. So now let me talk to you about what happens for relative or kinship placements. Becoming a relative kinship foster home happens very differently in many cases, and sometimes in the blink of an eye, based on the relationship with a child who needs a foster placement. So despite whatever life circumstances you find yourself in, your home grows by one, two, or even six children as a kinship placement.

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You have to...maybe you have to work tomorrow morning. You have to...your payday is ten days away. [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR WISHART: Your checking account is hovering just about \$200. When these placements are happening with these kinship families, they haven't prepared like my husband and I were able to prepare for the children coming into their house. The caseworker will be by the house with the children in less than an hour. Maybe they get an hour's notice of this change to their entire life happening. They have no car seats, they have no diapers, no formula, no clothes for the children other than the dirty pajamas that those children are wearing. That is what these kinship families are going through. And I'll continue to explain this during my next time. Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Wishart. Senator Kolowski. [LB327]

SENATOR KOLOWSKI: Thank you, Mr. President, I appreciate it very much. I want to just stand for a few minutes and let Senator Wayne know that I'm backing him on AM1229 and as we look at LB327 with Senator Scheer. This is a very important piece, I think, that we need to examine and look at and support. I've had the good fortune and opportunity, as I've talked about Senator Chambers, but also to work with Senator Wayne in my past with the last nine years with both of them with the Learning Community, time we were all three on the Learning Community in Douglas and Sarpy County. That was a very busy time, setting lots of parameters up for the operations of the Learning Community in Douglas and County...Douglas and Sarpy Counties. During that time, Senator Wayne was a good member of our committee and vice chair under me as chair for two of the three years that I was chair and had the pleasure of working with him up close and personal on a lot of things. Had the good fortune to be invited to his wedding and saw that part of his life as well, meeting his family, and I just want to thank him for bringing this forward and also for the work he does in north Omaha. He's done a lot of things over the years, not only his school board participation in OPS that he did very successfully, but also his many activities as he's talked about on this floor, but also the hundreds and hundreds of students he's impacted with the basketball programs in north Omaha. So I hope we look at the big picture again of what this program is all about. I have personally worked in the Journeys program in Omaha, before that closed after about the last five, six years through Catholic Charities, and now the NOVA program in north Omaha, in the North Hills. Those are all drug and alcohol students in high school age that are in a full 24/7 environment where they are getting treatment for the problems they have. As Senator Wishart said, you can pay us now or pay us later. The things that go on in families and the needs that are unmet and the problems that sometimes come out of those situations can be voluminous. And this kind of program can do a great deal to help stop a

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lot of that from happening and, yes, save X number of times, over and over again, amount of money that we'd be putting into this program for the successful exiting that they'd have from those programs. I know my work with those kids on a monthly basis at the NOVA program is meaningful to me. Those kids are the most needful in our society with the problems they've had and where they come from. I also saw that with the 6,000 students I handed diplomas to as a high school principal over 15 years. There is a story behind every student. There is a story behind every family. There's many stories behind some kids more than others. I hope we'll look at this very seriously and give it consideration for passage. We'll be able to move and help a great deal of families...number of families in our community by doing this properly. Thank you very much. [LB327]

PRESIDENT FOLEY: Thank you, Senator Kolowski. Senator McCollister. [LB327]

SENATOR MCCOLLISTER: Thank you, Mr. Lieutenant Governor; and good evening, colleagues. I support AM1229 and, of course, LB327. I have been down this road before and so has the state of Nebraska. When I was the executive director of the Platte Institute in 2008, we wrote a paper on foster care. No surprise, Nebraska was one of the worst states in the country with regard to foster care. We got a lot of coverage on that paper, TV and newspaper, and because of that coverage, the Heineman administration started working diligently on a solution. What was their solution? It was to subcontract work out that work. And you think we had a mess before, it was even worse when we subcontracted that work. The point is, subcontracting isn't necessarily bad, but there was no planning and no execution. So that's the point of that issue. I think we are risking a lot by changing our current system. I think we've developed a good way to pay for it. So thus, I would support Senator Wayne's AM1229 and I would yield the balance of my time to him. [LB327]

PRESIDENT FOLEY: Thank you, Senator McCollister. Senator Wayne, 3:40. [LB327]

SENATOR WAYNE: All right. Thank you. Thank you, Senator McCollister. Again, I just want to reference that...oh, I need to clarify something. This is \$4.7 million for two years. So it's not total \$4.7. And I clarified with the TANF fund and that is not available. I thought it was, and people told me, I relied on, said it was. But there is some discrepancies on where that that's obligated to. So as my bill is written, it's written to come out of general cash and the purpose of this conversation is to be clear and put everybody on notice, especially rural senators. Rural Senators, you are going to have a different standard for the children in your district. And we are going to save \$3.7 million by hiring 16 people, which I don't think the math works, to do these services. So next year or the year after, when your kids aren't getting the same services that they are in Douglas County, who got an increase of \$11.5 million, so Douglas and Sarpy County got an increase of \$11.5 million and the rural communities are losing...losing \$4.7 million for the

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next two years, so a total of \$9.4. So when that happens and we're complaining about the foster care system and placement with kinships and you have foster parents who are strangers to families getting kids and having problems because we can't do the resources and have the resources, next year when we're having this conversation, I'm going to pull up this transcript. And we refused to go into our Cash Reserve Fund for \$4.7 million to make sure every kid, every family has the same resources across this state. So that's the purpose of this amendment and the purpose of this discussion. We are putting into record, when things don't go as planned, and you can ask Senator Vargas about his conversations with Department of Health and Human Services about plans and strategic plans and how they're going to implement this, and you'll find out that conversation will be real quick because there wasn't a lot of conversation on how they're going to do it. But again, I'm okay. Douglas County is getting \$11.5 million. You're losing \$9.4. I think it's unacceptable. Whether you're in Scotts Bluff or you're in Douglas County, if there's an issue and we need to provide services, we should provide them the same. And I just find it interesting and disheartening sometimes that we can't have that conversation on an \$8 billion budget over two years, we can't find 4.7 million,... [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR WAYNE: ...\$8 billion budget. How do I know that's possible? Well, Omaha Public Schools, we found a million dollars for a superintendent to get bought out; we found that in our budget and we only had an \$800 million budget. We found that, and we did it by looking real close. So I have to believe if we look real close, we can find \$4.7, and \$4.7 again the following year. It's tough times, I get it, but our department heads have got to make sure that we are focused on a couple of things. And I don't blame Appropriations for this. Our department heads have to make sure we're focused on a couple of things--families and children. That's what I expect out of DHHS--families and children. So that's what this is about. I wish I had 49 senators vote yes, but I'll will be lucky to get 26, 25. [LB327]

PRESIDENT FOLEY: Time, Senator. [LB327]

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

PRESIDENT FOLEY: Thank you, Senator Wayne. Senator Riepe. [LB327]

SENATOR RIEPE: Thank you, Mr. President and colleagues. Winston Churchill, during World War II, stated, very correctly, since we're out of money we have to start using our brains. And that's where we're at, folks. We've got to address the problems. I want to talk about kinship placement. And I rise against AM1229. This amendment addresses the budget modification from the Children and Family Services Division regarding kinship and relative placement. Currently,

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there are 1,000 foster children in relative or kinship placement. We are just talking about relative and kinship placements. We are not, I repeat, not talking about other types of foster parents. Currently, for relative, and I emphasize relative, placement, the agency does all of the recruitment, all of the training, and all of the licensing. They do virtually all of the work. Additionally, the department is already providing kinship and relative placement support for western Nebraska. In January of 2016, the department piloted a program to expand relative support within the department. Currently, the department is serving 260 families with relative support and intends to increase to 500 families, not a thousand families, but 500 families, or 50 percent of all relative placements. By moving to 50 percent, the department will have a cost avoidance of the fees given to child placement agencies. The department will have to add 14 new relative support staff, and I emphasize support staff. There will be a cost avoidance of \$4.7 million. I want to explain this is staff for the caregiver, the caregiver, not staff for the child. There is no caseload requirement and there will be no, I repeat, no shift of work to caseworkers. The department was asked to find placements where they can be more efficient and effective, and the director found the department can add additional staff and provide support at a lower cost than what child placement agencies for the relative or kinship placements have. I ask you, I ask you, I ask you to vote red on AM1229. Thank you, Mr. President. [LB327]

PRESIDENT FOLEY: Thank you, Senator Riepe. Senator Chambers, you are recognized. [LB327]

SENATOR CHAMBERS: Mr. President, members of the Legislature, don't blink, you'll miss this. Everybody has given such good rationale, I don't have to be anything other than a minuteman. I will say this is such a good expenditure, in my opinion, that I would use a lyric from what's it all about, "Alfie." When it comes to this expenditure, it's one that even nonbelievers can believe in. So when it comes to ideology, we can be, Senator Friesen, as separate as the fingers, but when it comes to the common good for our children and families, we can be united as one like a fist. Thank you, Mr. President. [LB327]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Bolz. [LB327]

SENATOR BOLZ: Thank you, Mr. President. This may surprise some of you, but I do have to rise in a comment to oppose the use of the TANF rainy day funds for this purpose. And one of the reasons that I feel like I need to stand up and say so is that part of the work of the Appropriations Committee is to try to understand the strings that come along with federal funding streams, appropriate uses, and long-term sustainability of funds. And this floor has already made some policy decisions related to the use of TANF rainy day funds, and I am afraid that I don't think that this particular use at this particular time is appropriate. I do support Senator Wayne in his commentary about the importance of supporting kinship homes. I think Senator

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Wishart did an incredible job articulating the challenges such families face. And I do think we need careful over...we need to use our oversight tools as it relates to the significant changes that are happening in the child welfare system. Thank you, Mr. President. [LB327]

PRESIDENT FOLEY: Thank you, Senator Bolz. Senator Albrecht. [LB327]

SENATOR ALBRECHT: Thank you, President Foley. I would like to yield my time to Senator Wayne. [LB327]

PRESIDENT FOLEY: Thank you, Senator Albrecht. Senator Wayne, 4:50. [LB327]

SENATOR WAYNE: Thank you, Mr. President; thank you, Senator Albrecht. So one thing I have been able to figure out, when I go talking to people on the floor, is where the vote is. And, unfortunately, we are not going to get there. Without the TANF funds and having to go back to cash, we're just not going to get there. I recognize that. And we can spend another hour debating this, but it's not going to change many people in here when it comes to the budget. If I can talk to you and convince you in 30 seconds why it's different, a minute why it's different, and after five minutes I still can't convince you, me standing here on the mike for the next hour isn't going to change it. But I am glad that we had the conversation, and I am glad to use my word, we put everybody on notice. It's unfortunate that it took a urban, if we can talk about urban and rural senator, to recognize how rural children are being impacted by this, but it's a serious issue. And I just hope Appropriations and Senator Stinner, if there is any money that comes in over what is already appropriated, this is one of the first areas we look at. So with a little bit of heartburn, Mr. President, I am withdrawing my amendment. [LB327]

PRESIDENT FOLEY: AM1229 is withdrawn. Mr. Clerk. [LB327]

CLERK: Mr. President, then I have a series of amendments to be withdrawn. Senator Pansing Brooks, I had two different amendments from you, Senator, but I understand you wish to withdraw both of them? Thank you. Then, Mr. President, Senator Chambers, I had two amendments from you. Again, I have a similar note you would like to withdraw? [LB327]

SENATOR CHAMBERS: Insist that they be withdrawn. [LB327]

CLERK: Yes, sir. Senator Schumacher, I had an amendment from you, Senator, but I have a similar note to withdraw. Senator Erdman would move to amend with AM1288. (Legislative Journal page 1325.) [LB327]

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PRESIDENT FOLEY: Senator Erdman, you are recognized to open on AM1288. [LB327]

SENATOR ERDMAN: Thank you, Lieutenant Governor. I do not wish to withdraw. Okay? What I would say is it appears there is a trend here today and yesterday. We're here a long time. And then at the very end of the day, then they let the little short guy in the fourth row get up and say something. So we'll wind it up again today with Erdman probably. But today, the amendment that I have put in on LB327, AM1288 is the amendment. It's a very simple amendment. It goes as follows: We shall adopt last year's budget as amended with LB22. We shall take from the rainy day fund Cash Reserve the amount we need to cover the union raises that we have negotiated and pay for the health insurance increase. And we will then balance that budget based on historical numbers that have come in over the last couple of years. If I were to ask you how many pages are in this document, this budget document, does anybody know without looking how many pages? Just show your hand. There's 261 pages, all right? So we had a four-day weekend last week and I spent a good portion of that time perusing through every page, trying to gather information from those pages, trying to see what would be a solution that would work. And as I looked at the methodology that they used, the forecasting people, to come up with what they think the forecast for the budget will be, the revenue, will be for next year, I began to get the impression that it's a calculated guess, and that's pretty close. So when Senator Stinner stands up and says we are structurally balanced--he has said that on several occasions, I've heard Senator Stinner say that--so I, first of all, when I heard that I thought I wonder what that means. So here is my interpretation of structural balance. We have someone guess what the revenue is going to be in two years...this year and two years. And then after they made that guess, then we apply that income or revenue to what we want to spend. And that's about \$250 million more than what we're going to take in this year. And as you look through that information, you will see, especially on page 23, on page 23 it shows you the total receipts, net receipts, over the last 30 years, 20 years. And you will notice, as I maybe alluded to before, that back in '01, '02, the revenue in '02 was less than it was in '01. And if you go down to the bottom of that page, in '15 and '14, '14-15, the revenue was \$3,305,000,000. In '15 it was just \$2 million higher than that, \$4,307,000,000. This year's income or revenue is going to be about the same. So when you analyze that and you say how can we balance this budget, we need to use the revenue that we have received before and move forward. That's the way I did it when I had a farm and I budgeted for the next year. I didn't budget for more than I knew was going to come in. And if you look on page 24, it gives you a chart that shows how that revenue has grown or not grown over the last 30 years. And that chart shows, at the very right side, the number or the dot for '17 is higher than it was for '16, and that's not going to be the case. So going forward, I looked at all the revenue that was going to be estimated to come in and the expenses...or the expenditures that were going to be made and I begin to draw a conclusion, and the conclusion is this. We're going to be \$200 million less revenue than forecast, if we get the same revenue as last year; next year we'll be \$220 million short. Those two years added together is \$420 million. If your budget is \$4.3 billion, and in two years you're \$420 million short, you do the math. I didn't even go to the

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University of Nebraska and I can do this one. It's 10 percent. In 2001, when the Governor called a senator that I know and said come back to Lincoln in October, we need to make some adjustments, and that adjustment that was made was 10 percent cut straight across the board. So in my reality, in my analysis here, that is exactly what I see happening. So I want it on the record. I want it to show that at 8:15 on May 3, Erdman said we continue to spend money like this on a guess that we will be back for a special session. When I get the call or the registered letter, however they notify you, Senator Schumacher, I don't know how they do it, I may decline because I'm going to remind people that on one day, on May 3, at 8:16 I said when we have to come back and make cuts and a special budget, don't call me, I didn't create the problem, you did. Okay? So if you're comfortable with people guessing how much revenue you're going to get in the future, and they've been real good at it lately, right? What did they forecast? Another \$55 million down, they missed it. They have trouble forecasting it three or four months out. And we're asking them to forecast for two or three years. And I looked at the rationale that they used to arrive at the forecast they did. And they said because over the last 30 years, we've had an annual growth of 5.9 percent so we're figuring that's what it's going to be so let's just move on down the road, 5.9 works, everybody is happy. That don't work. That don't work. All right? So the Appropriations Committee worked hard. I don't say they didn't. All committees work hard, I'll give you that. But as I look at this deal, and you help me understand where I missed it, and if you have a feeling that it's going to be \$4.3 billion...I mean, \$4.51 billion...\$5.15 billion next year for revenue, and if Senator Chambers here would be here, I would ask him if he wanted to make a little wager because I would believe that that would be a great wager to have over-under. Over-under, Senator Chambers, 4.5 or less. I'm betting, with the agricultural economy the way it is, I'm putting my money where my mouth is, it's going to be less. It's going to be similar to last year. All right? So we'll go forward adopting this budget as it was amended by LB22. People can deal with what they got last year and they can make it work. And the university can quit calling me and stop lobbying me about making more than one-half of 1 percent cut--that's pretty dramatic; they can hardly make it--and all the other people that call and send emails about what we did to them and we'll move forward. If you think this is a good idea, join me and vote green. And, obviously, I know the answer to the other part. If you don't like it, vote red. I've done that before. But going forward, as you realize what I am talking about is true, and it gets to be the middle of the summer and when the Forecasting Board meets again and their projection is down and they say, well, we thought the revenue was coming in, but it's not quite there. And then they meet again in November or October, whenever it is, and they make another forecast and they see the revenue is down, and then we get the call--special session. [LB327 LB22]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR ERDMAN: So this may sound like a nuclear option to some. To me, where I come from, this sounds a lot like common sense. This sounds a lot like how I would make a budget and how most people who live within their means would make a budget. So let's finish out the

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evening on a positive note. Let's adopt this amendment and we'll figure out where all the cuts go, where all the money needs to be added in. I didn't have that done because I was advised by someone, this didn't have a snowball's chance in July, and maybe it doesn't. But I've had the opportunity to talk to you about it. If you have another opinion, let's hear it. But you better be pretty convincing that you're going to be able to get \$200 million more, a little more than \$200 million more next year than you got this year. George Washington once said, if you destroy the cities... [LB327]

PRESIDENT FOLEY: Time, Senator. Time. [LB327]

SENATOR ERDMAN: Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Erdman. Debate is now open on AM1288. Senator Friesen. [LB327]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. I rise in favor of AM1288 because I have been saying all along again we have not cut spending. We have not addressed property taxes and we're not going to. We're going to talk about it again another year and we're all going to make us feel good and then we're going to go home. And then everybody, like the Farm Bureau and the Cattlemen, everybody can tell their constituents that they tried and we failed again. But we talked about it, made a good effort, pat ourselves on the back. I didn't come here to pat myself on the back. I came here to get stuff done. We're not getting it done. I'm going to vote against every budget motion that comes up from now on, and I hope in the end there's 17 or 18 that join me. And I hope we stay here until June or July because the corn will be planted. I don't need to go home. I can stay. The air conditioner will be running here. And we can talk about how we spend our money. We keep nickel-and-diming. We keep spending, and we don't fund our schools the way we should fund them. We make a lot of excuses. But we never want to address the cause. And I have never once tried to say that we're suppose to cut a school's funding; I've just wanted to make a shift. But we are damaging the number one industry in this state and all we do is talk about it. Talk isn't cheap. We want our economy to rebound, but at the same time we put a tax on that's burdensome compared to any other state around us, and we're supposed to drive the economy. We talk about tax incentives to business. I want to diversify this economy. I want Nebraska to have a varied economy so we're not so independent on ag, but we're not there yet. I'm okay with some of the business incentives, but I think some of them have been totally misguided. We need to look at that. But at the same time, again, we continue to fund our schools with property taxes which is totally unfair in how it's administered. You have some schools that are funded at, what, 27 percent is funded with property taxes, and others are at 80-some percent? There's majority of our schools receive no equalization aid whatsoever. And we sit here and we talk about it and we throw bills around and they get killed, they get held in committee. First two

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years I was here we didn't even get anything to the floor, so I was kind of excited this year. For the first time we at least got to discuss something on the floor for a while. We talk about loving our kids. And I will tell you, you place Warren Buffett's house next to mine, and I love the kids in my school district a lot more than he does. How do we measure wealth? Are we measuring it correctly? When that young person buys a home and they make their payment schedule out based on their salaries, and then the property taxes go up 15 percent a year, 20 percent, suddenly their budgets don't look so good. And we're supposed to attract people to move to the state? I don't think so. [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR FRIESEN: I think as long as we just continue to talk about it, everybody feels good and we'll pat ourselves on the back and go home again. I am not a very patient person. This is my third year. I'm running out of patience. Somewhere along the line we have to say that we have to address our spending problem here. We have a problem coming up in two years because no one knows if that ag economy is going to turn around. And if it doesn't, we have a deep hole in two years. And it's not going to be fun, and I'm going to vote to at least cut spending, and I will not vote for any revenue increase. And we will dig ourselves out of that hole like everybody else has to. Thank you, Mr. Lieutenant Governor. [LB327]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator Halloran. [LB327]

SENATOR HALLORAN: Thank you, Mr. President. Would Senator Vargas yield to a question or two, please? [LB327]

PRESIDENT FOLEY: Senator Vargas, would you yield, please? [LB327]

SENATOR VARGAS: Sure. [LB327]

SENATOR HALLORAN: Thank you, Senator Vargas. Can you tell me what the increase in the budget was for the last year of this biennium, the one we're finishing up, 2016-2017, what the increase in revenue was or is? [LB327]

SENATOR VARGAS: The increase in revenue? [LB327]

SENATOR HALLORAN: From the previous year, yeah. [LB327]

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SENATOR VARGAS: I couldn't tell you right now (inaudible). I'd have to go get my budget books. [LB327]

SENATOR HALLORAN: It's 1.3. It's 1.3 percent. [LB327]

SENATOR VARGAS: 1.3 percent, okay. [LB327]

SENATOR HALLORAN: Do you know what the projection is for the first year of the next biennium in this budget? [LB327]

SENATOR VARGAS: Similar answer, I wouldn't be able to tell you. I'd have to get my budget books. [LB327]

SENATOR HALLORAN: It's a round number, 5 percent. [LB327]

SENATOR VARGAS: Okay. [LB327]

SENATOR HALLORAN: Okay. So we're going from 1.3 to 5 percent increase in revenue, projected revenue. And the second year of the biennium is 5.2. Do you think that seems...well, I shouldn't say this. You believe that is reasonable projection from 1.3 to 5 percent? [LB327]

SENATOR VARGAS: I think that our projections haven't always been steady, so I wouldn't be able to say that I believe in every single projection, but we do our best with the data that we have, and so does our Fiscal Office and everybody that is working in this building. [LB327]

SENATOR HALLORAN: Okay, thank you, Senator. And I appreciate everything the committee has done. We have to go through the formality of thanking you for the hard work that you have done. It has been hard work, probably more hours than most every other committee. Unquestionably it's not a question of your sincerity or your abilities, but it is kind of questioning the quicksand, the quicksand that we're basing this budget on. Okay? This budget is being based upon projected revenues that, as Senator Erdman clearly pointed out, are likely not to occur. And if we're off, if we're just even with what we did last year with revenue, we're going to accumulate another \$200 million per year of the next biennium in less revenue than we're spending. I understand everybody is tired and want to go home, and this is going to go nowhere. This is going to go nowhere because everybody has had their full of fun tonight dealing with other issues that really weren't, you know, getting us down the road. But, folks, can you tell me...Senator Vargas, would you yield for another question? This is a hypothetical. [LB327]

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PRESIDENT FOLEY: Senator Vargas, would you yield, please? [LB327]

SENATOR HALLORAN: So your opinion is as good as mine. [LB327]

SENATOR VARGAS: Sure. [LB327]

SENATOR HALLORAN: Do you think there's anything particularly special about a special session? [LB327]

SENATOR VARGAS: Well, the word "special" is in special session. I think that inherently makes it special. [LB327]

SENATOR HALLORAN: Okay. Can you give me some kind of definition what you might think would be special about that? [LB327]

SENATOR VARGAS: That it's atypical from our normal session. [LB327]

SENATOR HALLORAN: Okay. Would it be specially fun? I don't think it's going to be specially fun, folks. We're going to be talking about cuts. When we come back, when we come back in early fall, we're going to take more than a haircut. And I know that would offend Senator Harr, if he was here, or Senator Brewer, who's here. But we're going to take a haircut, and it's going to be across the board. And we best be prepared for that because we're not preparing for it right now. Thank you, Mr. President. [LB327]

PRESIDENT FOLEY: Thank you, Senator Halloran. Senator Erdman. [LB327]

SENATOR ERDMAN: Thank you, Lieutenant Governor. Let me say this so I can make sure that we're clear, because I had a conversation with Senator Riepe just a moment ago and he said what exactly is the plan? So here's how I intend this to work. Whatever revenue we got in last year, whatever budget we passed, when we came back, when we came here in January, we made an adjustment with LB22. We made some cuts. So going forward, the amount of revenue that we need to use to balance our budget is that amount that was budgeted minus the cuts we made with LB22. And my intention is to take from the rainy day fund, from the Cash Reserve, enough to cover the wage increases that have been negotiated and the health insurance costs. This is called zero increase, except for the wages and the health insurance. When we think that we can spend 1.1 percent this year and more than that next year and balance the budget, I believe we're wrong. Senator Halloran, I might make a comment about what you thought the revenue growth was on your 1.3. That is what it says in the book. I don't believe that to be a true number. That's an

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estimate. The only number you can count on, on that page, the last number you can count on is 15. And that's 3 million...4,307,000,000. And this year it was estimated to be 4,315,000,000. So the numbers aren't in yet. The revenue is not coming in like they thought it was going to. I don't look at this revenue being any higher than last year. So when we get ready to budget for this coming year, that would be my intention. We use that number instead of a guess, and I say that again, a guess what the revenue is going to be; and that is basically what it is, it's a guess. And Senator Halloran, you are very right. This is going nowhere because we have not very many people in this body that really want to make cuts. They don't want to cut taxes and they do not want to cut spending. And we will find that out when we vote. Because if you throw up a red on this amendment, it will show exactly where you're at on coming here to cut spending and lower taxes. That's why I came here. This is an obvious example of that. So all those people in western Nebraska that are watching, this is why I came. So going forward, if you have any questions, I will try to answer them, but I intend for this budget to be no greater than last year's budget, as amended, plus those few other things added back in. I think that will cover it. I don't know what the Governor thinks of that. I didn't ask him. I guess it doesn't make any difference. He will surely let me know if we get that far. Some people out behind the glass thought it was a pretty good idea. I hope some people on this side of the glass think it's good idea. And we're about to find that out, I guess. But I don't intend to keep you here until midnight. But I sure would like to have some discussion on your opinion as to why this is a good idea or why it is not. Thank you, Lieutenant Governor. [LB327 LB22]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Schumacher. [LB327]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I join my fellow leftists here in talking this evening, on the extreme left of the Chamber. It's odd how this is working. I was concerned who would take my role after I left, but we have already picked out probably Senator Hilgers as the "Professor of Pickiness." And now I am seeing that Senator Erdman is the "Professor of Financial Gloom." I've been there, Senator Erdman. I have been saying that we're headed for a mess, well, since the first day I was here. It's really bad to be right. That's why I'm a leftist now. But he's right on one thing, the idea of five point something or another growth year over year, as it has been for the last 30 years, is dream world. The economy changed in 2008. We are not going to see that kind of economic growth in resulting taxes. That makes life really, really tough. And it is going to force you guys, who are going to be out of Cash Reserve by the time you have been here for a while, into facing some really hard realities on what we got to consolidate, what kind of tax giveaways and perks we've got to stop and how to handle the situation. Now, Senator Friesen said he hopes the ag economy turns around. Take out a piece of paper, little graph paper, look at beans, look at corn, graph it out. Actually, those grain prices are pretty good. Except for this oddity that occurred around 2012, we are normal and we're going up at a normal rate. Let's hope it doesn't turn around, because turning around would go back down. We have places we can go, and Senator Friesen was on to one of them--\$80

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million in that subchapter S exclusion. What a picnic for somebody. We need to look at that. The special capital gains, \$20 million; a historic credit program in which, if you read the small print, it buys you five years of history on some old buildings, \$15 million. We are over \$100 million in revenue right there just from getting away from some really slick business deals, and that's not to mention, regrettably, one that I introduced at one point, the new market saying which looks like it isn't producing like it should. The Advantage Act, Performance Audit Committee--poor report card on it; jobs costing us between \$30,000 and \$300,000 a year, and we're printing money or credits like a printing press and still giving them out. There's hundreds of millions of dollars out there. That's what we've got to start looking at to make sense. We can do a lot of that without a tax increase at all, except maybe for those who finagled a special deal in the past. Now, unfortunately, reality is what it is. If we adopt this plan, property taxes are going to go up because there will be less money in the budget for TEEOSA. Now, maybe in some areas it won't, some areas it will, but on balance they will go up. And that's why none of this is easy. Common sense has ceased to be easy. If it were easy, we'd a done it by now; somebody would be tooting their horn about how smart they were. So, yes, Senator Erdman, revenues are going to be really, really bad if we pursue the present course and 5.9 percent, or whatever the magic number is, isn't going to happen. You're very right. We need to start thinking like Senator Friesen was the other day as to how to put an end to some of these perks. [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR SCHUMACHER: There's a lot of them out there. And we need to start thinking smart about whether or not our state is structured as it should for the future, or whether or not we're in one big hangover from the 1920s. We were structured okay in the 1920s. In the 2020s, the 1920 model will not work. The adjustment to the change in agriculture is going to be very, very, very predominant in our thinking. So I'm with you on projections, Senator Erdman, but I don't think the amendment works, but you're on the right track. Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Friesen. [LB327]

SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor. So when we look at how we were going to grow the state, we need to grow rural Nebraska; we need to grow that area west of 27th street in Lincoln. So what we do is we sweep the Universal Service Fund which will put broadband expansion into the rural areas. That will bring young people back. Then we take from the Water Sustainability Fund, and when the next drought hits, the state will fail in its obligation to fund water issues. And we have taken away a 3-cent levy from the NRDs so that they can fund it. And when the next drought hits, we'll stand here and stomp our feet and wonder why the NRDs didn't do their job, and the state won't have the resources to do it. We failed to implement portions of LB962 like we thought we should have to anticipate the next drought to where we

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can store those excess flows, and so we can guarantee the water supply to Lincoln and Omaha. Those projects won't get done. And then we go and take some money out of the roads program yet so we make sure that maybe a project in rural Nebraska won't get done. And so that's how we grow the state. That's how we balance our budget. You can probably go through the budget, if I was on Appropriations, probably find a lot more yet. Those are the things we're doing to grow our economy. We talk about broadband expansion like it's the highway that you have to have in and out of a small town. We've got young people that have moved back to small communities, but they demand high-speed broadband Internet. So let's cut the Universal Service Fund; that's a good start. This is how we're going to attract our young people back by cutting our infrastructure and not really expanding business and then taking the number one industry in the state and just taxing it until it bleeds red. You got property taxes in excess of \$100 an acre. In Iowa they are \$20 an acre. We can't compete. The cattle industry depends on our corn supply. The ethanol plants depend on that. Margins are tight for everyone right now. When ag suffers, all the small businesses in the rural communities suffer because we don't spend money. But we still got that \$100 an acre that we send in. We send that whether we make money or lose money, year after year; we love the kids way more than anyone else. That's how we measure how we love our kids, how much we spend on them. I've said over and over, you can't buy an education. You send your kids to school and you buy them books and buy them books and all they do is eat the pages. But we're going to try and spend more money to fix education. Right now we spend almost a billion dollars on TEEOSA, and yet majority of our schools receive no state aid. And TEEOSA is expected to grow, what is it, 5 percent? Yeah, we really trimmed them back to 2.5 this year, and so all that money still ends up going to the same schools, nothing else goes out to the unequalized districts. We don't want to talk about TEEOSA. We don't want to mess with it... [LB327]

PRESIDENT FOLEY: One minute. [LB327]

SENATOR FRIESEN: ...because it's too complicated. Every time we tweak it, we mess it up. I'd like to blow it up. We need to start over. We need to find a new way to fund education. We can choose to do it here or we can let the people do it through a petition drive. I'm ready for the petition, because I think we don't have the stomach to do it here. Thank you, Mr. Lieutenant Governor. [LB327]

PRESIDENT FOLEY: Thank you, Senator Friesen. Senator McCollister. [LB327]

SENATOR MCCOLLISTER: Thank you, Mr. Lieutenant Governor, members. I was going to call the question, but this debate has become interesting to me. And I actually think that Senator Erdman is right. We are going to have to deal with cutting expenses as we go along. However, I think we need to use a scalpel and do a great deal of planning before we go in there with a meat

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cleaver. I can remember some studies that I have seen would indicate that on a per capita basis Nebraska does spend more, particularly for HHS and a couple other departments, so. But I would like to see the plan, and so we don't actually reduce services to needy folks in Nebraska. Senator Schumacher is right. The incentives need to be better budgeted. Part of the problem that we've got this year is that these incentives are coming back to us as credits and destroying our budget. And so we need to better schedule when those credits come in and when the companies want to take those credits. It's something we need to fix and I would hope to be part of that effort. Lastly, tax decreases are important in this state, no question about it, but LB461 just wasn't that bill: insufficient property tax relief, perhaps too expensive, and I contend that the triggers should be based on actuals instead of projections. But no doubt about it, we will be back next year talking about tax relief, and I hope to be part of that debate. Thank you, Mr. President. [LB327 LB461]

PRESIDENT FOLEY: Thank you, Senator McCollister. Senator Lowe. [LB327]

SENATOR LOWE: Thank you, Lieutenant Governor. As odd as it seems, going back to last year's budget makes sense. I am in support of AM1288. You know, when I start a business, I create a forecast and a budget of what I think we're going to do that first year, and then I go back and I make another budget, one that isn't quite so good. And I hope we end up somewhere in-between those two numbers, because it's never as good as what you think it's going to be. And it's always, probably, a little better than your light budget. So in every organization that I have ever been in, where you make a budget up, we always look at what we think we're going to be needing, and then we tweak the revenue, the forecasted revenue, because we need to make it balance. And we can always take in ten more members or raise more money selling potatoes or onions or tickets to a circus. But that rarely ever happens that way. You almost never take in as much as what you budget for your revenue. And that's kind of what we're doing here. At home, when we look at our budget, we look at what we did last year. We know how much we made last year. We kind of know what we're going to bring in this year because of what we made last year. It's probably going to be about the same, unless you get a new job and hopefully you get paid more, you don't get laid off. And you look at your expenses. Well, the expenses are going to be about the same as last year, maybe a little bit more; there might be a few more taxes that we put on you. So we've got to look at what we've done in the past. And true, over the last 80 years we have kind of averaged about a 5 percent increase. But that is not every year; that is an average. We got to look at what we did last year and the year before and what we think we're going to do next year. What are our businesses going to do in Nebraska in this next year? Are they all going to grow by 5 percent or more? Senator Harr says they're going to grow more. I'm in favor of that. Can we get \$7 corn, too? We just fixed or budget problem. But in reality, corn isn't going to go up much more. Beans aren't going to go up much more; they probably might go down a little. We have to look at our past and we have to make rational decisions that way. Thank you, Mr. President. [LB327]

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PRESIDENT FOLEY: Thank you, Senator Lowe. Senator Erdman, this is your third opportunity, Senator. [LB327]

SENATOR ERDMAN: Thank you, Mr. Lieutenant Governor. Lest you think I'm naive or as...more naive than I am, Senator McCollister, I did not believe that I could make that simple of a motion, that simple of an amendment, and have it adopted. But what I did hope is that we would have discussion like Senator Schumacher had. How you going to fund TEEOSA? How you going to do some of this stuff? And then we work up, we work up from a small number. We don't start with pie in the sky and work our way down. I'm not stupid enough to think that this would be adopted as it was presented. But it is a negotiation. That is how this is supposed to work. But it doesn't seem to work that way. But I'll tell you right now, for the record, like everybody says--for the record, this budget that we see in LB327 is not, I repeat, is not going to work. And you can wish in one hand and do something in the other and see which one fills up first, but I can tell you right now this isn't going to work. So what is your plan? What is your plan? What happens so many times here is we have a plan of what we want to do. And then you go behind the glass and they say, oh, hey, hey, wait a minute, wait a minute, you're taking some of our funding, we don't like that. We don't like your plan. And you say, well, what plan do you have? Well, we don't have one, we don't have a plan, but we hate yours. That's how it works. Well, I'm telling you what, I'm throwing down the thing here and say, hey, step up, let's talk about how we do this going forward. Senator Friesen seemed to be a little bit frustrated in some of his comments, and I appreciate that, because that's where we all need to get. We need to get to that place where we're frustrated with the status quo. Like Senator Schumacher said, we've been headed for the cliffs since he got here and we're going to run off the hill, we're going to run off the cliff. What are we going to do about it? We're going to say, well, that was a great projection, we thought we had it; I can't believe we missed it. Wow, now what do we do? Well, we make 10 percent cuts. All right? So we can fix this. We can make amendments to this amendment so that we can fund the things that need to be funded and move forward with making some serious cuts. When you come with a budget that's 1.1 percent greater than it was last year in spending, or .9 of a percent, or whatever the number is...and most of the time what you do is you say, well, we wanted a 5 percent increase, so what we're going to do, we're going to cut it back to a percent and a half. We cut it 3.5 percent. Well, I went through that scenario with Senator Kolowski the other day. If you're going to buy something for \$100, and it goes on sale for \$80, did you save 20? No, you spent \$80. And that is what we're doing here. We wanted a big increase. Our state budget used to grow by 3.6 percent every year. But, oh, now, now we're going to cut it back to 1 percent. We can't afford the 1 percent. That doesn't make any difference if we can afford it. That is what we're going to do, because over the last 30 years history shows that at some point in time we're going to get back to 5.9 percent growth. And if Senator Schumacher is right about the farm economy, I don't know if he is or not, but he has as good a shot at it as the Forecasting Board does, then what are you going to do? You're going to say, wow, that was a bad deal. So maybe what Senator Schumacher says is true. [LB327]

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PRESIDENT FOLEY: One minute. [LB327]

SENATOR ERDMAN: When we get down the road a year and this thing turns out like I said it was on May 3 at 8:51, and I say, what did I tell you? What did I say? And you go, oh yeah, we should have listened to you. So what happens here is you may agree with what I'm saying, but you hate the way I say it so it can't be right. What I'm telling you is deal with this budget today and it is a lot easier to deal with it now in small increments than it is in a year or two when you make a 10 percent cut. So deal with it as you will, but understand one thing: this budget is not going to work. And going forward if you see me vote red on some of these budget bills or all of them, don't be surprised, don't be one bit surprised. [LB327]

PRESIDENT FOLEY: Time, Senator. [LB327]

SENATOR ERDMAN: Because this ain't going to work. Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Murante. [LB327]

SENATOR MURANTE: Question. [LB327]

PRESIDENT FOLEY: The question has been called. Do I see five hands? I do. The question is, shall debate cease? Those in favor of ceasing debate vote aye; those opposed vote nay. Been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; those opposed vote nay. Record, please. [LB327]

CLERK: 25 ayes, 3 nays to place the house under call. [LB327]

PRESIDENT FOLEY: The house is under call. Senators, please record your presence. The house is under call. Senator Hilgers, Vargas, could you check in, please. Senator Crawford, check in. Senators Chambers and Linehan, the house is under call. All unexcused members are now present. The question before the body is whether or not to cease debate. We'll do a machine vote. The question is whether or not to cease debate. Those in favor vote aye; those opposed vote no. Record, please. [LB327]

CLERK: 25 ayes, 19 nays to cease debate. [LB327]

PRESIDENT FOLEY: Debate does cease. Senator Erdman, you're recognized to close on AM1288. We're still under call. [LB327]

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SENATOR ERDMAN: Thank you, Lieutenant Governor. I don't believe that we had full and fair debate. The Speaker exercised his authority to ask people to call the question. That's his prerogative. I said earlier, we ended the day twice with what I was going to do. That just happened that way. I understand that. Excuse me. There were people in the queue that wanted to speak, didn't get a chance. He told me earlier this bill didn't have a chance. I see why. I see how this works. I understand it. You people don't have the guts to make cuts. All right? Senator Groene got pretty animated today. I want to make sure for the record it says this budget is not going to work. This budget is not going to work. Vote green on AM1288 and we'll put something together that makes sense. So when we leave here, people say, hey, those guys went there to do something. Those senators said it is time to pull up...tighten our belt and everybody make a contribution and make this work. So if you vote for this amendment, I will assume you're for cuts and you're for lowering spending and you're for doing the right thing. And if you vote red, I'll understand that as well. You don't care about those people that are paying the taxes. You don't care about those people that need help. You just want to keep spending more money on your pet project. So how much time do I have left, Lieutenant Governor? [LB327]

PRESIDENT FOLEY: 2:50. [LB327]

SENATOR ERDMAN: Well, I can take it to 9:00. Great. We're here kind of late; it's pretty quiet. People are listening, that's good. So just remember what I said. When this budget doesn't work, don't blame me, because here is your opportunity to make a difference to balance this based on history and understanding of what the revenue is, not on a guess. Structural balance, we're going to be structural balanced. I tell you, they were structurally balanced in '01, they were balanced; structurally they were balanced. But guess what? Somebody forgot to tell the people paying the taxes you got to send more in, and they didn't and they were short. And they wound up getting what they got. So I'll let you go before 9:00. Vote green on AM1288. Thank you. [LB327]

PRESIDENT FOLEY: Thank you, Senator Erdman. Members, you heard the debate on AM1288. The question before the body is the adoption of the amendment. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record please, Mr. Clerk. [LB327]

CLERK: 19 ayes, 10 nays, Mr. President. [LB327]

PRESIDENT FOLEY: The amendment is not adopted. I raise the call. [LB327]

CLERK: I have nothing further on the bill. [LB327]

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PRESIDENT FOLEY: Continuing debate on LB327, Senator Friesen. He waives the opportunity. Senator Halloran. He waives the opportunity. Senator Stinner, you are recognized to close on LB327. He waives the opportunity. The question before the body is the advance of the bill. Senator Wishart. [LB327]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB327 to E&R for engrossing. [LB327]

PRESIDENT FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. [LB327]

PRESIDENT FOLEY: Roll call vote has been requested. Mr. Clerk. [LB327]

CLERK: (Roll call vote taken.) 28 ayes, 18 nays on the advancement. [LB327]

PRESIDENT FOLEY: LB327 does advance. Mr. Clerk, items? [LB327]

CLERK: Mr. President, Senator Briese would move to adjourn the body. [LB327]

PRESIDENT FOLEY: Members, you heard the motion to adjourn. Those in favor say aye. Those opposed say nay. We are adjourned. [LB327]