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Floor Debate
March 21, 2018

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PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-sixth day of the One Hundred Fifth Legislature, Second Session. Our chaplain for today is Pastor Neil Wheeler of the Peace Lutheran Church in Waverly, Nebraska, Senator Geist's district. Please rise.

PASTOR WHEELER: (Prayer offered.)

PRESIDENT FOLEY: Thank you, Pastor Wheeler. I call to order the forty-sixth day of the One Hundred Fifth Legislature, Second 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, your Committee on Agriculture reports LB477 to General File with amendments, and Senator Quick has an amendment to be printed to LB295. That's all that I have, Mr. President. (Legislative Journal pages 1051-1052.) [LB477 LB295]

PRESIDENT FOLEY: Thank you, Mr. Clerk. (Visitors introduced.) We'll proceed to the agenda--General File, appropriations bills. Mr. Clerk.

CLERK: Mr. President, LB993A, a bill by Senator Friesen. (Read title.) [LB993A]

PRESIDENT FOLEY: Senator Friesen, you're recognized to open on LB993A. [LB993A]

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SENATOR FRIESEN: Thank you, Mr. Lieutenant Governor and members of the Legislature. LB993A is a appropriations bill that carries out provisions of LB993 which is now on Final Reading. This bill would appropriate the cash funds from the 911 Service System Fund to fund the provisions of LB993 and I urge you to give a green light to LB993A. [LB993A LB993]

PRESIDENT FOLEY: Thank you, Senator Friesen. Is there any discussion to LB993A? Seeing none, Senator Friesen, you're recognized to close. He waives closing. The question for the body is the advance of LB993A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB993A]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of LB993A. [LB993A]

PRESIDENT FOLEY: LB993A advances. Next bill, please. [LB993A]

CLERK: Mr. President, LB1090A. It's a bill by Senator Smith. (Read title.) [LB1090A]

PRESIDENT FOLEY: Senator Smith, you're recognized to open on LB1090A. [LB1090A]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. This is the A bill for LB1090, one zero nine zero. As you recall, LB1090 is the bill that responds to the federal Tax Cuts and Jobs Act. Its intent is to hold Nebraska taxpayers harmless to the extent possible. We advanced that bill from General File on March 15. The A bill reflects a one-time programming charge of \$8,402 paid to the office of the CIO for changes to the e-file system for individual income tax filing system. LB1090A needs to catch up to the underlying bill, and I ask for your green vote. Thank you, colleagues. Thank you, Mr. President. [LB1090A LB1090]

PRESIDENT FOLEY: Thank you, Senator Smith. Debate is now open on LB1090A. Senator Brasch. [LB1090A]

SENATOR BRASCH: Thank you, Mr. President, and good morning, colleagues. I rise today as a point of personal privilege, and I rise because today is World Down Syndrome Day. Many of you did sign the resolution, LR356, last night, and you're still able to sign-on electronically. World Down Syndrome Day is the 21st day of the third month, and it was selected to signify the uniqueness of the triplication or trisomy of the 21st chromosome which causes Down syndrome. If you were here and recall in 2016, I introduced and this body, 46 members with three excused, one present and not voting passed LB891 to provide expectant and new parents with supportive and accurate information regarding the Down syndrome diagnosis for their child. And this resolution recognizes the individuals and their families. Those individuals that live with Down

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syndrome, that they should have equal opportunity to achieve their desired goal of self-fulfillment and be valued for their achievement to be included in their communities, and to be encouraged to reach their full potential. Introducing this bill was very rewarding. Many senators stepped forward and spoke well and excited about those with Down syndrome and Down syndrome families they personally knew across the state. So today, as World Down Syndrome Day, I want to thank you, thank and recognize those families. Thank you, Mr. President. Thank you, colleagues. [LB1090A]

PRESIDENT FOLEY: Thank you, Senator Brasch. Senator Krist. [LB1090A]

SENATOR KRIST: Thank you, Mr. President. I wonder if...good morning, colleagues, and good morning, Nebraska. I wonder if Senator Smith would yield to a question. [LB1090A]

PRESIDENT FOLEY: Senator Smith, would you yield to questions, please? [LB1090A]

SENATOR SMITH: Yes, I will. [LB1090A]

SENATOR KRIST: We are restoring, if you will, 200-plus million dollars not taking that tax away from our citizens in the state of Nebraska based upon the tax increase that resulted from the federal tax program. And it would seem to me, logically, that if we're not changing in terms of the way we're doing business, that is that we're restoring the ability for people to have those tax deductions, that there wouldn't be a need to reprogram something that was already in place. Could you enlighten me and others as to why it's necessary for the Department of Revenue to charge \$8,000 to reprogram? [LB1090A]

SENATOR SMITH: Well, specifically...specific to the changes in LB1090 whenever you have an elimination of the personal exemption and of us having to go in and create our own personal exemption credit to offset what we lost at the federal level, that is what is creating changes not only on the forms, but also in the program and language inside of the e-file system. And this is...my understanding is that to some degree even without this change that there may have been...it may have been necessary to have programming changes even without the passage of LB1090 that would have resulted in similar types of costs in programming simply because of the difference between the federal and the state e-file systems. [LB1090A LB1090]

SENATOR KRIST: And essentially that's the information, as I have studied. You know, I did put an amendment on LB1090. We had a pretty active discussion. I'm not going to ask anything more, Senator Smith. Thank you. That's my understanding as well in my investigation about LB1090 and what we were going to do. So essentially, colleagues, I'm going to vote for this A

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bill because the Department of Revenue is telling us that they have a bill that they need to pay above and beyond, but, in fact, in fact, what the federal tax increase in the state of Nebraska did, which all of our elected officials at the federal level voted for, would have required the reprogramming fee regardless of what we're doing here. So I find it suspect that they came up with that particular amount of money, but, again, I'm going to support LB1090A. I will have something to say on Final Reading about LB1090 again, simply a matter of putting something on the record, but I appreciate your courtesy, Senator Smith. I would mention one other thing, though. Senator Brasch, thank you for bringing the amendment forward on and recognizing Downs. It is..my daughter, Courtney, has many friends that are affected by many kinds of syndromes that come from chromosomal issues, chromosome kids across the spectrum. But besides recognizing the day, if you remember a day that we had in the budget debate last year where we took money away from the providers and the DD community, the people we're recognizing today, those are the people that were affected by those budget cuts. So when you have feel-good LRs, and I'm not criticizing Senator Brasch in any way, I signed on to it. I think it's a wonderful thing, but when you have feel-good LRs, remember what you're doing... [LB1090A LB1090]

PRESIDENT FOLEY: One minute. [LB1090A]

SENATOR KRIST: ...with the cash that you took away from this community in DD funding as well as the provider rates. That's also our responsibility. Thank you, Mr. President. [LB1090A]

PRESIDENT FOLEY: Thank you, Senator Krist. Is there any further discussion on LB1090A? Seeing none, Senator Smith, you're recognized to close. He waives closing. The question for the body is the advance of LB1090A to E&R Initial. Those in favor vote aye; those opposed vote nay. Have you all voted who care to? Record, please. [LB1090A]

CLERK: 36 ayes, 0 nays, Mr. President, on the advancement of LB1090A. [LB1090A]

PRESIDENT FOLEY: LB1090A advances. We'll now move to Select File budget bills. Mr. Clerk. [LB1090A]

CLERK: LB946, Senator, I have E&R amendments. (ER127, Legislative Journal page 956.) [LB946]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB946]

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SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB946. [LB946]

PRESIDENT FOLEY: It's a debatable motion. Senator Harr, you're recognized. [LB946]

SENATOR HARR: Thank you, Mr. President. My question isn't so much on the E&R amendment, it's on the underlying bill, LB946. [LB946]

PRESIDENT FOLEY: Senator Harr, can we wait then and deal with it when we get to the bill? [LB946]

SENATOR HARR: Sorry. [LB946]

PRESIDENT FOLEY: Can we deal with the E&Rs first? [LB946]

SENATOR HARR: If you would prefer, we can do it then, yes. [LB946]

PRESIDENT FOLEY: Then we'll get right to you, Senator Harr. [LB946]

SENATOR HARR: Okay. [LB946]

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. Senator Harr, you're recognized. [LB946]

SENATOR HARR: Thank you, again, Mr. President. So yesterday in Revenue we passed out a bill, LB947, which is ironically one past this LB946, that was introduced on behalf of the Governor, and in there we pull \$41 million, folks, from the cash reserve. This bill here takes money from the cash reserve and moves it into General Funds. So when we pass this, keep in mind there's another \$41 million possible liability out there. Senator Stinner, would you yield to a question, please? [LB946 LB947]

PRESIDENT FOLEY: Senator Stinner, would you yield to a question, please? [LB946]

SENATOR STINNER: Yes, I will. [LB946]

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SENATOR HARR: Thank you, Senator. So my question is, why do we not pull the cash reserve now and wait until we do it in the later bill? [LB946]

SENATOR STINNER: I don't understand your question. We're at \$296 million right now in the cash reserve. This is a budget bill. Any bills that come in that we passed that have appropriations will come out of that \$296 million rainy day fund. [LB946]

SENATOR HARR: Okay. So we reserved in the overall budget \$500,000 for the floor to spend. Anything we spend above and beyond that comes out of our cash reserve, is that correct? [LB946]

SENATOR STINNER: I would actually like to see that \$500,000 also go into the cash reserve because I think every penny that we're capable of pushing into the cash reserve builds a better platform and I think...what I'd like to refer you to is the mid-biennium budget that Governor Ricketts gave us, and if you look at the out years, the next biennium, we have to hold expenses to 3 percent. We have to have growth that's over 6 percent in order to get our reserve back up over \$500 million. So there's a lot of pressure on us to do the right things now, to set the stage for the next biennium. [LB946]

SENATOR HARR: Okay, thank you. So, folks, you heard that. How important our cash reserve is, and over the last nine years it has only come down. Since the start of this economic upturn, our cash reserve has gone down. Traditionally, you build your cash reserve during the good times, spend it during the bad times. We're doing the opposite. Last year, you guys may recall, senators, the Governor vetoed some of the line items in the budget because he said, we will not go below \$300 million. That is my line in the sand, and we will not cross it until next year because this year we're crossing that. This proposed budget, this budget we're going to pass, hopefully, later today, is less out of the cash reserve than the Governor's proposed budget. However, Senator Smith has a bill brought on behalf of the Governor to pull another \$41 million, so then we get to \$255 million left in it. Remember last year he said, can't go below 300. Now he's saying 255ish, that's okay. Folks, this is important. We are not going to always have a good economy, and when we don't, we have to be prepared, and we have to find a way to fund government. And constantly pulling from our savings accounts for continuing projects, projects that continue to cost money as opposed to one-time allotments is dangerous, and we're doing it in the good times. So, I'm going to support LB946 as is. I'm going to go on record right now that I'm going to have a tough time pulling another \$41 million...I don't know, I'm not a mathematician, maybe Schumacher can tell me what percentage that is, Senator Schumacher, out of the cash reserve for continuing expense. Thank you, Mr. President. [LB946]

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PRESIDENT FOLEY: Thank you, Senator Harr. Senator Schumacher, you're recognized.
[LB946]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. I rise to echo Senator Harr's concerns. When you talk about pulling money out of the cash reserve, you're taking it out of our savings bank, the one last place that we can draw money before we can't pay the bills that come in or bounce checks. We did, for a while, build up our cash reserve in the period that Senator Harr spoke, and because of some of the Obama money, because of a tax fluke, did get it to somewhere near normal at \$700 million, and then a couple years back with no economic crisis other than a return of grain prices to normal prices, we began to put the thing into a nosedive. We went from 700 right on down to now below 300 and the spending spree continues. In fact, if we go and continue on this spending spree, which looks pretty sour the way it is, yes, we're talking forty, fifty million dollars. Then we're talking \$100 million. Then we're talking 150 million, the subsequent year; 200 million the subsequent year if we adopt tax subsidies like are being proposed, I won't have to deal with that. You will. We cannot borrow money in this state. So when we run out of that cash reserve, we're done. Somebody's going to bite the bullet and do one heck of a tax increase, or make some systemic cuts in state government, big, painful, harmful cuts. So, you know, what we're going to be doing today with this budget is kind of like feeding the inmate his last meal before taking him to the gas chamber next year. If we're going, even thinking of going down this course of fiscal recklessness, of fiscal make believe, then we should start this year, not pretend, oh, we can stretch and pull and rob piggy banks and pull some cash reserves to keep these institutions thinking that everything is kind of okay, not as bad as it initially was thought. No, it's bad. Even without the proposed tax giveaway, we're going to have a hard time because our budget projections are based on something that probably isn't true and something that was founded in a day of higher inflation, and that is somewhere between 4.5 and 5 percent revenue growth. That very likely is not going to happen, and you're going to have to deal with that. And maybe we should start dealing with it today rather than later. I mean, if we're going to clamp down next year in order to meet a tax goal or political advertisement, then let's start clamping down now. Let's not let these institutions have false hope. This is really, really a serious thing. And you look at that cash reserve, think of it as your savings account, and it's going downhill rapidly. How can you pretend that you're paying your bills, that you're acting responsibly, that you're running government like a business or a household. We're going broke, and we can no longer pretend we can just run this bill up on the cash reserve credit card because when that hits rock bottom, it hit rock bottom. [LB946]

PRESIDENT FOLEY: One minute. [LB946]

SENATOR SCHUMACHER: So with those great senses of optimism we're getting ready to turn the throttle and the helm over to the folks who came in, particularly in the last year, two years,

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and two years before that because you're the vast majority and you're going have to deal with it, and it's going to be tough. Thank you. [LB946]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Briese. [LB946]

SENATOR BRIESE: Thank you, Mr. President. And good morning, colleagues. I rise to make some comments on the budget, and the budget as it relates to some of the property tax relief proposals that we hear about. And some of my comments will echo what Senators Harr and Schumacher referred to. As I look at page 6 of the yellow budget book, I see that the actual ending balance of the cash reserve or the rainy day fund as recently as FY '16-17 was \$681 million. With our current budget, we are proposing to draw it down to 296 by the end of FY '18 and '19, and we're projecting to keep it there for FY '19 and '20 and '21 at \$296 million. But as I look at page four of that book I see that we are projecting revenue growth of 4.9 percent in '18-19; 6.3 percent in '19-20 and 6.5 percent in fiscal year '21. On page 12, we're told that for these out years, in other words '19-20 and '20-21 this revenue growth is projected by deriving it from a, quote unquote, smoothing technique that assumes that the average growth of 4.5 percent will be attained in a five-year stretch. So as I understand it since actual growth in '16-17 was about a third of a percent, in '17-18 was 3.8, in '18-19 it's projected at 4.9, so for '19-20 and '20-21 we're assuming a 6.3 and 6.5 percent to arrive at that 4.5 percent average. Well, I'm not really here in a position to doubt the veracity or their accuracy or reliability of that formula, but I do know that with the table on page 12 other models are noted, and some of those models paint a much bleaker picture. One such model puts estimated growth as low as 3.4 percent for '19-20 and 4 percent for '20-21. And folks, that would be a full 2.5 to 3 points less than the projections we're using. And those kind of numbers would generate shortfalls according to the yellow book of roughly \$154 million in 2020, and \$300 million in 2021, and those kind of shortfalls would eat up our reserve in one, big hurry. But, yet, we will encounter arguments going forward that additional tax relief and tax relief should be funded out of our General Fund and that...but I question whether that's a sustainable formula as you look at some of these numbers and try to make projections how things are going to go going forward. And then I look at page 21 of the budget book, of the yellow book, and I see year-to-year changes in TEEOSA funding, and I see in FY '16-17 we increased TEEOSA funding here at the state level by six-tenths of 1 percent; '17-18, 2 percent, and it looks to me like we're about ready to adopt a budget, we're going to increase TEEOSA funding by two-tenths of 1 percent and that's about a nine-tenths of 1 percent increase per year for the last three years, essentially stagnant TEEOSA funding. And the question I have, are these lackluster and modest increases in TEEOSA spending accompanied by any mandate to cap or lower property taxes? No. And has this been accompanied by any reduction in state mandates on education or any changes in our statutes relative to the CIR and employee salaries in K-12 education? No. Does nine-tenths of 1 percent or two-tenths of 1 percent even keep up with inflation? No. So colleagues, the obvious, foreseeable and actual result of our failure to increase TEEOSA funding and the obvious foreseeable and actual result

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of passing this budget is a tax increase, a tax increase on our property taxpayers. So we can crow all we want about... [LB946]

PRESIDENT FOLEY: One minute. [LB946]

SENATOR BRIESE: ...not raising taxes, passing a balanced budget, saying in Nebraska we pay our bills, saying that we control taxes, that we passed a budget without raising taxes, but folks, we're doing it by raising taxes on our local property taxpayers. We've done that for years and we continue to do so and that has to change. And some will say, well, an increase in the TEEOSA funding will not control spending, not control property taxes. And, colleagues, I maintain that that is why we need the property tax caps contained in LB1084. Those caps or that cap is designed to reduce property taxes by any amount by which state aid education is increased. This type of a cap, in my mind, is long overdue. Nebraskans from one end of the state to the other are demanding property tax relief. Nebraskans in every zip code in the state are demanding property tax relief. Nebraskans deserve to have meaningful and substantial property tax relief debated on the floor of the Legislature, and as we evaluate tax relief proposals we have to ask ourselves several questions. For example, which plan will provide substantial relief? [LB946 LB1084]

PRESIDENT FOLEY: That's time, Senator. That's time. [LB946]

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

PRESIDENT FOLEY: Thank you, Senator Briese. Senator Smith. [LB946]

SENATOR SMITH: Thank you, Mr. President, and good morning, colleagues. I want to stand in support of the budget this morning, and I do applaud Senator Stinner and his committee for the very hard work that they have provided leading into the debate on Select File. I did feel it necessary to just stand briefly and respond to some of the comments made by Senator Briese. We do have plans to have a robust discussion on property taxes and property tax relief, and direction of our state, and what our state will be. And we will have that discussion soon enough. Colleagues, what we're discussing this morning, it's not a tax increase. This is a hard-fought effort to produce a very good budget. When we talk about LB1084, and if we want to talk about LB1084 a little bit later we'll certainly do that, LB1084 is a tax shift. LB1084 is a tax increase. No question about that. Whenever you raise taxes on one set of businesses to offset property taxes on another set of individuals in the state, that's a tax increase. Whenever you seek to increase sales taxes to offset property taxes for someone else, that's a tax increase, and that's a tax shift. There's no other way of saying that. There's no other way of viewing that. And there are small businesses in the state that, unfortunately, are in a particular situation that they have to compete, and whenever you impose a higher sales tax on them, or you impose a sales tax on

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them that was not there before, that creates hardship and a burden on those small business owners. I think it's absolutely wrong to divide businesses across the state over the discussion of this issue in this way. We'll have this discussion soon enough, and if we want to have it on the budget bill, that's fine with me, but you're not going to get away with talking about this being a tax increase and not recognizing and fessing up that LB1084, and a lot of the other discussions going on around that bill, is a tax increase. It's a tax increase, and it's a tax shift. Thank you, Mr. President. Thank you, colleagues. [LB946 LB1084]

PRESIDENT FOLEY: Thank you, Senator Smith. Senator Briese. [LB946]

SENATOR BRIESE: Thank you, Mr. President, and good morning again, colleagues. And I, too, appreciate the work of the Appropriations Committee and Senator Stinner and the hard work they've done here, and I, too, will support this budget. Just wanted to point out the facts. And I applaud and appreciate Senator Smith's dedication to providing tax relief to Nebraskans. He's done a good job in that respect. His approach and mine simply differ, and when we talk about a tax increase I don't really like to hear about a tax increase or a tax shift. Any sort of tax reform entails a tax shift. Last year's LB461, we were going to...I believe if I remember correctly, we were going to adjust valuations of a certain class of property, and what's the natural result of lowering the valuation of one class of property is simply to shift the burden to a different class of property. So there's an example where tax reform by its very nature entails a shift. And a tax increase is raising revenue, dumping it into the General Fund where it disappears. Last year we had, I believe, it was LB63 where you eliminated a sales tax exemption. It was dedicated simply to the General Fund. It didn't amount to much. It might have been twenty bucks, but whether it's twenty bucks or twenty million, something like that entails a tax increase and I think we passed it 47 to nothing. The revenue generators that we're talking about in LB1084, they are dedicated towards property tax relief, the vast majority of them, and so I take issue with the suggestion that it is a tax increase. And to continue on as we evaluate property tax relief proposals, we need to ask ourselves, which plan provides substantial relief, which plan works around the edges? Which plan provides immediate relief? Which plan defers relief until years later? Which plan provides a path to funding property tax relief, and which plan leaves it up to future leaders and future generations of Nebraskans to ensure it's paid for? Which plan places caps or controls on the ability of local school systems to increase property taxes, and which plan leaves the current system of education funding that got us into this mess? And which plan calls for a comprehensive study of K-12 funding, and which plan suggests business as usual? And as I answer those questions, it's clear to me what proposal needs to be debated on the floor of this Legislature. With so much at stake, Nebraskans deserve the debate. Thank you, Mr. President. Thank you, colleagues. [LB946 LB461 LB63]

PRESIDENT FOLEY: Thank you, Senator Briese. Senator Krist. [LB946]

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SENATOR KRIST: Thank you, Mr. President, and again, good morning, colleagues, good morning, Nebraska. I have to point out that making a budget, an appropriation's budget is creating a funding mechanism to support the services throughout the state, creating a funding mechanism that by itself implies that you have to shift priorities from year to year based upon the cyclical nature of our economy. So I want to set the record straight when we talk about shifting because some of my colleagues have been here for eight years, and we have shifted, shifted taxes in terms of the usage on a continuous basis, setting a priority for, as Senator Schumacher continues to warn us, a spending mechanism that may be out of control, and let me give you one example. Commodity prices are down. The farmers in this body and throughout the state will recognize that they are not earning as much money as they did in years past. Income tax for them is down. What we have done in the last ten years, in the last decade, and I'm as guilty as anybody else, but I refuse to continue to be guilty of this, is shifted from our taking our income tax away from public education funding. Six, seven years ago there was 30 percent of our income tax that was going to education. Today, if you look at this budget it's less than 3 percent. Why? Because we have had to shift in terms of the money we had available and the monies that we need to fund different projects and services. And yet, LB1090 is going to give back an entire \$235 million that was caused in terms of a federal tax increase to this state in the way we compute our income taxes. So, it is disingenuous to me to say no shift, no increase because that's what we do all the time. We do that. That's our job. I'm not an advocate for raising taxes, but when the revenues go down, something has to be adjusted. So Senator Smith said he won't stand there, and understanding in his place as a Revenue Committee Chair, he'll not talk about increases. He'll not talk about shifts. In terms of the shift, let me emphasize again, we have shifted income tax from a primary source...one of the primary sources for education over the past few years because of the decrease in the amount of revenue that's coming in. We're going to have a discussion on other bills, not just the one that came out of Revenue within the last few days, but I stand in total support of LB946 at this point. It's the best we're going to do. At this particular time it is a great piece of legislation put together by nine dedicated members of Appropriations, under the leadership of John Stinner. Senator Stinner has created...and Senator Bolz, has created an atmosphere of collegiality and camaraderie and put forth a great piece of legislation, not to mention their staffs, which again, sitting underneath the balcony probably represent over 300 years of experience collectively, so I have to applaud them. But these things need to be said, and if you're sitting there waiting for this budget bill to pass, and the next budget bill to pass and the next budget bill to pass so that we can... [LB946 LB1090]

PRESIDENT FOLEY: One minute. [LB946]

SENATOR KRIST: Thank you, Mr. President...so that we can get to the next item, stand up and talk about this budget. Stand up and make yourself known on this budget. This is really all we have to do to the end of the session is this budget. Senator Briese, I applaud what you've done with LB1084, and I hope that it does, in some way, influence the discussion here on this floor

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because I think it's something that needs to be discussed. Thank you, Mr. President. Thank you, colleagues. [LB946 LB1084]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Harr. [LB946]

SENATOR HARR: Thank you, Mr. President, and I want to echo some of the same things Senator Krist said in reaction to Senator Briese's comments. Folks, tax reform. It's a reform. Why are you reforming taxes? It's because somebody somewhere feels someone is paying too much and someone else isn't paying their fair share. President Trump passed a tax reform bill last year and tax cut, and tax cut of \$1.5 trillion. And guess what? Without Senator Smith's LB1090, the poorest in Nebraska would be paying more in taxes; \$1.5 trillion, and we can't even help the poorest in Nebraska. Ninety percent of LB1090 goes to people making less than \$50,000. That's a tax reform and a tax cut. When you reform, there will be by its inherent nature people who pay more and people who less, we cannot have a hold harmless. It is impossible. I have a quote here, I keep on my lamp to remind me every day, the wisdom of a man never yet contrived a system of taxation that would operate with perfect equality. Andrew Jackson said that. That's true today as the time he said it. So, yes, LB1084 has some parts in it and a tax reform that will make people pay more. Some people. It will make some people pay less. It is a redistribution. It is a reform, so, yes, I agree there will be tax increases, but if our bottom line is we can't have a tax increase to get anything done, folks, we would have never gotten Trump's tax bill passed because even on the federal level there are people, mainly professionals, who make between two and four hundred thousand dollars, who have children, who will pay more in taxes. Why do I know? Because I went and saw the tax man last weekend, and guess what, thank you, Donald Trump. Thank you, for increasing my taxes. My charitable contributions that I make, I don't get a write-off for them anymore. The only way I can get a charitable contribution going forward is if we pass Senator Linehan and Senator Smith's LB295, and that's not a charitable contribution. That's a tax credit, but that would be the only charity I would get. No other. Is that fair? I don't know. We're going to have a conversation about that. But, folks, make no mistake. Tax reform does mean someone will pay more in taxes, and that's not a bad thing because for every person who pays more, if it's true reform, there's someone else who's going to pay less. Thank you. [LB946 LB1090 LB1084 LB295]

PRESIDENT FOLEY: Thank you, Senator Harr. (Doctor of the day introduced.) Continuing discussion on the bill, Senator McCollister. [LB946]

SENATOR MCCOLLISTER: Thank you, Mr. President. Good morning, colleagues. I rise in support of LB946. It's a good bill. I appreciate the hard work of the Appropriations Committee. They have done good work, so I'm grateful for that. I do want to make a couple of points, and I want to also salute Senator Briese for his courage, his inclusion of LB1084 on the discussion this

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morning because he's bringing up some parts of this tax code that we need to carefully consider. Let's discuss initially how much our budget has changed over the years. We used to support K-12 much more than we do now, and if you look at K-12's percentage of the state budget, it has dropped considerably over the last decade, and that's not right. Also as you look at our sales tax load in Nebraska compared to our neighboring states, you'll find that Nebraska is among the lowest. You take South Dakota. You know, they've raised most of their money through sales tax, and that is the way they finance state government. We place an undue burden on property tax and income tax, and that's not right and something that we do need to change over time. I need to also say that there is two tax bills, two sales tax, Internet sales tax bill that we considered this year. We considered Senator Watermeier's LB44, and that unfortunately has gone to two cloture votes without success, so it apparently fails for the year according to the World-Herald and Dan Watermeier's quote there. However, I should point out to you that I also have a sales tax bill waiting in reserve, LB564, which I call the Main Street Fairness Act, the Main Street Fairness Act. And in truly...those sales tax bills are good bills, and something we carefully should consider. That would generate \$30 to \$40 million for the state budget, and we need to increase revenue in this state. There's absolutely no question. It has to be part of the picture. And for us to fail to move forward on some ways to raise revenue, it's just not something we should do. Part of our answer is to raise more revenue. You may know that Mayor Stothert sent a letter to all the Omaha senators imploring Omaha senators to support LB44 or any other sales tax bill, Internet sales tax bill, and that would include my bill. So we should consider maybe bringing LB...my sales tax bill out of the Revenue Committee and working that, and I would hope that we would consider that as a part of our discussion here today. Thank you, Mr. President. [LB946 LB1084 LB44 LB564]

PRESIDENT FOLEY: Thank you, Senator McCollister. Senator Hughes. [LB946]

SENATOR HUGHES: Thank you, Mr. President, good morning, colleagues. As always, I appreciate the discussion that we have on budget and where the state's money comes from. We have three sources of funding for the state of Nebraska: sales tax, income tax, and property tax. Although property tax is collected locally and spent locally, it is the state's responsibility of how those tax dollars are spent and, of course, a lot of those dollars are spent on our schools. It always gets interesting when we talk about tax shifts, that how terrible tax shifts are and, by golly, we cannot have a tax shift. Well, I've got some numbers here that I'd like to share with you about the tax shift that has already occurred, and just to try and help my colleagues understand why those of us in rural, especially agriculture, are very sensitive when it comes to, by golly, we cannot have a tax shift because over the last ten years there has been a tremendous shift that has occurred. So the tax revenue that the state generates--sales, income, and property--sales taxes over the last ten years, and these are dollars collected, this is not, they're not percentages, but these are a percentage of the dollars increase collected over the last ten years. Sales tax is up 17.5 percent from '6-7 to '16-17; 17.5 percent. Individual income taxes are up 32, almost 33 percent,

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it's almost twice as much. Corporate income taxes are up 40.5 percent. But corporate income tax is not that big of a chunk of our revenue stream. Ag real estate taxes are up 102 percent. That's why we have had a tax shift. Over the last ten years, sales tax up 17 percent, individual income tax up 32 percent, ag real estate 102 percent. That's a tax shift. That's why we have a problem in rural Nebraska, and you couple that with the fact that commodity prices are down, livestock prices are down, we're getting a double whammy. We need to have some sort of relief. Moving on across the sheet, residential real estate is up 26, almost 27 percent. Commercial industrial is up 36 percent. All property taxes up about 50 percent, so our tax revenue stream to fund government in the state of Nebraska is relying way too heavily on property taxes. And I think that's what our citizens are trying to tell us, why we need property tax now. I'd be happy to share these numbers with my colleagues, but when we hear the Chamber, Senator Smith say, by golly, we cannot have a tax shift. Well, that's fine if the tax shift has already occurred and it's not on your back, then okay. But let's be clear why we're at today. I agree, tax shifts are not a good idea, but let's start at a level playing field before we start talking no tax shifts. Thank you, Mr. President. [LB946]

PRESIDENT FOLEY: Thank you, Senator Hughes. Senator Smith. [LB946]

SENATOR SMITH: Thank you, Mr. President. And I wanted to touch on something that Senator McCollister had said, and he had come up to me earlier and asked me if I had seen the World-Herald today, and I had actually received some text messages talking about Internet sales and so I was kind of wondering where those comments were coming from. And then sure enough, I took a look at the World-Herald and I saw the story about Mayor Stothert's letter and her interest in reviving the Internet sales tax, or as we in Revenue Committee, we talk about remote sellers tax. And I know that that bill is behind us. We've moved on from that, but just because of some of the text messages I receive, there continues to be, I think, a misunderstanding as to what happened or did not happen with LB44. And first of all, I'm a firm believer that we're not going to be able to do anything in this state with the collection of Internet or remote sellers taxes until we have an outcome from the Supreme Court this summer. Anything that we could have done at this point would have been premature, it would have been the cart before the horse, and I think it is very best for to us wait and have a ruling from the U.S. Supreme Court, and we will take it up at that point and address it. And if it is the law of the land, then we will have a path forward to collect the sales taxes from Internet sellers of products. So, again, for any of those folks that are listening or paying attention to that, LB44 would not have produced an immediate revenue from Internet sales taxes. We still have to wait on the U.S. Supreme Court to make its decision. I know that's a complicated issue, and people are sometimes uncertain as to exactly what was going on, but please let's not make that something that it was not. Going on to tax policy and I was referenced by Senator Hughes. You know, tax policy and the state budget must support critical services of our state, and it is my hope that it would also create a path for private sector growth and private sector prosperity. Senator Briese is using a new term called revenue generator. His

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bill has revenue generators in it. Colleagues, the only revenue generators in our state are taxpayers, businesses and individuals. They are revenue generators for our state, and we need to respect them, and we need to make certain that they are as prosperous and successful as possible. And I know my rural friends here are not going to disagree with me on that because they're thinking in their minds that means property taxes, but here's the deal. The path forward for our state is growth. It is not being static. It's not staying the same. If we stayed the same we will have the same number of taxable units to go after to pay for the needs of the state. Yes, let's have great...let's have improvements in efficiency. Let's reduce cost of government, that's great, but that is not going to satisfy all of the future needs of our state. We have to expand the economy. We have to create jobs. We have to entice businesses to come here and to locate and to invest, and we need to encourage entrepreneurs to start new businesses, and small businesses to expand and become big businesses... [LB946 LB44]

PRESIDENT FOLEY: One minute. [LB946]

SENATOR SMITH: ...and you're not going to do that by overburdening them, and yes, shifting taxes. Sometimes you have to look at tax policy and you have to make adjustments to tax policy, but please, if you believe half of what I'm saying here that the path forward for prosperity in our state is growth, then you have to make certain that we have tax policy that promotes that, that does not hinder it. Increasing sales taxes, reducing exemptions, defunding some of the economic drivers in our state like, yes, the University of Nebraska, that's bad for our economy going forward. We have to expand our economy. We have to be wise. [LB946]

PRESIDENT FOLEY: It's time, Senator. [LB946]

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

PRESIDENT FOLEY: Thank you, Senator Smith. Continuing discussion. Senator Baker. [LB946]

SENATOR BAKER: Thank you, Mr. President. I'm going to read a few excerpts out of a Forbes article. It seems to be pretty relevant to the discussion on the floor this morning. The title is "The Great Kansas Tax Cut Experiment Crashes and Burns." And it was written in June of 2017. Just as President Trump is ramping up his push for a major tax cut that he believes will pay for itself through faster economic growth, the Kansas template for that approach has crashed and burned. After four years of below-average growth, deepening budget deficits, and steep spending reductions, the GOP-dominated Kansas Legislature has repealed many of the tax cuts at the heart of Governor Sam Brownback's fiscal agenda. Brownback vetoed the Legislature's first attempt to reverse his tax cuts, but two-thirds majorities in both the House and the Senate overrode his veto.

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The measure would boost state taxes by \$1.2 billion over two years, in part by raising the top income tax rate by once again taxing the sole proprietorships, partnerships, and other pass-through businesses. Pressured by Brownback, the legislature had made pass-throughs tax free. Since Kansas enacted tax and spending cuts in 2012 and 2013, Brownback and his allies have argued that this fiscal potion would generate an explosion of economic growth. It didn't. Overall growth in job creation in Kansas underperformed both the national economy and neighboring states. From January 14...January 2014, after both tax cuts passed, to April 2017, Kansas gained only 28,000 net new non-farm jobs. By contrast, Nebraska, an economically similar state with a much smaller labor force, saw a net increase of 35,000 jobs. While overall employment barely increased and economic activity was lower in other states, Kansas saw a significant increase in number of individuals with business income. The likely reason: The zero tax on pass-throughs. The tax cuts did produce one explosion, however. The state's budget deficit was expected to hit \$280 million this year despite major spending reductions. Kansas falls well below national averages in a wide range of public services from K-12 education to housing to police and fire protection, according to an analysis by the Urban Institute's State and Local Finance Initiative. Under order from the state Supreme Court, the legislature has voted to increase funding for public schools by \$293 million for the next two years. The more troubling lesson for Republicans in Congress: While Brownback was reelected in 2014, his popularity plummeted and his approval rating now hovers at around 25 percent, second lowest among all sitting governors. And while the GOP enjoyed tremendous national electoral success, 2016, the party lost seats in the Kansas legislature. At least in the one deep red state, the Trump formula of big tax and spending cuts is no longer the path to political success. [LB946]

PRESIDENT FOLEY: One minute. [LB946]

SENATOR BAKER: In 2012, Brownback called his tax plan a "real live experiment." It appears to have failed. Thank you, Mr. President. [LB946]

PRESIDENT FOLEY: Thank you, Senator Baker. Senator Erdman. [LB946]

SENATOR ERDMAN: Good morning, Lieutenant Governor Foley, and good morning, Nebraska people. I rise today to ask a question about LB946 and I was wondering if Senator Stinner would answer a question for me. [LB946]

PRESIDENT FOLEY: Senator Stinner, would you yield to questions? [LB946]

SENATOR STINNER: Yes, I will. [LB946]

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SENATOR ERDMAN: Senator Stinner, what happens if we don't advance this LB946? [LB946]

SENATOR STINNER: The transfer out of the rainy day fund will not happen. [LB946]

SENATOR ERDMAN: Okay. So the transfer doesn't happen, what are the ramifications of that? [LB946]

SENATOR STINNER: You will be out of balance. You won't be up to the 2.5 percent required balance, minimum required. [LB946]

SENATOR ERDMAN: So, how would we, if we don't advance this bill, how would we get back into balance? What would we have to do? [LB946]

SENATOR STINNER: What would we have to do? Well, you've got several choices. You can find some cash to lapse in where you would have to cut. [LB946]

SENATOR ERDMAN: Okay. Make some cuts in spending. Would that be a correct statement? [LB946]

SENATOR STINNER: Yes. [LB946]

SENATOR ERDMAN: Okay. So, Senator Schumacher and Senator Harr have spoken about dipping into the cash reserve and Senator Harr made a lot of sense when he said, we're taking cash reserves to pay reoccurring expenses. That doesn't seem to work in anybody's business. I don't know why it would work here. So, I notice that this bill has an emergency clause, and maybe Senator Stinner, you can answer this question. With an emergency clause, does it have to pass every time with 33 votes or just on Final Reading? [LB946]

SENATOR STINNER: Final Reading only. [LB946]

SENATOR ERDMAN: Okay. So if we pass this bill today with 25, it would advance on, right? [LB946]

SENATOR STINNER: I believe so. [LB946]

SENATOR ERDMAN: Okay. I'm not in favor of LB946. We're taking another \$108 million out of the reserve, we're taking out of the piggy bank so that we can spend money somewhere else.

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We don't have a problem in the state with a revenue shortfall because we don't tax the people enough? And Senator Smith alluded to the fact that we need to be concerned about our taxpayers. So if Senator Smith is true to his word on that, then he should vote against LB946 because that's how you represent your taxpayers by making cuts to balance the budget, not taking from the cash reserve. So we did that last year, we transferred from the cash reserve and then we lowered the minimum reserve to 2.5. And as I said before, it's like if your family got in trouble, you'd take your child's college fund and spend that. And if that's not enough, you go into his bedroom or her bedroom and you get his piggy bank, or hers, and you break that open and you spend that too. The state of Nebraska is living from paycheck to paycheck. And it reminds me of when I became a county commissioner in Morrill County in 2005. When I arrived, I asked the question, how much reserve do we have? And the answer was, zero. Oh, I said, that's good. So how do we do that when the taxes are collected very cyclically like December you get a few, the majority comes May 1 and September 1, at some point in time, you're going to have a cash flow problem. So I asked the treasurer at what point in time will we have that cash flow problem? And she couldn't figure it out. Well, it happened to be February. She called me one day in February and said, I can't make payroll, I don't have any funds. And that's exactly what we're doing here. We're taking money from the cash reserve and at some point in time, we've got to bite the bullet and make some cuts and we don't seem to want to do that. We want to just keep taking from the reserve, transferring in, and it doesn't make any sense. So, I'm not voting for LB946. I'm not in favor of taking another dime out of a cash reserve. Thank you. [LB946]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator McCollister. [LB946]

SENATOR MCCOLLISTER: Than you, Mr. Lieutenant Governor. Colleagues, our three-legged stool is broken, dysfunctional, tilted. It's not providing the kind of tax support that we need. Take Senator Briese's LB1084. It has a lot of components in it. And as Senator Harr indicated, has many good components. One of those components has to do with spreading the sales tax. We could easily generate another billion dollars of revenue if we changed...if we modernized our sales tax laws to include services. As the economy has changed over the last 30 or 40 years, we no longer, as a percentage, buy quite so many goods, but we do now buy a lot of services. And in Nebraska, those services are not taxed. We could generate a billion dollars with the revenue if we were simply revise those sales tax exemptions that we have on file and broaden our sales tax approach. Even when I was at the Platte Institute, we analyzed that situation and found that we could displace a lot of income tax and a lot of property tax if we simply revised the exemptions that we have in place. So once again, I commend Senator Briese for his efforts. Senator Baker had some interesting comments. He took a look at both Kansas and Oklahoma. Many states that have gone down the path of giving away all their state reserves in either income tax or some other form of relief, we do not want to go down that road. We need to maintain our reserves. We need to be fiscally responsible in what we do, and this body needs to be careful in giving out

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additional exemptions or eliminating our entire rainy day fund. With that, Mr. Lieutenant Governor, I give the balance of my time to Senator Schumacher. [LB946 LB1084]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: 2:50. [LB946]

SENATOR SCHUMACHER: Thank you, Mr. Speaker. Thank you, Senator McCollister. Several of you have asked me, well, what should we do? And I think I probably owe you a straight answer because I do my fair amount of warning and belly-aching about this issue. Been doing it for seven years and warning...fortunately, the warnings are more true than not. Here's what I would do. I would go to Senator Briese's bill, and he's got a lot of things on the table, proper hearings, that are revenue raisers. And I'd pick out enough of those to raise enough revenue to within three years bringing our cash reserve up to full level, two months revenue, somewhere around \$700 million to \$800 million. Forget about property tax relief arguments, forget about income tax relief arguments, come out of fantasy land. Now, once we get that cash reserve back, you will have some ability to think, some freedom to decide and have the discussions--is it property tax? Is it income tax? Is it exemptions? Is it these giveaway programs? Is it business incentives? You will have the luxury of being able to think. You do not...will not have that luxury in a year or two because you will be up against a wall and threatened with bouncing checks. So that's, folks, what I would do. I'd raise...use a mechanism in Senator Briese's bill to raise the cash reserve up to a proper level and then you can figure this out. Because all this argument we're having now, I've heard in Revenue Committee for the last seven years... [LB946]

SPEAKER SCHEER: One minute. [LB946]

SENATOR SCHUMACHER: One minute. ...last seven years and there's no easy solution and there's a million lobbyists on each side of each issue. But one thing we can uniformly agree is that we have a revenue source and a sales tax, it's not terribly fair because the middle class carries that the most, but right now, we may not have the luxury of fairness on anybody. Take that sales tax revenue, build the cash reserve, and then you guys can clear your head and think as to what you want to do with the revenue once that cash reserve is at proper levels. Thank you. [LB946]

SPEAKER SCHEER: Thank you, Senator McCollister and Senator Schumacher. Senator Bostelman, you're recognized. [LB946]

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SENATOR BOSTELMAN: Thank you, Mr. Speaker. Good morning, Nebraska. Good morning, colleagues. I think we have a very good discussion going on this morning about taxes, about property taxes, about increases, about where things have been and where things may be going if we don't correct some of our spending habits that we have and excuses that we have on spending on taxation. And what I wanted to highlight real quickly, most of us here in the body know this document exists, but I want this to go out to the Nebraskans out there to know exactly some of the things we're talking about. I'm looking at a document, it's called "Major Tax Changes Since 2006." It's the impact on our FY '17-18 revenue base. And what this is, is from 2006 to 2016 this body has made some choices, made some decisions on different bills on how it impacts potential tax receipts, income that we may be receiving, if I may use that term, on different aspects of our tax areas. And I wanted to just let you know what those dollar amounts are, if you don't know, especially for those people at home. And we're talking about...the first one I want to talk about is the direct revenue impact--that comes from our income ourselves and miscellaneous tax. The revenue that we have chose through different means to not collect, if you will, if you could pardon me for that expression or that term, is \$522,187,939, direct revenue impact, income sales miscellaneous. That's one area. The other area I want to bring to your attention is also the indirect revenue impact property tax. That's \$288,542,920. So our revenue impact from FY '17-18...from 2016...2006 to 2016, is \$810,730,859. Total by type: sales--\$190,596,293; individual--\$291,897,976; corporate--\$7,772,186; miscellaneous--\$31,921...\$483, sorry, \$31,921,483. So direct revenue impact was \$522,187,939. The total indirect impact which increased aid, reduced property taxes, \$288,542,920, which comes up to that dollar amount that I brought up before, \$810,730,859. Now, we in this body have made the decisions over these years to have this type of impact on our revenue stream, if you will, coming in. And I think that's something we need to be very mindful of, we need to pay attention to, and I want people in Nebraska, back home, to understand some of the things we're talking about when talking about different impacts as far as revenue that may be--and I want to use the term fairly loosely--forgiven in this area on impacts on our budget for revenue base. Thank you very much, Mr. Speaker. [LB946]

SPEAKER SCHEER: Thank you, Senator Bostelman. (Visitors introduced.) Returning to debate. Senator Krist, you're recognized. Senator Baker, you're recognized. [LB946]

SENATOR BAKER: Thank you, Mr. President. Continuing on with what I talked about before with the Kansas experiment, you know, under the theory that tax cuts lead to economic boom, I would say that I have never seen it happen in my lifetime. The theory has always been there, well, if we cut taxes, then the economy is going to boom, and it will pay for itself and we'll be rolling in prosperity. David Stockman is credited as having been a chief architect of President Reagan's trickle-down economic theory. But today David Stockman says, that doesn't work. You know, there's one possible exception. You might look at the Trump tax cuts and say, well, that seems to be helping the economy right now, but bear in mind that has a price tag, \$1.5 trillion of

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increased debt. So what lies ahead? I think we can look to Kansas. You know, Senator Schumacher has laid out the scenario of what Nebraska is going to be facing in future years if we continue down this path. So that's what the future of Nebraska could very well look like. You know, we have to take extreme measures to get back the revenue that it gave away. So I think that the idea of here we are, you know, our cash reserve is plummeting, we're talking about got to have tax relief, but it seems to me the best time to offer tax cuts is when we're rolling in revenue and we have more than is needed to fund the key services that we're responsible for in state government. That would be a better time to be talking about tax cuts, not when we're having to slash budgets to the bone, when we're dipping into our cash reserve big time, it just doesn't make much sense to me. Thank you, Mr. President. [LB946]

SPEAKER SCHEER: Thank you, Senator Baker. Senator Krist. Senator Krist, I apologize, I did not see you behind the pole earlier. [LB946]

SENATOR KRIST: Thank you, Mr. President. Not to worry, I was hiding. Colleagues, I just wanted to add to the discussion very succinctly. Thinking inside the box, you will always stay inside the box. Thinking outside the box, you may find other alternatives. I think Senator Baker in terms of the narrative of what's happened to Kansas has been something that I've said on the campaign trail and I'm not ashamed to say, it resonates with people out there who want their property taxes adjusted and they want a different look outside the box that allows us to grow as a state. If we continue to do the same things we've been doing, we will have the same results. So in ten years, the hangover from the Johanns administration, the Heineman administration, and now the Ricketts administration, we've been doing the same things over and over again. And we have the same results. We have moderate growth in the state. By the way, this Governor wants to boast of 1.9 million people in the state, and yet, over 200 of those are immigrants into the state, which we have tried to take care of, not very well in some legislative matters. I go back to a time when I was in the United States Air Force and I was told, in no uncertain terms, that we were going...because of Gramm-Rudman, we were going to change our habit patterns, we were going to save money and we were going to do more with less. We shifted our pay period so that instead of being paid twice a month, we were paid once a month. In the beginning of Reaganomics, which is something that I would implement, at the beginning of Reaganomics there was a one-day shift in the total balance of what was due to the state. In other words, let's just say that there was a payroll that had to be spent on the 30th, which is the last day of the year. Let's do it on the 1st. Some will call that fuzzy math. But that was the beginning of Reaganomics. That put the cash in the bank to allow the federal government to try to get back on track, and back on track they did. I think with the Reagan administration, some of the Bush administration, Bush 1 administration, and the Clinton administration, with the bipartisan efforts within the House, and the White House, there was a new track. They were outside the box. Senator Schumacher is absolutely right. Putting money back in the bank, putting money back in the cash reserve, the sunshine will start again. The sun will come out and the rain will stop and we will have an option

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not just to control spending, but to look at revenues in terms of growing revenue and growing the state the way it should be. If we don't have a discussion about Senator Briese's bill this year, we will have that discussion next year. I guarantee you. I guarantee you. In the '60s, this Legislature and its Governor set a new path for Nebraska. It was a total overhaul of the tax system. We're due. We're due again to make sure that the tax system in Nebraska is equitable for all 1.9 million people. That the three-legged stool, the broken stool that Senator McCollister had mentioned earlier... [LB946]

SPEAKER SCHEER: One minute. [LB946]

SENATOR KRIST: ...is again restored and the balance is there. And the cyclical approach of every four to five years of up and downturns, we'll be able to weather those storms in moving forward, but not by saying, inside the box. It is indeed time for us to be thoughtful and get outside the box and make decisions that may not be very popular, but they will put this state back on a path, the path away from Kansas. Thank you, Mr. President. [LB946]

SPEAKER SCHEER: Thank you, Senator Krist. (Visitors introduced.) Senator Stinner, seeing no one others to speak, you're welcome to close on...oh, I guess we're on Select. Senator Wishart. Oh, Senator Ebke. [LB946]

SENATOR EBKE: Thank you, Mr. Speaker. I move to advance LB946 to E&R for Engrossment. [LB946]

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. Those opposed. LB946 is advanced to E&R. Mr. Clerk, next item. [LB946]

CLERK: Mr. President, a bill, LB945. Senator Ebke, thank you for helping us out. I do have E&R amendments pending. (ER128, Legislative Journal page 975.) [LB945]

SENATOR EBKE: Mr. Speaker, I move the adoption of E&R amendments to LB945. [LB945]

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. All those opposed say nay. They are passed. [LB945]

CLERK: Mr. President, Senator Stinner would move to amend the bill with AM2463. (Legislative Journal page 1032.) [LB945]

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SPEAKER SCHEER: Senator Stinner, you're welcome to open. [LB945]

SENATOR STINNER: Thank you, Mr. President. Members of the body, it's March 21. Numerically it's 3, 2, 1. That's probably what happened to us today. We're in a countdown mode, so thank you for the comments on LB946. It was a good debate and a lot of information came out. AM2463 is a technical amendment. The amendment directs that the transfer from the Nebraska Progress Loan Fund to the Intern Nebraska Cash Fund include interest income accruals, thus fully closing out the fund balance to a net of zero as was intended. And that is...that entails the entire amendment. I would appreciate your green vote. [LB945 LB946]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Bostelman, you're recognized. [LB945]

SENATOR BOSTELMAN: Thank you, Mr. Speaker. Good morning again, Nebraskans. There's a few things on the General Fund transfer ins so I want to read off on here, some line items. I just want people at home to understand what we're talking about here, some things that's being transferred in, money being brought in from other accounts, if you will. The Securities Act Cash Fund, the Tobacco Products Administration Cash Fund, the Department of Insurance Cash Fund, the Job Training Cash Fund, the State Settlement Cash Fund, Enhanced Wireless 911 Fund Interest, Universal Service Fund Interest, Charitable Gaming Operations Fund, the State Athletic Commissions Cash Fund, the Boiler Inspector Cash Fund, the DHHS Cash Fund for Wholesale Drug Distributors, DHHS Cash Fund for Cancer Research Fund, the DHHS Cash Fund for False Medicaid Claims Act, the Roads Operation Cash Fund, the Nebraska Snowmobile Trail Cash Fund, the Game and Parks Maintenance Fund, the Racing Commissions Cash Fund, Engineers and Architect Registration Cash Fund. Some of these cash funds in here are dues, if you will, that members of these organizations or these entities pay. And some of them use this for scholarships or other things back to the membership. That no longer will happen, obviously. There's one more I want to talk about because I get a lot of phone calls on this one actually and I think some of you may as well. And I think it's something I'm going to look at for next session, the Veterans Cemetery Construction Fund, \$97,000. So I ask, where does this money come from? It comes from your veterans plates. You've got a \$5 that you pay for your veterans plate, your Gold Star plate, the money that goes into that; donations, contributions to the Veterans Cemetery Construction Fund here in the state. I think we need to do what a lot of veterans have asked is that maybe we need to eliminate our Veterans Plate Fund if we're going to take it and sweep it out and put it into general cash fund, transfer in when we're out of money and we need the extra money. I don't think that's appropriate. I think our veterans deserve better than that and that's one area I think that we need...that next session I'll definitely look at. Now the other, the last one is Affordable Housing Trust Fund. These are all different funds that are being...money being transferred, grant, the General Fund Transfer ins from. And I just think it's important...there a lot of others, but these are someones that I just highlighted that I thought

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people at home need to be aware of, need to know what we're doing here a little bit. Some of them I think are...I have issues with. I have problems that we're transferring this money out because I don't think the state should be doing that. I don't think this body should be doing that. So with that, I would just like to thank you for the time. I thank for the opportunity we had. I would vote against AM2463 and LB945. Thank you, Mr. Speaker. [LB945]

SPEAKER SCHEER: Thank you, Senator Bostelman. Senator Bolz, you're recognized. [LB945]

SENATOR BOLZ: Thank you, Mr. President. Would Senator Bostelman yield to a question? [LB945]

SPEAKER SCHEER: Senator Bostelman, would you please yield? [LB945]

SENATOR BOSTELMAN: Certainly. [LB945]

SENATOR BOLZ: Senator Bostelman, are you looking at pages 16 and 17 of your yellow book? [LB945]

SENATOR BOSTELMAN: Yes. [LB945]

SENATOR BOLZ: Okay. I just wanted to draw your attention to page 17, which lists actually the 2018 session transfers that we're making which relate to LB945, which is on the board. So, page 17, that shorter list is actually what this piece of legislation is addressing. The Records Management Cash Fund, the Buffer Strip Incentive Fund. To your point, Senator, we are transferring a number of cash funds. However, for clarification to the body as a whole and to Nebraskans, not every cash fund that the senator mentioned is being addressed this year. Some of those cash funds we addressed last year. I do want to make just a couple of quick points about the use of cash funds. The first one is on page 16 at the top, the Securities Act Cash Fund, the Department of Insurance Cash Fund, and the Tobacco Products Administration Cash Fund. Those are typically used cash funds. For example, the Securities Act Cash Fund comes from the banking industry and those are funds that we rely on year after year. It's a typical transfer. It's not out of the ordinary and it is something that we always incorporate. And I believe every Governor has incorporated those transfers. Every Governor during my time, every year we have incorporated those transfers. So, I just wanted to provide that clarification that while I appreciate concerns about using cash funds, we've tried to be judicious, and in the second year of the biennium we have used a much shorter list of those cash funds and done our best to use ones that seemed appropriate and would remain fiscally stable even if we made those transfers. Thank you, Mr. President.. [LB945]

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SPEAKER SCHEER: Thank you, Senator Bolz. Senator Groene, you're recognized. Not seeing Senator Groene, Senator Stinner, you're recognized. [LB945]

SENATOR STINNER: Yeah, I think Senator Bolz covered a lot of these. The only thing that I would add is that we as a committee take a long view of these cash funds. They have to be sustainable or else they basically don't have any expenses associated with them. Sustainability is by definition one that has a stable revenue flow, expenses that are at least equal to or sometimes very much a margin is associated with that. And the ones that we have used to help us balance the budget, first of all, it's a little less painful than cut. Secondly, we've used it in terms of these are excess dollars and will not impede what the mission of the commission or institution is. So we've been very careful to be selective. Sure, there's fees that come in that are basically for a purpose, but if they're not using it additionally for those purposes, there is excess funds. Those are the ones that we selected to have transferred. The Affordable Housing Trust, the money taken out of there was actually to fund a bill, LB518 by Senator Williams for a repurposing of that for work force housing. So just wanted to add that. Our number really is to...and we did shift a lot of the...in 2017, 2018, we shifted two numbers to the back part of the biennium simply because if we get some revenue improvement, we'll back off possibly on some of these transfers. So that's a technique that we've used in the past and will continue to use. Thank you. [LB945 LB518]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Groene, you're recognized. [LB945]

SENATOR GROENE: Thank you, Mr. Speaker. I like facts. I passed out again the Hightower Report on the effective tax rate by states and local governments by type as a percentage of individual income. Just to make it clear, up above, it says a reproduction and retransmission of this report without the express written consent, I have that permission from the Hightower Report. I received this from a constituent in the ethanol business. He receives this forecasting, this consultant, about futures--corn, oil, ethanol. So there's no bias here from this think tank about who pays more taxes. Folks, look at that chart. We are second in the nation behind who? Illinois. Guess where Illinois is? They're bankrupt. They're slashing funding to their public schools and to their college because they got out of control. They missed the opportunity to control spending before it got out of control. That is where we stand, which Senator Schumacher keeps repeating to us and warning us. We stand on that cliff right now. Can we control spending? Look where we tax our citizens. They are leaving. The University of Nebraska claims they're such an economic driver. Folks, we are stagnant in population. We are going down every year on middle-class immigrants. They're moving out, not in. We have a slight increase every year because of foreign immigrants. That's fine. That's America. That's what we do. But they don't bring tax dollars with them, they use tax dollars. The middle class, who are self-sufficient, will not move to a state where we confiscate their income for services they will not use or want to use. We have got to control our taxes. I spend a lot of my business time in Kansas. Guess what, folks? The roads are good, the schools are open. I talk to business and individuals. There's no

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crisis to them. There's been a huge propaganda machine out there by those in public service to claim Kansas is falling apart. It is not. I stay in Hayes, Kansas, a lot. Fort Hayes University has a lot of Nebraska kids there because tuition is low and it's more of a rural college that fits them. Kansas is not falling apart. And look at that chart, they're 13th highest in the nation. If you want to talk about somebody who should be falling apart, let's talk about Alaska down there on the bottom--Delaware, Montana, Wyoming; go up from the bottom, Tennessee. Guess what? Those states are prosperous. They're growing in population. There is an effect that taxation has on economic growth. So don't bring up Kansas unless you've seen it. Don't read the press releases from those who want raises because they work in government, who want better facilities, who want to retire earlier. Talk to the people in Kansas who are paying the taxes, the businesses. I do. We are overtaxed and overburdened and people are leaving our state who are self-sufficient and they are the ones who pay the taxes. We need to change that attitude in this state and in this body. [LB945]

SPEAKER SCHEER: One minute. [LB945]

SENATOR GROENE: So the Governor, Senator Smith, myself, Senator Erdman, who are looking for tax relief, we understand that. We might have different views on how we go about it or where we do it, but we have to unite and get our taxes under control, and that starts with an Appropriations Committee that quits spending, and a body who keeps passing laws where we spend. Thank you. [LB945]

SPEAKER SCHEER: Thank you, Senator Groene. Senator Bostelman, you're recognized. [LB945]

SENATOR BOSTELMAN: Thank you, Mr. Speaker. I thank Senator Bolz and Senator Stinner both on their comments and most of that I do agree with. And as they said, some of the things I spoke of was from last year, actually one was from '16-17--that was the Job Training Cash Fund. But specifically, the Veterans Cemetery Construction Fund in '17-18 was \$97,000, was swept out, \$97,000 from our Veterans Cemetery Construction Fund. The other one I talked about briefly is Engineers and Architects Registration Cash Fund, \$300,000 last year, \$300,000. That was primarily, my understanding is, like dues that they pay in and that was money that they had talked about giving out as scholarships to those within the architect and engineering profession. So it's kind of a tax on a tax that doesn't exist. It's created a new tax. Last year, 2017-18, the total grand funds transfers in was 108 million. This year, '18-19 is 98.5, 98.6 million. And I only say this, not that I..I just want to bring the attention to folks at home at what we're talking about. Some of these things are being transferred. There's a lot different funds of money that's being transferred each year. But I think we're in a dangerous place when we continue to sweep money out of these type of funds, especially funds that...they aren't a tax fund, if you will, but as a fund

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that people are, in the instance of our veterans cemetery, donations, contributions. It's the money we pay for our license plates to upkeep our veterans cemetery, state veterans cemetery in Nebraska. And that's just something that I think we need to do a much better job of. And again, I want to thank both Senator Bolz and Senator Stinner on their comments. Thank you, Mr. Speaker. [LB945]

SPEAKER SCHEER: Thank you, Senator Bostelman. Seeing no others wishing to speak, Senator Stinner, you're welcome to close on AM2463. Senator Stinner waives. The question before us is adoption of AM2463. All those in favor please vote aye; all those opposed please vote nay. Have all voted that wish to? Please record. [LB945]

CLERK: 33 ayes, 4 nays on the adoption of the amendment. [LB945]

SPEAKER SCHEER: AM2463 is adopted. [LB945]

CLERK: I have nothing further on the bill, Mr. President. [LB945]

SPEAKER SCHEER: Senator Wishart for a motion. [LB945]

SENATOR WISHART: Thank you, Mr. President. I move to advance LB945 to E&R for engrossing. [LB945]

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. All those opposed say nay. LB945 is advanced to E&R Engrossing. Next item. Mr. Clerk. [LB945]

CLERK: Mr. President, LB944. Senator, I have E&R amendments first of all. (ER129, Legislative Journal page 984.) [LB944]

SPEAKER SCHEER: Senator Wishart for a motion. [LB944]

SENATOR WISHART: Mr. President, I move the adoption of the E&R amendments to LB944. [LB944]

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. All those opposed say nay. The E&R amendments are adopted. [LB944]

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CLERK: Mr. President, pursuant to the designation as a major proposal in the Speaker's order, the first amendment to be considered, Senator Stinner, AM2464. (Legislative Journal page 1031.) [LB944]

SPEAKER SCHEER: Senator Stinner, you're welcome to open. [LB944]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, AM2464 is an amendment consisting of five sections, all of which are error corrections or technical in nature. Number one, the Public Service Commission, a \$24,000 cash fund appropriation for a vehicle, the expenditure was approved but inadvertently left out of our General Fund amendment. Number two eliminates a reference to a federal regulation not relevant in relation to a cash fund. Number three, a fund was created in the funds bill, LB945. The fund listing in the back pages of this bill, LB944, should be brought up to date to anticipate the newly created fund. Number four, certain Health Care Fund transfers that are not necessary are eliminated due to the Attorneys General having a direct access to the fund for authorized expenses rendering the transfer redundant. And number five adds a General Fund appropriation of \$536 to match a correction...to match the correct level of selected, across-the-board reductions for health insurance cost, specifically for the Tax Commissioner. The correct amount is in the budget totals for the budget book and status. However, the proper amount did not get into the committee amendment. I urge you to vote green on these technical amendments. Thank you. [LB944 LB945]

SPEAKER SCHEER: Thank you, Senator Stinner. Senator Pansing Brooks, you're recognized. [LB944]

SENATOR PANSING BROOKS: Thank you, Mr. Speaker. I rise in support of AM2464 and rise in aggravation. I'm aggravated about the fact that we still have Title X in this budget. I'm sure you all don't want to talk about this right now, but that's really not my problem. This is a continual effort to decide that social policy will go into the budget. Every year we will have some social policy, and if it's not Title X what's it going to be next year? Is it going to be about the death penalty? Is it going to be about the dreamers? Is it...what social policy is going to be next? We are rewarding behavior that I don't think is appropriate to put these things into a budget without a full hearing and a full bill. You're going to say, well, we had a hearing. Yes, you did, there was a hearing. But, again, these are controversial issues that take up time and there are many of us that will take up time and we then are not following what we're constitutionally mandated to do, which is to pass a budget and discuss it fully. We have never had cloture on a budget before, as far as the people that I've talked to, from past senators. So we have spent days talking about the budgets before because those are important issues for Nebraskans, but instead we're talking about social policy. And irrespective of what you feel about Title X, this is not

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appropriate to continue the ongoing dialogue. And I really appreciate the work that Appropriations does. I appreciate the work that Education and Judiciary...what we do in those committees. Those are exhausting committees as well and we all do a lot of work. But there was a decision made by the Appropriations Committee to let that Title X piece out on the floor. I would say that Appropriations caved and it's setting a terrible precedent, my friends. It's a precedent that no matter what and no matter what agreement is agreed to, other than pulling the Title X part out, it's an agreement that rewards behavior. It rewards behavior and says we're just going to acquiesce on any kind of social policy that the administration wants to put into the budget. And I don't think that's appropriate. I don't think that the people of Nebraska think it's appropriate. I don't think it's appropriate not to be discussing the very important things in our budget, including the university, including healthcare providers, and mental health, and all the different things that our budget handles. So, again, Appropriations acquiesced and said bring it to the floor and hoped, I presume, that we would have the wherewithal to say this does not belong in the budget. But again, I hear everybody trying to come up with some sort of agreement and what can we do. And so we'll be doing this every year, I guess. Every year we're going to be trying to find some sort of agreement, because we're circumventing what was intended. We're circumventing our normal practices, number one, of allowing discussion and debate to go on until everyone has talked about everything that they find important in the budget. We're also circumventing the intention to be able to go forward and deal with the monetary matters in the budget. [LB944]

SPEAKER SCHEER: One minute. [LB944]

SENATOR PANSING BROOKS: Thank you. Title X does not affect the budget. It's something that comes from the federal government and we pass on. But again, we're all so serious, we've got to discuss this really important social matter. But I would say to you, my friends, this isn't about Title X. This is about our future, because we are setting a precedent and that precedent is any policy you want gets to be placed in this budget to do whatever you want to do with, and we're all going to acquiesce and lie down and agree. That's what's happening. I will continue to speak on this. It's very frustrating to me. I am, of course, against the Title X inclusion in this budget. But no matter what, it is terrible precedent for our body and our branch of government. Thank you, Mr. President. [LB944]

SPEAKER SCHEER: Thank you, Senator Pansing Brooks. (Visitors introduced.) Moving back to the queue, Senator Krist, you're recognized. [LB944]

SENATOR KRIST: Thank you, Mr. President. Good morning, Nebraska, and good morning, colleagues. Because the Speaker has designated this as a super, he'll control the amendments that are up there. So let's have a discussion today and have a discussion on this budget in order, in

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order of those amendments, unless somebody has something pressing to say on a different issue. I also share Senator Pansing Brooks's concerns about the single subject effect of this appropriations bill. I think it was inappropriate and we can talk about that when that amendment comes up. This amendment is the committee amendment. Then I'll have one that has to go forward with accompanying a bill...or an amendment that I put on earlier. Then we're going to talk about Senator Erdman's amendment, and then we're going to come back to Title X. I intend to take this to cloture because I think that all of these subjects are so important that we need to discuss them in detail. And if that means that we spend two days on the budget, then so be it, because really, that's all that's left. It's all that we need to do, and we don't even need to do that. We could go without passing a budget and fall back to last year's budget cuts the way they are. So, Mr. Governor, if you want your budget passed then you need to start negotiating on Title X. That's the warning. That's the shot across the bow. It's inappropriate to put it in. It shouldn't have gone in. There are those that will argue that it does because everything is a budget issue, which is a ludicrous argument. But I will talk about AM2464 right now. I support the amendment. I think again these are issues that need to be cleaned up in LB944. With the exception of my, of my, critique of Title X should...being never should have come out of that committee, I think Senator Stinner and group have done yeoman's work getting us a budget that we can at least talk about. Now to all of your comments, if you feel so compelled then get up and talk about this budget in order so we can move on and get it to a cloture vote today or tomorrow, whenever that is. But for now, I will leave my comments in general terms. I support AM2464 and the underlying LB944. Thank you, Mr. President. [LB944]

SPEAKER SCHEER: Thank you, Senator Krist. Senator Chambers, you're recognized. [LB944]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I'm going to whine and bellyache this morning. You all were as aware as I was of former Supreme Court Judge Kelch resigning and the circumstances under which he resigned. He had been engaging in totally inappropriate sexual comments to staff members of the court and other females. You all knew that. It was in the paper. The Chief Justice stated publicly that Judge Kelch resigned and that is what he ought to have done. He indicated that the worst thing that can happen to a judge is to be removed. Judge Kelch's resignation, in effect, said the Chief Justice, constituted removal. How can you all sit in this place and watch these kind of things occur and not do anything about it? I don't know. I have my reasons that I believe you sit back and do nothing: political cowardice, no ethical backbone. And then we can watch in the newspaper. I don't listen to these cranky guys on the talk radio attack one of our members for what was said on the floor of the Legislature, and you say nothing. But if something happened to you, you would want somebody to speak out. This is not the first time I have spoken in opposition and objection to something that had been said about a member of the Legislature. As a matter of fact, when I was being mobbed by the racists on this floor about my having said that the police are black people's ISIS, senators popped up one after the other condemning me, and I didn't run off. But shortly thereafter, my

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nemesis...well, I'm actually Senator Larson's nemesis. Senator Larson, under the direction, encouragement, tutelage of former Senator Lautenbaugh, spoke incessantly about charter schools. Senator Larson was going to go into one of those boring, tiresome statements about charter schools, and somebody stood up on the floor and indicated that what he said was not appropriate for discussion. You know who defended Senator Larson on this floor? I did. After all the way these white people jumped up and attacked me, I pointed out that the people in this Legislature are not the ones to determine how another member is going to make and present his or her arguments on this floor. Then I made reference to the constitutional provision in Nebraska's Constitution and the U.S. Constitution for people in Congress that for anything said on the floor during debate, a member is exempt from any process, criminal or civil. I had to defend one of your white brothers from you all because I have taken it as a part of my duty and responsibility as a legislator... [LB944]

SPEAKER SCHEER: One minute. [LB944]

SENATOR CHAMBERS: ...to see that the Legislature behaves in a way that is appropriate to what we are here for--to enact good, wise legislation and to prevent the passage or enactment of its opposite. And in getting to that goal, people have to be free to stand on this floor and say whatever they think is necessary to push their point across or to make a record. I never stood up and said these senators shouldn't attack me. I pointed out they have to attack me in a gang in the mobbing way, because whenever white people go after one black man they bring a mob. So they were just doing here what white people have always done. And I would defend their right to do it. They were wrong in what they said. They were illogical. But they still had a right to say what they wanted to say. And I am going to have some things to say on this budget bill, so I put on my light. [LB944]

SPEAKER SCHEER: Thank you, Senator Chambers, and you are next in the queue. [LB944]

SENATOR CHAMBERS: Members of the Legislature, the Governor can try as the Governor to usurp the power and prerogatives of the Legislature. If the legislators supinely are going to swallow spit and let the Governor run all over the Legislature, they can do so. But I will not be in that cowardly number. When the Legislature as an institution is attacked, I, by extrapolation, am attacked also because I am a voluntary member of the Legislature. So when I see our processes being misused and hijacked by the Governor, then I'm going to speak against it. He's a hypocrite. And I had said that when it comes to Title X that showed the Governor was on crotch watch. Why did these white men attack me for saying the Governor was on crotch watch, but they would attack a female member of the Legislature from using the word "vagina," which is a scientific, medical, accurate designation of a body part, without which none of us would be here, none of us? So I'm going to say what I have to say and I think every other member ought to do

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the same. And unlike my colleagues who are afraid to speak to me, to my face on the floor, as they have the right and prerogative to do, makes no difference to me. I'm not going to be shushed and I'm not going to refrain from saying the things that need to be said. When that man over in that corner office arrogates to himself the power to corrupt our method of legislating, I'm going to object to it. All I have to use are my words, my stamina, my persistence, my insistence to try to object to it and oppose it. And you all may not agree with anything that I say, but you're going to have to indulge me and my penchant for taking a lot of time. And you know that I'm not going to get tired. Why, last night, when I was just getting revved up, we went home. That's like one of Aesop's Fables where all of the people on this island were terrified because a mountain in the middle of that island began to rumble. And like a forerunner to that type of music, it began to shake, rattle, and the island rolled. That's where "shake, rattle, and roll" came from. And the townspeople were superstitious like you all and believed that some god somewhere was angry, so they stood around the bottom of that mountain. They were uttering prayers. Some of them were cursing because not everybody believed in this god and were upset that a god would do this. And it rumbled and rumbled and rumbled, then an opening appeared in the bottom of the mountain and out stepped a little mouse, out stepped a mouse. You all run from this Governor. He stomps the floor like a petulant spoiled brat and you all run. You run for cover. But you'll be here when we get to Title IX because he popped his finger and said, you all get in there and you lock up the board so nobody can speak and you all will be here. [LB944]

SPEAKER SCHEER: One minute. [LB944]

SENATOR CHAMBERS: The Chamber won't be empty then, because your boss spoke and you listen to your master's voice and you will be here to take away the medical opportunities for women. And you all want to say that it has nothing to do with women. That's exactly what it has to do with. And the Governor is on crotch watch and the rest of you all who go along with him are in the same boat. And you can apply that term to anybody who favors Title X being in that budget bill, anybody. And it's wrong. It's not the way we should legislate. And if you all are going to sit silently by, some of you, and watch the Governor corrupt our system, then I'm going to be as insistent in fighting him as he is in trying... [LB944]

SPEAKER SCHEER: Time, Senator. [LB944]

SENATOR CHAMBERS: ...to make, you all use the term, "wussies"... [LB944]

SPEAKER SCHEER: Time, Senator. [LB944]

SENATOR CHAMBERS: ...out of everybody over here. [LB944]

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SPEAKER SCHEER: Thank you, Senator. [LB944]

SENATOR CHAMBERS: Did you say time? [LB944]

SPEAKER SCHEER: Yes, Senator. Thank you, Senator Chambers. And this is your third time at the mike. [LB944]

SENATOR CHAMBERS: Thank you. Mr. President, are there any other motions on this bill right now? [LB944]

SPEAKER SCHEER: No. We're just working on AM2464 at this time. [LB944]

SENATOR CHAMBERS: No motions. Okay. I guess I have to... [LB944]

SPEAKER SCHEER: There are other motions... [LB944]

SENATOR CHAMBERS: Oh. [LB944]

SPEAKER SCHEER: ...available past this, yes. [LB944]

SENATOR CHAMBERS: So if I finish here, they're not going to immediately take a vote on Senator Stinner's motion, or that's what will be the next thing in line? [LB944]

SPEAKER SCHEER: Next thing in line is, Senator, we are talking on AM2464. [LB944]

SENATOR CHAMBERS: Okay. And what I... [LB944]

SPEAKER SCHEER: Once we get...once we dispense with that, we will move to another amendment. [LB944]

SENATOR CHAMBERS: Thank you. What I can say, what I have to say can be said on anything that's before the body because I have one issue that I'm focused on with a laser-like focus and concentration. I started by talking about you all not saying anything about the judge, so I had to do it. A black man has to try to cleanse a white bar association of a scoundrel and a miscreant and one who engaged in such sexual misconduct that I'm sure pressure may have been put to...brought to bear on him by other judges to get off the court, get out of the Supreme Court.

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And he quit. But the legislators sat silent, because you're afraid of the court system like you're afraid of the Governor. You all think that the Legislature is the handmaiden of the other two branches. This is to be the body that checks and balances. In fact, we write the checks. We write the checks. You all are trying to balance, balance the budget, and yet you give up all of the prerogatives. I don't even know why you want to be here other than maybe it's a step to another office like Senator Murante is doing. At least he makes it clear what he's trying to do, even though I'm opposed to it and I make that clear. So what is this other thing that I'm distracted by? The improperly adopted execution protocol. And legislators are aware of that, or maybe not because they don't care. And if they're aware of it and care, they don't care enough to try and do something. So I'm working right now. While I have to try to do something on this budget bill to protect the integrity of our legislative prerogatives, I've got to take time from what I was doing with reference to that protocol to do some of this work that we all ought to be interested in doing. Then I have to take time from that to work on the protocol. Senator Watermeier will be receiving correspondence from me in the form of a complaint, a complaint which can be filed pursuant to the Legislature's own enactments that allows any senator who feels aggrieved by the way a rule or regulation was adopted and all of the rest of the language that goes with that, and there can be the requirement that whatever that rule or regulation is, be turned over to the standing committee that has jurisdiction for a hearing. And at that hearing, the issues raised will be considered. So that gives you a foretaste of what I'm going to do and it let's Senator Watermeier, who is Chairperson of the Executive Board, know that he'll be receiving something from me when I can get it done. And it's not going to take me forever to do that. But when I'm on this floor and I'm not saying anything, I can listen. I can do two things, at least two things at the same time, more than that. I can see right now, I can see the Clerk and everybody in the front of the Chamber. [LB944]

SPEAKER SCHEER: One minute. [LB944]

SENATOR CHAMBERS: I can hear the Speaker say, one minute. I can talk. I can breathe. I can move my hands, my arms. I can do a lot of things at the same time. But I cannot be in more than one place at the same time. The amoeba has me beat on that. Oh, and I hope that my use of the scientifically correct term amoeba is not offensive to my hypersensitive Catholic, conservative, Christian friends. Thank you, Mr. President. [LB944]

SPEAKER SCHEER: Thank you, Senator Chambers. Senator Stinner, you're welcome to close on AM2464. Senator Stinner waives closing. The question before us is adoption of AM2464. Those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB944]

CLERK: 37 ayes, 0 nays on adoption of the amendment. [LB944]

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SPEAKER SCHEER: AM2464 is adopted. Mr. Clerk, next item. [LB944]

CLERK: Mr. President, the next amendment as ordered is AM2289 by Senator Krist. (Legislative Journal page 912.) [LB944]

SPEAKER SCHEER: Thank you, Mr. Clerk. (Visitors introduced.) My apologies, Senator Krist. You're recognized to open on your motion. [LB944]

SENATOR KRIST: No problem. Good morning again, Mr. Speaker, colleagues, and hello, Nebraska. This is a very simple technical amendment that enables the problem gamblers fund to actually spend the money that you approved on General File. Thank you, Mr. Speaker. [LB944]

SPEAKER SCHEER: Thank you, Senator Krist. Senator Larson, you're recognized. [LB944]

SENATOR LARSON: Thank you, Mr. President. As I did in the LB946 or whichever, LB945, whichever the transfer was posted there, I continue to oppose AM2289 in the sense that this wasn't introduced in the General Affairs Committee. It was not given a priority. It was not asked to be "Execed" on. It was not asked to be discussed. He never even brought it up with me. And I've also heard from a few members and specifically one today. Senator Pansing Brooks talked about social policy in the budget. That is what this is. If she is opposed to social policy in the budget, that is what we are doing with things like AM2289 and the original amendment. Like I said, I can't remember if it was in...I think it was LB946. So I won't take a lot of time today, but I'd like to remind all my colleagues that voted red the first time, I'd appreciate that again. I don't think this is needed. I know Senator Blood had a lot of questions, good questions last time in terms of how they're spending their money and are they doing it wisely. And I'd urge a red vote on AM2289. Thank you, Mr. President. [LB944 LB946 LB945]

SPEAKER SCHEER: Thank you, Senator Larson. Seeing no others in the queue, Senator Krist, you're welcome to close. He waives closing on AM2289. The question before us is adoption of AM2289 to LB944. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Senator Krist, for what purpose do you rise? [LB944]

SENATOR KRIST: First of all, change my vote to not voting. And I'd ask for a call of the house and a board vote. [LB944]

SPEAKER SCHEER: Senator Krist, you cannot change on a machine vote, but the call of the house is in complete order. There has been a request to place the house under call. The question

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is, shall the house go under call? All those in favor please vote aye; all those opposed vote nay. Please record. [LB944]

CLERK: 29 ayes, 2 nays to place the house under call. [LB944]

SPEAKER SCHEER: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber please return the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senator Kuehn, Senator McCollister, Senator Briese, Senator Friesen, Senator Linehan; Senator Riepe, could you check in, please? Senator McCollister. Senator Morfeld, would you check in, please? Senator Pansing Brooks, would you please check in. Senator Linehan, the house is under call; please return to the floor. Senator Krist, are you accepting call-ins at this point? We have a request for a roll call, regular order, Senator? Mr. Clerk. [LB944]

CLERK: (Roll call vote taken, Legislative Journal page 1053.) 28 ayes, 15 nays on the amendment. [LB944]

SPEAKER SCHEER: AM2289 is passed to LB944. Next item, Mr. Clerk. Raise the call. [LB944]

CLERK: Mr. President, Senator Erdman would move to amend with AM2405. (Legislative Journal page 962.) [LB944]

SPEAKER SCHEER: Senator Erdman, you're welcome to open on your motion. [LB944]

SENATOR ERDMAN: Thank you, Mr. Speaker. The amendment, if you look on your gadget, the amendment on line 66, it strikes the letter...or the number, it strikes the number of "\$574,745,874" and replaces it with "\$557,329,332," which is a 3 percent reduction in funding for the university. Some of you may have the opinion or the idea that I had spoken with the Governor about this. I have never spoken with the Governor about this. I did not speak to his staff about doing this. This was my idea. The University of Nebraska, as I will discuss as we go forward, has a problem with administrative costs and some other issues that they need to deal with. We contribute a significant amount of money to the University of Nebraska. We give zero help to the other higher education institutions in the state, zero. I don't know if you know it, but all those other institutions graduate students. They train dentists. They train lawyers. They do doctorate degrees, MBAs, and master, they do it all, master's degrees. They make a contribution to our educational system in the state as well. We don't help them at all. So as time goes by, we understand how much administrative costs have gone up over the last seven years and how much

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student enrollment has increased. In the last seven years, the University of Nebraska has had a 40 percent increase, 40 percent increase in administrative expenses. At the same time, their student enrollment has gone up just slightly over 6 percent. So we definitely have a problem. Last week or a couple weeks ago, I think it was March 8, President Bounds was on Coby Mach and he said the University of Nebraska has two sources of revenue: state tax dollars, and tuition and fees. I'm looking at last year's budget book on page 202, the agency number is 51, which is the University of Nebraska. Here's what it says. Agency total: General Fund--money from the state of Nebraska--\$583 million; cash, \$437 million--those are fees and tuition; federal tax dollars, \$518 million; and then the revolving fund, \$637 million, which are grants to do research and those kind of things. So the revenue for the University of Nebraska has three sources: state and federal tax dollars, and fees and tuition. So to say that we have two sources funding the university is not a true statement. Last year when I was here, the very first part of May, I looked up what the university does for compensation for their administrators, specifically President Bounds and the chancellors. Here's what I found. The University of Nebraska President, Hank Bounds, received a 6.3 percent bump in pay Friday--this was September 16-- from the NU Board of Regents. The raise moves Bounds's salary to \$510,400, up from \$480,000. The Regents voted unanimously to approve the raise. Now get this, they approved the raise retroactive back to July 1, 2016. At the same time during that period, the Governor had made an announcement in July, no more hiring, no extra travel, and no more raises. And when I asked one of the Regents about this issue and why they did it, he said, we didn't know, we did not know that the Governor had put a freeze on salary increases and traveling. I don't know what rock they were hiding under. This was September 16. The Governor had made that announcement several times. It goes on to say this. It says, Bounds also received \$20,000 salary supplement from the NU Foundation, a presidential home, and membership to the Country Club in Lincoln, a vehicle allowance of \$800 a month, and deferred compensation package through the Foundation. Bounds reportedly Friday raised the chancellors as well, and that does not require a vote of the Board of Regents so there was no discussion. The raises were effective for those people as well back to July 1. Here's what they were. A 3 percent increase to Dr. Gold from the University Medical Center; 2 percent for John Christensen, University of Omaha; and 2.8 percent for Doug Kristensen, University of Kearney, Nebraska-Kearney. So we continue to go down the road here wondering why the university can't live within their means. And we have a Board of Regents that dole out raises like it's not their money, and it isn't. Well, we came here to look after the taxpayers' dollars and I believe that's exactly what we're to do. And so as we begin to review what the university does and how they spend their money, and I will read you a couple of articles later, on my next time up, about what they do and how they do it. But I had an interesting...I seen an interesting comment in the Omaha World-Herald under the "Public Pulse," "Why undergrad tuition at UNL is so high," and I thought it was interesting. It was Ted T. Sokol. Here's what it says: As an ex-faculty member of the University of Nebraska-Lincoln, I can state that the obvious cause of high tuition rates for undergraduate students at UNL is due primarily to the low faculty teaching loads. My experience indicates the average teaching load is less than two courses per semester, or six hours per week

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in the classroom. Faculty teach only seven months a year, considering the time off for summer, Christmas breaks, spring break, and holidays, etcetera, and are paid extra--approximately 22 percent of their full-time salary--if they teach five-week summer courses. Simply stated, President Hank Bounds and Ronnie Green, they're afraid to...they...President Bounds and Ronnie Green are afraid to address the real problem of high cost of undergraduate education, which is low faculty loads. Each faculty member, if they taught one more course, if they taught one more course per semester, or just three hours more per week, the required number of faculty would drop by 33 percent, 33 percent reduction, and, hence, the cost of undergraduate education would drop. The faculty would still have the five-month vacation but would have to teach three courses per semester in lieu of the two but (sic--or) be in the classroom nine hours a week instead of six. He went on to say, Omaha Public School teachers spend far more time in the classroom teaching a variety of subjects for a lot less pay. UNL faculty can do the same. And as I looked into the audit from the University of Nebraska last year, I thought it was interesting, and I'll pass this out. I have a document that shows the revenue that was generated for the University of Nebraska last year, 2017, was \$74 million, or a 6 percent increase over the year before, \$74 million increase, 6 percent increase. So when you compare that to the cut that we've supposedly made to them, it wasn't near the \$74 million. I believe that the University of Nebraska, and I will state on my next visit with you on the mike, that there are things the University of Nebraska could do to more streamline administrative costs, make tuition more affordable, and teach students the same as they do now for less money. They talk about cutting programs and eliminating classes, cutting... [LB944]

SENATOR LINDSTROM PRESIDING

SENATOR LINDSTROM: One minute. [LB944]

SENATOR ERDMAN: Thank you...the dental program in Scottsbluff. They talk about cutting back on Extension. And while we're talking about Extension, let me say this, let me be clear on this, Extension, the University of Nebraska Extension is the best-kept secret in Nebraska. They do an awesome job and I don't want to see them cut Extension. But it reminds me of what sometimes happens on a local level. They're trying to pass a bond issue for a school and they say, well, if you're not going to vote for the bond issue, we're going to drop sports. And that's what they're doing here. They're dropping baseball in Kearney. They're going to discontinue the dental program in Scottsbluff, the nursing program, going to cut back on Extension, and they threaten all these things because they want to continue to spend as they always have. It's time for us to have a discussion and make a decision on how the university is funded and what is appropriate in that funding. Thank you. [LB944]

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SENATOR LINDSTROM: Thank you, Senator Erdman. Those in the queue are Senator Larson, Krist, Williams, Morfeld, and others. Senator Larson, you're recognized. [LB944]

SENATOR LARSON: Thank you, Mr. President. I think I rise in support of Senator Erdman's AM2405. I've, even since my time on Appropriations Committee, as long as it was ago, had very specific questions about the university, how it was spending its money and how it was moving forward. At the time they had J.B. Milliken as their president. I had...J.B., I will say this, I disagreed with him politically a lot, but he took the time to come down and talk with me, to sit down, go over things, go over the budget, go through what they were asking for. Whenever I requested, J.B. did that. I've made the same request from President Bounds a number of times. I've told members of the Board of Regents I'd love to sit down and talk and kind of do the same thing that J.B. always offered and always made a priority. And Hank has just been unresponsive and that's disappointing in leadership, especially when Senator Erdman starts talking about administration costs. When you have an unresponsive and what looks like an uncaring president of the university that is more interested in going and talking on the radio. And as Senator Erdman correctly pointed out, they do get federal funds as well. It's not just tuition and state dollars. But don't...doesn't want to come down and discuss the issue with those that help vote on the budget policy. I grant you, I'm not a member of Appropriations anymore. Maybe that's why J.B. was so responsive to me. But herein lies the issue that I've just been extremely disappointed. I continue to hear and I've heard my good friend Senator Murante more than once talk about the university being a economic driver in the state. I hear the university say the economic driver in the state a lot. And I'd like to see that. I'd like to see the financials on that or the economic reports on what they add to the economy. I have no doubt that they add a significant amount to the economies...or some to the economies in rural Nebraska when it comes to Extension offices and things of that nature. Obviously, in Lincoln they pretty much offer a lot to the economy. But I'd like to see an actual report, and one that's not done by one of their own economists, that show that. You look at the rankings of the university compared to our peer Big Ten institutions, they're the lowest ranked. They have the highest state aid per student. And I just...and as I said, I feel this, I've said it before on this floor, I said it in Appropriations Committee when I served there, that I'd like to see more from them. I've always been a true believer, and I didn't attend the university, but we have a duty, a constitutional duty to provide a K-12 education. We can disagree on the types of K-12 education, but we have to ensure that every student in the state of Nebraska... [LB944]

SENATOR LINDSTROM: One minute. [LB944]

SENATOR LARSON: ...has a K-12 education. But if you want to go to college, that's not the state's responsibility. I believe that you should have a significant investment in your future as an individual if you choose higher education. That's not the state's job to pay for it. Our job is to pay for Taco Bell. Why is that? They're not...it's not pay for Taco Bell. I'm going off on my next

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point. Why is that? Because a freshman in college can go get the job at Taco Bell; that kindergartener can't. That freshman in college can get that job to be a legislative page; the kindergartener can't. We have a duty to pay for K-12 education. I'd prefer that we take the money that Senator Erdman is moving out and maybe put it directly into the formula, the TEEOSA formula, because that is where our duty lies. [LB944]

SENATOR LINDSTROM: Time, Senator. [LB944]

SENATOR LARSON: Thank you, Mr. President. [LB944]

SENATOR LINDSTROM: Thank you, Senator Larson. Senator Krist, you're now recognized. [LB944]

SENATOR KRIST: Thank you, Mr. President. Good morning, colleagues. Good morning, Nebraska. I stand in firm opposition to AM2405 for some very good reasons. First of all, I think chronologically we have to correct the record. That raise that was approved was 2016 and it actually was before the Governor made his edict that we would not travel and the rest. And I've shown you all and passed out to you, while the edict came down from the corner office that everybody else had to take a 2 percent cut in pay or cut in their budget, the Governor's personal services went up 5 percent over that two-year period. But let me not quibble. Senator Erdman also said that we need to fund the other universities or colleges in the state, particularly those that turn out dentists and lawyers, etcetera. Community colleges don't turn out dentists and lawyers. They turn out a great product in terms of training people for trades, for the most part, and preparing them to go to a four-year institution. But the \$500 million that's put into the university is also...we also fund state colleges at \$50 million, and at the community colleges at \$100 million. So if Senator Erdman would say that we're not funding all the other colleges in the state, I'd be happy to talk about funding Creighton University, because they're one of our largest universities in the state. But I don't know that that's exactly his point. But to say that we're not funding the other higher education institutions is not true. Lastly, I just want to bring to your attention when you talk about doing things economically and efficiently, the University of Nebraska at Omaha and the University of Nebraska Medical Center now have one chancellor, one. Dr. Gold got a 2...3 percent pay raise, I think. Dr. Gold became the chancellor of both the University of Nebraska at Omaha and the University of Nebraska Medical Center together, collectively. Do you know what that saves? A half a million dollars, \$500,000. And they've made cuts by attrition, as well as out-and-out cuts. Now, one thing I can't quibble on is that potentially you could get...Senator Hilkeemann has got a problem with his computer back here. Don't throw it away. It's okay. (Laugh) I can't disagree with Senator Erdman that the utility of the teachers in terms of teaching more or teaching less or bigger class size or whatever, but you know what? I'm again falling back on my local control issue here. I'm not an educator. By trade, by profession,

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I'm a pilot. Houses get bigger, houses get smaller, I go faster, I go slower. I'm going to leave education to educators. So if they're telling me that a smaller class size is better in terms of recruitment to bring students into this state and keeping our education system as fine as it can be, I have to defer to their judgment. Now, can we have this discussion about higher education? You bet. We could have this discussion about the counties raising their taxes, about the school boards and their levies. We could have this discussion about all kinds of local issues. At some point you have to put people in charge, get out of their way and let them lead or remove them. Maybe that's what we should talk about with the Regents. Again, strong opposition to AM2405. I believe there's been some substantial changes in the university system and all college systems across the state, and I stand by education. I think education is probably the number two thing in this state that we need to focus on in terms of turning things around and not losing the brain trust once we've educated those young folks. Thank you, Mr. President. [LB944]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Thank you, Senator Krist. Colleagues, it is indeed my pleasure and distinct...thank you...pleasure to introduce colleagues that have come before us. And there are a number of them that I would wish to introduce to you and the rest of the state and thank them for their past service. If they would please, as they are announced, come down the center walk, I would really appreciate it. And if you would, we will start with Senator Jerry Johnson, who served District 23 from 2013 to '17. Senator Les Seiler, who served District 33 from 2013 to '17. Senator Tom Carlson from District 38, 2007 through '15. Senator Tom Hansen, who served District 42 from 2007 to '15. Lieutenant Governor John Nelson, who served District 6 from 2007 to 2015. Senator Gwen Howard, who served District 9 from 2005 to 2013. Senator Arnie Stuthman, who served District 22 from 2003 through 2011. Senator Joel Johnson, who served District 37 from 2002 through 2009. Senator Carol Hudkins, who served District 21 from 1993 to 2009. Senator Dwite Pedersen from District 39, from 1993 through 2009. Senator DiAnna Schimek, who served District 27 from 1989 to 2009. Senator Don Pederson, who served District 42 from 1996 through 2007. Senator Jim Jensen, who served District 20 from 1995 through 2007. Senator Marian Price, who served District 25 from 1999 through 2007. Senator Roger Wehrbein served District 2 from 1987 to 2007. Senator Ed Schrock, who served District 38 from 1990 to '93 and 1995 through 2007. Senator Jim Cudaback, who served District 36 from 1991 through 2007. Senator Jim Jones, who served District 43 from 1993 through 2005. Senator Loran Schmit, who served District 23 from 1969 through 1993. Senator Rod Johnson, who served District 34 from 1983 through 1992. Senator Jim McFarland, who served District 28 from 1986 to 1991. Senator Lee Rupp from District 22, from 1983 through 1987. Senator George Burrows from District 30, from 1975 through 1983. Senator P.J. Morgan, who served District 4 in 1971 and '72. And Senator Vickie McDonald, who served District 41 from 2001 through 2009. Past Senators, I wish to thank you on behalf of my colleagues and myself for your dedicated service

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over the periods of time that you served, your unselfish actions, and to the benefit that you brought to the great state of Nebraska. Mr. Clerk. [LB944]

CLERK: Mr. President, some items: Enrollment and Review reports LB596 to Select File with amendments. New resolution, Senator Kolowski, LR357; that will be laid over. Attorney General Opinion to Senator Kuehn, that will be inserted in the Journal (re LB829 and LB947). Senator Quick would like to add his name to LB1040. (Legislative Journal pages 1054-1065.) [LB596 LR357 LB829 LB947 LB1040]

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

SPEAKER SCHEER: Colleagues, you've heard the request to recess till 1:30. All those in favor please say aye. Any 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.

CLERK: I have a quorum present.

PRESIDENT FOLEY: Any items for the record at this time?

CLERK: Your Committee on Revenue reports LB947 to General File with committee amendments. That's all that I have. (AM2542, Legislative Journal page 962.) [LB947]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Members, I think we'll just jump right into the afternoon session. Senator Williams, you're first in the queue. You're recognized. [LB944]

SENATOR WILLIAMS: Thank you, Mr. President, and good afternoon, colleagues. It was great to see all those former senators here right before lunch and appreciate their continued work in our state. I stand in opposition to the Erdman amendment and in full support of the underlying mainline budget, in particular the portion that addresses the University of Nebraska. I would again like to thank the Appropriations Committee for their work and sitting there and hearing all

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of the testimony that was given by various representatives from the University of Nebraska, weighing that information, and coming up with a budget proposal that proposes a 1 percent cut to higher education, which is something that I believe is the correct thing to do and the way we should support it. There has been a lot of talk, and we're gonna have a great deal of discussion this afternoon, and I would like to talk first of all this afternoon... [LB944]

PRESIDENT FOLEY: Excuse me, Senator. Excuse me. Members, if you can keep the conversations down, please, we'd appreciate it. Senator Williams. [LB944]

SENATOR WILLIAMS: Thank you, Mr. President. And I would like to first of all address some of the issues with the administration and the leadership of the university. When I go to the dentist, there is a little sign on his wall that says: Only brush the teeth that you want to keep. And I think that says a lot about management and management style. Every one of us that is in business or works in your church or in your chamber of commerce recognizes the value of leadership. And I would suggest that leadership following the proper core values, understanding the word "achievement" and "excellence," is vital for success. And I would suggest we have that at this point in time with the University of Nebraska. I'm very proud of our leadership. And my story that I would like to relate relates back to 2002, many years ago, when I was sitting at a banquet at the Cornhusker Hotel and I was sitting next to a man by the name of Aubrey Patterson. Aubrey was currently, at that time, serving as chairman of the American Bankers Association and I was sitting with him because I served on the board of that organization at the time and then later became chairman of that organization. Aubrey was a banker from Mississippi, ran the organization called BancorpSouth, which is a large banking organization. Aubrey and I became lifelong friends. When it was announced that Hank Bounds was hired to be the president of the University of Nebraska system, the first call I got that day was from Aubrey Patterson. As well as I knew Aubrey, there was one thing I did not know about Aubrey, and that's that Aubrey served as the head of the Mississippi Board of Trustees, which is like our Board of Regents except in their case it oversees all eight of their state universities. And Aubrey's words to me were: Nebraska just hit a home run. And I think that's important for us to think about today when I think about Hank Bounds and then the other leadership that we have with Ronnie Green, Doug Kristensen, Jeff Gold, Ron Rosati out at Curtis, and the quality of these people and their abilities. But leadership and excellence and vision only works when you let it work. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR WILLIAMS: And if we as a Legislature want to get into the weeds and try to micromanage what they are doing, we will not be successful in that. I think oftentimes we are asking the wrong questions. We seem to want to be asking, what is this university doing for us? And I would suggest the question should be, what is the Legislature's job in doing so that the

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university can achieve the vision that they are creating for our state? I think it's important that we stand up and say that. I think it's important that we recognize how proud we should be and can be of this university, how the excellence and that vision matters. Martin Luther King once said, "In the end, we will remember not the words of our enemies, but the silence of our friends."
[LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR WILLIAMS: I refuse to be silent. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Williams. Senator Morfeld. [LB944]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, it's probably no surprise to anybody, including Senator Erdman, that I rise in strong opposition, not just any opposition but strong opposition to AM2405 for various reasons that we've gone on about before this last session when I filed the motion to override the Governor's vetoes, and then subsequently pulled it when I realized we did not have the votes at the time, but also because I represent the flagship university in my district, the University of Nebraska-Lincoln. And I feel as though that I have a particularly special commitment to talking about students and what kind of impact this has on students across the state because half of my constituency happens to be students. And as a senator that represents the youngest district in the state, I think it's important to remind all of us that we made a commitment over 150 years ago to ensure that we had a high-quality university system that was also affordable. And maintaining an affordable university system, a key component of that is not continuing to cut their budget year after year or hold it so low that they cannot keep up with inflation and cost-of-living adjustments. And that's what we've done not just the last two years, but, quite frankly, the last 20 or 30 years, if you look at the numbers and look at the growth, or lack thereof. I also think, what kind of state as a young Nebraskan do we want to live in? And when I think about young Nebraskans and my conversations with them, whether it be in my district or across the state, I find that young Nebraskans want to work hard; they want to be able to have opportunities, to be entrepreneurial; they want to be able to go out and grow the state and start businesses and employ other Nebraskans; they want to be able to start a family. But cuts like this year after year to the university oftentimes inhibits their ability to achieve those dreams and also their inclination to stay in the state. As I talk to employers across the state, the number-one issue that they bring up to me, and this surprised me when I first got elected, the number-one issue that they bring up to me is not taxes or regulations. It's keeping young Nebraskans here, it's having a skilled and talented work force, and that's the number-one issue whether I talk to people in Scottsbluff, Ainsworth, or Lincoln or Omaha. And if you're looking at an institution, whether it be the University of Nebraska or the community colleges or the State College System, or even some of the private colleges, quite frankly, if you're looking at the

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institutions that keep young Nebraskans here that are skilled workers, they're on the forefront of that, whether it's the trade or technical program at Southeast Community College or whether it's an advanced degree at the University of Nebraska-Lincoln. Also, when I talk to students, the other thing that they bring up is this kind of unspoken social compact that we're all supposed to look out for each other, regardless of whether we're a farmer out in greater Nebraska or a factory worker or a single mother or father in Lincoln, Nebraska, or even McCook, Nebraska; the fact that we have basic protections, basic social safety nets that when people are down, we give them the opportunity to thrive and move on. The other thing that's interesting that I hear a lot about down here sometimes is this rural-urban divide. I've never talked to a young person in my district or anywhere else in the state... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR MORFELD: ...that talks to me about an urban-rural divide. I think that's something that we oftentimes artificially create here. I think it's also important to look at the fact of how many first-generation students the university serves, cultivates, teaches, and sends out into the work force. My story, like many of you in this body, is a story of firsts: the first to graduate from college, the first to get a master's-level degree, the first to start a nonprofit, the first to be elected. None of those things would have been possible, I can guarantee you, none of those things would have been possible had I not gone to the University of Nebraska. Finally, I think that young Nebraskans want us in our state to come together not only on game day, but to come together to support institutions like the University of Nebraska, to support other institutions that provide opportunities for entrepreneurship and good health. [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR MORFELD: Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Morfeld. Senator Stinner. [LB944]

SENATOR STINNER: Thank you, Mr. President. Members of the Legislature, I'd like to kind of take a step back, take a look over all of what our philosophy was relative to this revenue shortfall. Let's take a look a year ago when we got together and we did LB22, which was trying to adjust last year's budget. What did we do first? There was a \$900 million short. The first thing we did was to set priorities. The second thing, and this happened at the committee side of things, we wanted to take a fair and balanced approach to the cuts. You know, we did across-the-board cuts, we took in reappropriations, and then we looked at any kind of excess cash that we could lapse in. And what we were trying to do is certainly to try to get back to a balanced budget, but we also wanted to make sure that we measured what we were doing and not to do long-term

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harm, not to do long-term harm if we could avoid it. Now, we've stepped down a couple times from there, \$150 (million) and \$50 million and now \$200 million. So here we are again trying to make choices. This is not a balanced approach. In fact, when the committee got together and we looked at what we were doing and what the outcomes were and we listened to the hearings and we went line by line, we discovered an interesting thing. The University of Nebraska's total, and this starts from the top to the bottom, cumulative total, \$49 million in cuts, is 8.5 percent. Compared that to state colleges of 8 percent and it compares favorably to the community college of 8.7 percent. Interestingly, when I took a look at what was happening with the agencies, and now I understand the agencies only have a single source of income, but we not only cut them according to this schedule, but we added back salaries and benefits. So there is a justification to move from 2 and 2 to 2 and 1 for higher education, plus the fact that when we talked about higher education, my committee, six of us said, yes, it is a priority. Not everybody did. Some wanted 2 and 2, some wanted 2 and 3, some wanted 2 and 4, all of that kind of stuff, but it was discussed and we did arrive at 2 and 1 as a priority for higher education. And I want to take a look, too, at what we've done in terms of our General Fund appropriations for education, and this is page 25 of your...of the big budget book. If you want to ever dig this number out, all of a sudden we go from education at 47 percent in '88-89 to 44 percent--not bad. University of Nebraska's portion of that went from 21 percent to 12. Folks, we shifted. We shifted dollars. Who did we shift it to? Well, it looks like community colleges got a piece of it and, also, K-12 went from 21 to 28. Interestingly, if you want to pay attention to this analysis, you should also look at aid to individuals, because when I look at percentagewise what's happened as far as education increases over the last 20 years, there's 2.6 percent. That's what it's averaged at the university. We haven't been overgenerous, folks. But here is where we have to do. These are the "have tos." This is aid to individuals. Aid to individuals over a 20-year period of time has gone up 5.5 percent--not sustainable, folks. Remember, we're at 4.75 percent, best case, on revenue growth. So aid to individuals is a "have to" area. That's Medicaid. [LB944 LB22]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR STINNER: That's aid to...thank you, Mr. President...that's aid to individuals as it relates to DD, behavioral health, all the rest of that. That's a "have to" column. I just want to quickly switch over, and if I have a chance to get back on the mike, I'd really like to talk about cash balances. I've asked questions about cash balances. I've been involved with appropriations for four years now and I've spent a terrific amount of time with the University of Nebraska simply because it's the fourth largest behind salaries and benefits, behind TEEOSA, behind Medicaid. I've spent a lot of time questioning the University of Nebraska and going through their financial statements. I have read four years of audited financial statements. I'd like to take you through an analysis on the cash side of things and we'll talk about where the world looks at, where the Moody's, an independent source, looks at the university and what they're talking about. And I'll try to get that on the mike again. [LB944]

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PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Baker. [LB944]

SENATOR BAKER: Thank you, Mr. Lieutenant Governor. I rise against AM2405. I am a strong supporter of the university system, as you might tell from my tie and my sport-coat liner. And I am vehemently opposed to the proposed further cuts to the university. I see the university system as being of critical importance to the present and future of the state of Nebraska, just as it has been for the past 150 years. I want to speak a little bit about the topic of pay to the top administrators of the university. I've been involved in executive searches for more than 20 years. I've done probably a hundred superintendent-of-school searches. And what we find in working with a governing board, they always tell us what they want. They want to find the best person possible. They've never, ever said they want a medium superintendent or they want to go with a low-bid superintendent. There is a competitive market out there for top talent. You saw that in the hiring of the new football coach. Yeah, I can't find very many people who thought that was a mistake to hire Scott Frost at the salary that he was brought in at. There's no doubt that he's going to return that and more with enthusiasm generated for the football program. You see it in athletic director pay for universities. If you want top talent, you have to be in that competitive market and pay accordingly. And certainly the same is true for university presidents and chancellors. And, you know, the Board of Regents, to their credit, sought the best talent they could find, and I believe they got it. We have to have faith in our elected Board of Regents. Their sole purpose is to look after what's best for the university system. Arguably, it's harder to be elected to be a Board of Regents than it is to be elected to this State Legislature. In my area, the Regents, last Regents race, there was over half a million dollars spent on that. So I have trust and confidence in our Board of Regents members and think they're doing the right things with the hirings they've made. The university is changing lives. At some campuses, almost half of student body is first generation. University is returning \$6 for every \$1 we put in. There is unprecedented level of private support. The public-private partnership we've engaged in are incredible benefits to our state. Look at the Health Sciences Complex in Kearney which is producing badly needed nurses and physicians' assistants for rural Nebraska. Some may say that during these difficult budget times we should put the brakes on growth. I don't see it that way. Yes, we have hard decisions to make. But I think we need to be talking about a comprehensive plan for growing our way out of this challenge, and we can't have that conversation without our university. In every metric that matters to this body, university is on the upswing. Let's find a way to keep that going and build the kind of future that will make Nebraska the best place for our children and grandchildren to live, work, and raise a family. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Baker. Senator Hilkemann. [LB944]

SENATOR HILKEMANN: Thank you, Mr. Lieutenant Governor. I rise...I've heard a couple of things here today that I wanted to just set the record straight. In Senator Erdman's opening comments, he said that we were...that this was...we're giving this to the University of Nebraska,

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we're not giving it to other colleges. I just wanted to clarify to the entire body that as a committee we are...we treated higher education the same. Our state colleges and our community colleges each received the same cuts that we did to the University of Nebraska, so that's an important thing. And then secondly, one of the other things that was mentioned here was Senator Larson brought up about our cost per student. And I had my staffers bring this up. I just...this just appeared about three days ago in the Omaha World-Herald which talks about the administrative cost per student. I think that that...I would just urge you to take a look at that. I see that for some reason it didn't type out exactly correctly, and so there's some overlaps there, but forgive that portion of it. You know, during my time as a podiatrist, when I hired people, I always wanted people...I wanted to bring...when I hired a new doctor, I wanted to get the best doctor I could get and I wanted to have people that had skills that I didn't have. I wanted them to be...I always tried to...I like to...I used the Russian doll theory. The Russian dolls are, if you've ever seen them, you have a small doll and then you have another, a little larger doll and a little larger doll and a little larger doll. I have that on my desk in my office. I have it in my study at home. And it reminds us that if we're gonna grow, we have to get people bigger than ourselves. And so I don't regret the University of Nebraska paying money for administrators because I want them to get the best administrators they can possibly get. I don't like small thinking. I want to think big. I want...and we talk about why has the administrative costs gone up? We have more things that need to be administrated. For example, we now have a cancer center at UNMC that requires administration that we did not need to have several years ago. And I mean to tell you the cancer center at the University of Nebraska is going to be generating...it's going to be a huge amount of money for our state and for our university. And I want to tell you that when you bring in top-notch cancer specialists, you don't get them for the bottom, basement price. If you want someone that's good, you have to pay for it. I want our administration to be getting the best that we can get. And before I surrender some of my time to Senator Stinner, I just wanted to comment about an opportunity that I had several weeks ago...well, it's probably been two months ago. I was invited by some of the faculty from UNO to meet together, and they just wanted to talk about the administration or about the budget that was going on at the University of Nebraska. And I was really impressed. There were eight professors. I don't remember their names. I talked to them about where they...but they'd been at the university from anywhere from about 15 to 25, 30 years, and they didn't talk to me about we need to have better...we need more money for our faculty, we need more. Their concern is we have the best students we've ever had at UNO and we want to keep our students here. We don't want to give them a reason. We don't want to raise our...have to raise our tuition to the point where they consider other schools. If they're going to graduate school, we want them to be able to consider going to UNO. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILKEMANN: And so, therefore, I just think it's important. I appreciated that opportunity to talk with them because we want to keep our best and brightest here. We're

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attending a little different church and one Sunday I turned to the person behind me and it was a young...it turned out to be a young student at UNO and I said, what are you majoring in? And he said library science. And I said, what's for next year? And he said, well, if they don't close the department, I want to get my master's degree in library science. So those are the things that we do when we start cutting back. Whatever time I might have left, I'll send it to Senator Stinner. [LB944]

PRESIDENT FOLEY: Fifteen seconds, Senator Stinner. [LB944]

SENATOR STINNER: (Laugh) That's...I'll pass. [LB944]

PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Hilgers. [LB944]

SENATOR HILGERS: Thank you. Thank you, Mr. President. Good afternoon, colleagues. I want to take a little bit of a step back and sort of think of the big picture for the state of Nebraska and the implications of some of the decisions that we are making here on the floor today. And I want to look at it a little bit through the lens of my own personal decision making when I decided to come back home to Nebraska. So as many of you knew, I...know, I grew up here. I was born and raised here. I went to high school here. And I went away for college and I went away for law school and I practiced law out of state for some period of time before I convinced my wife, who is a Texan, to move back to Nebraska. And I'll tell you the reason why we moved back. More than anything, other than maybe being around grandma and grandpa for our kids, is I felt growing up here that I had some really priceless gifts that were given to me from the community that I grew up in and the people of the state of Nebraska. Those gifts are being...to be able to grow up in an environment in which people work hard, they have humility, they have integrity, and they have character. And those things, I believe, are...they are present throughout our state. And the reason I believe that the heart of that community is in our rural community, in greater Nebraska, I think it's one of the greatest assets that we have in our state is our people. And I believe that that comes in a million different...from a million different decisions across the state, mostly, primarily from our farming communities and our ranchers and the decisions that they make every day. And that was something that I wanted to give to my kids when I had them. But it wasn't the only asset that I believe that we have in our community. And the other asset, I believe, one of many, is our educational opportunities here, which are not just through K-12 opportunities. It's our higher education opportunities as well. And it's through those systems through which the next generation of young people are groomed and formed to have an impact on our society. And those are words that are easy to sort of say and sometimes it just takes a little thought to see how that actually plays out in our lives. Those individuals who are graduating from Nebraska, or other institutes of higher education throughout the state, are individuals who are likely going to stay here. They are our next entrepreneurs, the next people who are going to

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take a risk on themselves to start their own business, to be able to provide for other people's families, to be able to provide a new product, to be able to innovate, to create new technology, to be contributing members to our society. And that, that pool of talent, attracts more talent. And the ability to have a strong higher...system of higher education I think is critical to the success of our state going forward over the next several decades then throughout the next many years. And I believe that it's a critical decision for us to look at, and I, over the last few days, in fact, I've looked at people and met people and spoken with people in my district and throughout the state who have been personally impacted by the University of Nebraska. The other day I met a couple who just moved here from Iowa and they work at the university now and they were excited about the opportunities that they have here in Nebraska. I met, just a couple days ago, a student who was, while he was concerned about his student debt load, he was excited to maybe start a small business here in Nebraska. I walked down in the Haymarket and saw a brand-new building that went up that is a brand-new company that we're all very proud of here in Lincoln that was started in part through a connection to the university. So these things play out, I think, in really tremendous, impactful way, both in Lincoln and throughout our state. And so as I stand here today...and I am in opposition to AM2405. And my good friend Senator Erdman, whenever he gets up on the floor to speak about budget items, I always listen very carefully. But the reason that I am, I think it goes back to a simple idea for me, which is I believe that in any good organization what you do is you try to hire really good people, you get out of their way, you trust that they're going to do a very good job, and ultimately you trust their judgment. Now that doesn't mean you don't have particular questions or you don't have follow-up and I think these questions and this follow-up is very important. But at the end of the day, last year, in my view, we hired Senator Stinner to do a very difficult job, and that was to ask the hard questions on our behalf in the Appropriations Committee with his colleagues, to be able to dig through and answer the difficult questions that some of which we're hearing now on the floor today. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: Thank you, Mr. President. Those are important questions to ask. We have to have accountability for anyone who receives state dollars. It's very important and we ought to take that role very seriously. But for me, I look at the work that Senator Stinner did in the Appropriations Committee and I trust their decision making. We'll look at the data that's presented and if there is a need for deviation, then we'll look at it. But I don't believe that there is and for that reason I support the underlying budget bill, LB944, and will vote red on AM2405. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Kuehn. [LB944]

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SENATOR KUEHN: Thank you, Mr. President, and thank you, colleagues. I'm glad that we're talking about some of the issues of higher education today because I'll probably have a couple of times here on the mike this afternoon as we address this because I do want to inject some numbers and some facts into our discussion. One of the most frustrating aspects of the funding debate about higher education during my entire time here in the Legislature--and certainly over the last two years where we're contemplating reductions or the budget simply does not allow us to have the kind of growth in expenditures, but I think at the end of the day all of us would love to see in terms of investing in higher education--has been what I really feel has been somewhat of a false dichotomy that is created. And that is either you absolutely, 100 percent want to give a blank check to the University of Nebraska system, and anything less than that represents you hate higher education, you hate work force development, you hate the university. And whether or not that has been explicitly stated, I can tell you, as someone who likes to ask a lot of questions, that is very much the way in which you get really quickly characterized if you ask questions about how are things spent, what is the appropriate use of dollars, how can we make decisions that are responsible for all of higher education. And unfortunately, especially in the last few months, so much of the rhetoric, it seems to me to be nothing more than mere puffery, and that is that claims that are so extreme that when you look at the facts they just don't make any sense. They're so subjective that they don't correlate to reality. And I fully support the University of Nebraska. I wish we had more money to give all of higher education. We don't. I reject, based on some numbers I'm going to provide for you now in terms of higher education, that this is going to cripple Nebraska's higher education, Nebraska's work force development, stop our momentum in terms of innovation and progress, in part because I think everyone needs to realize exactly where and how higher education is in Nebraska. If you go to the Coordinating Commission you can pull all of these numbers, but we have 136,000 students enrolled in postsecondary education in the state of Nebraska. Interestingly enough, only 38 percent of those, less than four in ten, are enrolled in the University of Nebraska system, so six out of every ten students in Nebraska who are enrolled in higher education are enrolled somewhere else, in our community colleges, which represent about 30 percent. Our independent colleges and universities make up 25 percent. And we have 6.5 percent of our students who are enrolled in the State College System. So when we actually look at the actual number of graduates of the 14,000 undergraduate bachelor's degrees that are given, about half of them come from the University of Nebraska, but the other half come from our private and independent colleges and universities, as well as the State College System. And I want to...I think this is important as we look at the distribution because we have to understand that we've already made a policy decision to treat different students in Nebraska very differently. A student at the University of Nebraska system is subsidized by the General Fund at about \$11,000 per FTE, which is more than the cost of tuition for 15 hours. If you enroll in Chadron, Wayne, or Peru, you get half that: 5,600 bucks per FTE if you attend one of our state schools. How is that fair? How is that showing a commitment to accessibility and affordability... [LB944]

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PRESIDENT FOLEY: One minute. [LB944]

SENATOR KUEHN: ...when those students are some of our highest percentage of first-generation students, our highest risk at dropping out? Our community college students are getting a little over \$8,000 when you combined property taxes and state appropriation. We've already made a choice to treat students in this state who enroll in higher ed through our public tax dollars very differently. That an FTE at the University of Nebraska system should receive twice the state support that a student in the State College System, that's not okay. That doesn't mean we have to cut the university down to make that claim. You don't get taller by cutting someone else off at the knees. But it does mean that this body needs to make a very clear decision about what it feels for all students attending our public institutions of higher learning. All Nebraska students should have the same opportunities to accessibility and affordability and we're treating some students with twice the amount of state dollars... [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR KUEHN: ...as we are others? [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR KUEHN: We need to think about that. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Kuehn. Senator Brasch. [LB944]

SENATOR BRASCH: Thank you, Mr. President, and good afternoon, colleagues and those watching. I do stand in support of the amendment. I've had alarmed people text me or call me saying you need to support the university, it is so important to us, and I believe the university is important and our state colleges are important. But at this point in time, our balanced budget is more important, and especially a period of time when we are trying to make ends meet, not just in the Legislature, in our overall budget, but working to make ends meet on our farms. You turn on the news and you saw the university imploded a dorm room only to build a new dorm room. You know, on our farms we are trying to keep our structures maintained and weather this storm of low prices and great taxes. We don't want to raise taxes, so all of the agencies must make sure that we do have a cut. Balancing the budget is important. And I do love the university. You know, I worked full time, went to college six years at night, and I earned my degree with a lot of sweat equity. And students do struggle making tuition, and students, if they're fortunate and their families can help them, they struggle to do that. But since 2011, the university's total budget grew 23 percent while the tuition and the fees grew 45 percent. And over that same period, on

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administrator salaries they grew nearly 40 percent where student enrollment is up less than 6 percent. I understand the university would like to maintain a status quo of you ask and you get, and there's many senators that are called behind the glass here, ongoing, asked to sing the Husker song and cheer along. But during this period of time, the best policy is to be prudent and frugal with our dollars and have our agencies all go back. I did want to give the university a shout out. On Twitter, if you go to Ronnie Green, you see they're recognizing National Ag Day this week and they're talking about celebrating agriculture and recognizing its contributions that it makes to the country. Here Hank Bounds says that agriculture is the number-one industry in Nebraska and it's a key to our mission as a land-grant university. Technology, tactics, and the challenges we face have changed and the university is always evolving better to meet the ends of Nebraska's farmers and ranchers. And with that, I would like to ask the university and Hank Bounds and Ronnie Green and everyone to rally around your farmers, our budgets. Our budgets are at extreme risk. So with the 3 percent, I believe we're not asking too much here. I'd like to yield the rest of my time to Senator Kuehn. [LB944]

PRESIDENT FOLEY: Thank you, Senator Brasch. Senator Kuehn, 1:15. [LB944]

SENATOR KUEHN: Thank you, Senator Brasch. I want to leave you at this time with one number that I want everyone to think about: 136,000 students enrolled in higher education in the state of Nebraska. We graduate about 22,000 kids, give or take, every year in this state. So if 100 percent of our high school graduates went into an undergraduate program and spent five full years, that extra year so you get the season tickets at a student rate, if you spent five full years getting your undergraduate degree, if you do the math, that's 110,000 seats. We still have enrolled over 26,000 seats beyond that. We have an incredible capacity in higher education at this state. We're producing graduates with either a degree or certification at the rate of about 30,000 new degrees and certificates every year. We've invested in that infrastructure and it's important that we maintain it. But as we think about the broader issues and long-term funding and some really dramatic seismic shifts that have taken place in higher education over the last two decades, we have to recognize the fact that any student of economics... [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR KUEHN: Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Kuehn. Senator Bolz. [LB944]

SENATOR BOLZ: Thank you, Mr. President. Lots of good dialogue happening on the floor this afternoon and a few statistics, a few pieces of information to add to that discussion. You know, the first is responding to the concept that we are...that there is too much rhetoric around the

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University of Nebraska funding cuts and that it's black and white. And I don't think that that's true. I think we're doing a lot of thoughtful analysis about what is fair and what is right. But one piece of factual information, a piece of data that I passed out on the floor that is from our Legislative Fiscal Office, is that through the '16-17, '17-18, and '18-19 fiscal years, we reduced...cumulatively the reduction is a negative 11.4 percent to the University of Nebraska. And, colleagues, what is the tipping point? What is the tipping point at which we are undermining the mission of our state's greatest economic driver? And I'm afraid we are getting too close. Certainly the Erdman amendment is way too close. And it's not just me who thinks that this important economic driver is essential to our economic future. For the first time in my experience on the Appropriations Committee, we had all three of the chambers of commerce come into an Appropriations Committee hearing and ask for support for an expenditure, ask for support for the University of Nebraska funding. And to read to you from the Lincoln Chamber of Commerce letter: The university draws new people to our state and educates our future talent pool. Research conducted through the university helps advance public-private partnership that grows jobs and investment. The ROI for investing in the university yields tremendous economic gains for our state. So, colleagues, I think that that story needs to be part of the dialogue this afternoon as well. The last piece that I'll reflect on as it relates to university funding also comes from my time, from my six years on the Appropriations Committee. And one of the things that we have always done as an Appropriations Committee is invest in the University of Nebraska and invest in higher education to try to keep the cost of higher education as affordable as possible. And one of the compromises we have made in doing that is that we have not put the same amount of thrust, the same amount of investment into need-based financial aid as other states do. In fact, our Nebraska Opportunity Grants serve only 36.8 percent of those eligible for those grants. So it's always been a little bit of a trade-off in the Appropriations Committee, at least during my time and at least during the way that I have thought about it, and I think we had some of this dialogue on the mike in the hearing during our higher education debate that one of the things that we compromise on is making sure that tuition is affordable and one of the things that we're not able to fully fund is need-based financial aid. And so we really need to look at a big picture, at a broad view, and not turn it into...I agree with Senator Kuehn...we can't turn this into a black-and-white rhetoric. We do need to look at all of the angles and the angles that I would share with you are the university has taken 11.4 percent cut over the past three years. That is significant. We are impacting their mission and it is time to start turning the corner. And that's not just my opinion. That is the testimony of 32, I think, different testifiers ranging from business interests to individual students themselves and including all three chambers of commerce, and it includes a more nuanced analysis that looks at the picture... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR BOLZ: ...not only of tuition, affordability, and what we are investing in our higher education, but also in the compromises we have made in not fully funding our need-based

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financial aid. I also agree with Senator Kuehn. If we had the opportunity, we'd all like to see investments be made in both. But I think in the circumstances in front of us, the committee proposal is as fair to all of the angles as we possibly could make it. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Bolz. Senator McDonnell. [LB944]

SENATOR McDONNELL: Thank you, Mr. President. I rise in opposition of AM2405 and in favor of LB944. You talk about the first-generation students at the University of Nebraska. I was one of them. Because of the opportunity to have a football scholarship, I attended the University of Nebraska at Omaha, first generation, first one out of my family. The opportunity then later on to earn my bachelor's degree; then later on, to come back as an Omaha firefighter because of the fire protection technology through the engineering building and how much that was helping the fire department and how I benefited off of that. And then the fire department benefited and I believe that the citizens benefited because of that program. Then I'm away from the university for a number of years. I start teaching at the university after I retire from the fire department. So at that point I get to see the university from another perspective as part of the faculty. During that process, during that time there, there was going to be a new president come in, a number of great applicants. So all of the different campuses, we had an opportunity to meet the ones that they had narrowed it down--I believe it was the top five--and President Bounds was one of those people. Sitting through that Q&A with the faculty, with all of those candidates, they were very impressive. Their qualifications were outstanding. And I'm sitting there and I'm saying, I am part of something from...and I didn't quite appreciate it maybe when I was there undergrad with the football scholarship, but I thought, look at how much we've grown as a university and look at where we are going for the future of our state. And when they selected President Bounds, it was a great step for the university. Not that President Bounds was going to be perfect, not that President Bounds was going to make every decision that I was going to agree with, but we were going into the future in a positive way. I think all of us would agree that as state senators--some of us that are brand-new, being here for 15 months--you realize that people aren't always going to be fair about some of the decisions you're making and the process you're going through and agree with all of us. That's same with President Bounds. Going door to door in that campaign in my district I was so impressed with the people that would tell me, because they'd ask, well, what do you do now? I teach at the University of Nebraska at Omaha, and I was proud of it. Oh, well, my daughter went there, my son went there, my grandchild is going there, and they're getting a great experience, they're getting a great education, and they're making a difference for the state of Nebraska. It was so positive. I wasn't knocking on doors to tell them that I was working at the University of Nebraska at Omaha, I was talking about what I'd like to do as a state senator, what I'd like to do for Legislative District 5 in the state of Nebraska. But being employed there, being part of that faculty helped me tremendously because the people believe in the University of Nebraska. And I'm not saying the people on this floor and the people that are going to bring up

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different ways to improve the university are wrong. There's ways to improve everything, and that's what we should be counting on, we should be concentrating on. But when you look at an article, an op-ed from someone that taught at the university and says, well, there is so much more time they have. I experienced it. My office was on campus. The amount of time that faculty spends, of course you could look at in the classroom. And it says six hours, six hours on this handout. (Recorder malfunction)...our other faculty talking about how you could improve things. We have a great university. We should be concentrating on how we make it better, not that everything is perfect in the university, not that we shouldn't look at every dollar that's spent. But what they're doing for the state of Nebraska, what they're doing for our children, our grandchildren, and the future of our state, it is so important it's so impressive, and I owe so much to the University of Nebraska for every opportunity it's given me and I believe it's giving so many thousands and thousands of people a day that opportunity in the state. I'm proud to stand here supporting the University of Nebraska, always looking for ways to improve, and supporting LB944. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator McDonnell. Senator Erdman. [LB944]

SENATOR ERDMAN: Thank you, Lieutenant Governor. Sorry about it, I stepped away. When I was on the mike before, I made a comment about the other universities. I did not mean those state-funded universities. I meant Creighton, Hastings, Doane University, and the other private schools. That's what I was talking about. Iowa, South Dakota, Colorado, all do something to help their students attend private schools. Senator Kuehn alluded to we graduate a lot of students from other universities and colleges across the state, not just the University of Nebraska. Over the lunch hour, I went back and looked up an article that I had seen in the Wall Street Journal a while back and it ranks all the universities nationwide. And I thought it was very interesting. I reviewed all the Big Ten schools. The highest ranking Big Ten school is Northwestern. They're number 13. And the list goes on till you get to Iowa. Iowa is 164th. Anybody want to venture a guess where the University of Nebraska is? Four (hundred) sixty-nine; University of Nebraska-Kearney, in the 900s; so is the University of Omaha (sic). So when you look at that, you wonder how good really are we? The best college in the nation is Stanford. And then we have number five is Yale, Harvard, and Duke, five, six, and seven. So the University of Nebraska, Senator Brasch rightfully alluded to the increase in administrative costs. And let me say this. I'm not opposed to the management of the university. I want the management of the university to manage their budget more economically. They need to make some decisions about the administrative costs that they have. And I went...I found some other information I think is interesting. While the state support for higher education has fallen nationally, Nebraska remains among the top states for investment in higher education. From 2008 to 2017, Nebraska ranked fourth highest in the nation in state funding for higher education. In fact, Nebraska was one of only five states that increased funding for higher education per student, corrected for inflation. While the average state spent 16 percent less per student in '17 than they did in '08, Nebraska has spent more per

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student than that. Over the past decade, over 30 states have reduced state funding per student on an inflation-adjusted basis for higher education by double digits. Nebraska has not. Nebraska ranks third best, third highest in the Midwest in state funding for higher education. Some of the information that I seen about the university: faculty increases in the last three years--10.8 percent; university nonfaculty increases--19.1 percent; other administrators increases--22.1 percent; chairpersons increase--29.5 percent; managerial and professional--22.8 percent; clerical, technical, and service--9 percent; student wages, a decrease of 5.8 percent; supplemental salaries and wages up 46.5 percent. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR ERDMAN: Thank you. So that's a situation we find our self in is we can do this more efficiently. We have an abundance of administration. We have too many staff teaching two classes a week and we need to get them back to full service. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Erdman. Senator Groene. [LB944]

SENATOR GROENE: (Recorder malfunction)...President. Been reading in the paper, hearing a lot of facts thrown around. You know, you can cherry-pick facts and some of the stuff coming out of the administration about salaries and administrative costs, it's not important to me. I passed out to you the report from the State Higher Education Executive Officers Association. We're members of that. Mr. Baumgartner of the Coordinating Commission is our representative. All the states have a representative. Some send a regent. Some send a college president. I want you to take a look at those numbers, please, inside that report. On page 18, Senator Stinner said we're...2.5 percent a year is all we increased it. We're...on page 18, we're third in the nation in the last eight years increasing spending on higher education. Now this is community colleges, state colleges: 64 percent. On page 39, public higher education, education appropriated for full-time equivalent, we're fifth in the nation. Page 40, education appropriations for full-time equivalent, third in the nation: \$8,769. Page 43, public higher education net tuition revenue per full-time equivalent, 20th lowest: \$5,871. Page 45, total educational revenue for full-time equivalent, we're 12th. Total education revenue for full-time equivalent, ninth: \$14,641. Education appropriations, full-time equivalent: third. The difference is \$1,654 from the mean. Total education revenue for full-time equivalent, we're eighth: \$1,263 from the mean. Tax revenues, taxable resources, and effective tax rates per state, we're 13th at \$4,882. Perspective on state and local governments' higher education funding efforts, higher education support per capita, we're fifth at \$455 per every individual man, woman, and child. Higher education for \$1,000 of personal income, we're fifth at \$9.37 per \$1,000 of income. Allocation to higher education, we're seventh at 8.9 percent. Folks, no apologies, taxpayers, for supporting higher education in this state. We don't have to apologize to Hank Bounds or anybody else or the Regents--the cheerleaders, I call them. Next

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time I vote for a Regent, I'm going to find out who represents me is running for cheerleader at the University of Nebraska. Apologies to Mr. Daub. He does speak for the people. But anyway, we need facts out of the University of Nebraska. Here is another fact, folks. I passed out another handout. The peer group that we are told about who we're keeping up with, out of 14 states, we're 14th in population. We're competing with Ohio, with 11,600,000 people and we got 1.9 million. Nowhere on this list is South Dakota, North Dakota, Wyoming, Montana, Oklahoma, and I could on, on states that are our size. South Dakota's population has grown, so does North Dakota, with the oil boom. They must have great universities. We're getting told here higher education is the reason anything happens in this state economically. That's false. Now that said, I fully support higher education. I'm an alumni of the University of Nebraska. I didn't take part in a lot of things. I just went there, got an education and left, quickest I could get out of town, find a job. That's what a lot of Nebraskans do. We just want education as a tool. I have told many young people, if your education accomplishment is the greatest achievement you did in life, you've lived a sad life, go on, leave your education behind, use it as a tool it is. But take a look at those numbers, folks, another misleading comment from...coming out of the university. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR GROENE: UNL geography bachelor's, master's, and doctorate programs, art history bachelor's and master's degree program will be eliminated. Sounds terrible, doesn't it? The Coordinating Commission analyzed those departments and told them, you don't have enough students, it's not justified to have a chair and instruction, you need to eliminate those. They made it sound like what we're doing here is eliminating it. They had to anyway. Tell us the truth. You're our public employees. Get in the debate. Tell us the facts. Tell us truth. Don't mislead us. I actually think Hank Bounds is doing a good job. He's the first one I've ever seen actually attempt to cut some things, make it more efficient. I think some of his chancellors are giving him bad information. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Groene. Senator Kolterman. [LB944]

SENATOR KOLTERMAN: Thank you very much. Good afternoon, colleagues. I rise in opposition to AM2405. I've got so many things I'd like to say, I don't think I have enough time. But one thing I will tell you is my first year I was here, I brought a bill to this Unicameral to help the independent colleges and I asked...I met with Hank Bounds and asked him if he would stand in my way if I brought that bill to the floor of the Legislature, and I talked about the dollar amounts, and he said, absolutely not, we're in partnership with all the independent colleges we can, they help feed into our system. Now I don't think that's somebody who is trying to block education in this state. I want to talk a little bit about efficiencies. You can look at numbers any way you want to. They all tell the same story. But I will tell you this, the university is doing a lot

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more with a lot less. The university has about the same number of full-time equivalents paid by tax and tuition dollars that it did in 2000, even though enrollment has grown from 45,000 to 53,000 students. And research, research has expanded significantly. Think about that. We're educating 17 percent more students who are doing a lot more research without significantly growing the number of state-aided employees. Not only that, but the university has been able to grow in these important areas even though overall growth in the state government has not been equal. If you look at the past 20 years, state appropriations to the university have increased 75 percent, compared to 246 percent for Corrections; compared to 202 percent for Medicaid, and 137 percent for total state spending; and K-12, 122 percent. It's the lowest growth of any of those five items. My personal feeling is this Legislature should not be in the business of micromanaging the University of Nebraska system. We have a Board of Regents who have been elected and answerable to the same electorate that we are. The only difference between them and us is there's fewer of them and we get paid \$12,000 a year more than they do. I'm disheartened to hear some of my colleagues' statements about the system. In fact, I'm a little concerned about the effect this debate will have on recruitment and retention of administrators and professors. If you've ever worked in a company that's recruiting, why would a highly sought-after individual want to accept a job at the University of Nebraska after hearing this debate? In trying to justify budget cuts, supporters of this amendment sound like more like they want to punish the university. There are those who have criticized salaries and benefits for university employees, administrators. I've heard criticism about the lack of efficiencies and consolidation, comparing the university system to private and community colleges. I even heard my colleagues complain about their relationship, or lack thereof, with the University of Nebraska President, he's not even here today to listen to the debate. I'll bet you Hank Bounds is listening to debate. A few points I want to make in response. The free market drives compensation. In a highly competitive jobs market for university administrators, you have to be competitive or you're not going to attract the best and the brightest. You risk losing them to other institutions. The university is so much more than a college. It does more than just educate students. It's a leader in research and innovation. Several years ago during the Ebola outbreak of 2014, the Med Center, the University of Nebraska Medicine was recognized as a national... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR KOLTERMAN: ...asset--thank you--and as a gold standard for treatment and development of safety, of protocols to handle Ebola. This wouldn't have been...this wouldn't have happened without the leadership of Dr. Gold. There's efforts to make the University of Nebraska Medical Center become a world-renowned medical center. On a personal level, I worked closely with doctors, nurses, and staff in the Medical Center over the last two years. My family and I will never be able to show the extent of our gratitude that this excellent care that my wife received. I oppose AM2405 and support LB944. I very much appreciate Senator Stinner,

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members of the Appropriations Committee that support this bill, and thank them and encourage you to vote no for AM2405 and yes for LB944. Thank you very much. [LB944]

PRESIDENT FOLEY: Thank you, Senator Kolterman. Senator Clements. [LB944]

SENATOR CLEMENTS: Thank you, Mr. President. I also wanted to make a few comments about the university. I do believe Senator Kuehn explained the subject of higher education in Nebraska well. Also, Senator Brasch discussed the budget problems, especially in light of the farm economy, which is a concern with me. In the Appropriations Committee, we don't know much about the spending details of the university. We just give them one number and they allocate it to the campuses and the programs. I did a little bit of looking into what I could find. I saw a report on university salaries of 2017, a salary report showing 13,127 employees. The salaries over \$100,000, there were 1,076 people, which did surprise me. And that's without the Athletic Department. I understand the University Med Center has medical doctor professors that they need to pay a competitive wage, but many of these are nonteaching administrators. The 1,076 over \$100,000 earn about \$135 million. The 1 percent, 2019 proposed cut, is \$5.8 million; \$5.8 million would be a 4.3 percent cut of the highest paid 1,000 employees. That might be one way to find those cuts. In the farm crisis of the 1980s, my bank management took salary cuts to balance our budget at home. And since the 2016, farmers have taken 25 percent to 50 percent cuts in their income. The state of Nebraska and the university needs to share in the cuts with the taxpayers. I've had long-time farmers this last year who have been forced to quit farming. And I think we do need to share in some of the pain that's going on out there in the communities. At the committee hearing for the university, I tried to get more information. I asked President Bounds, how are you proposing the program...how are your proposed program cuts determined? He said the chancellors prepared those reports. So I asked Regent Chair Schafer, how are the program cuts prioritized? He said the chancellors do that. I was surprised he didn't have any detail. Then no individual chancellor testified about how they identified programs to cut. The Appropriations Committee seemed to be blamed about specific cuts in specific programs when we had no real control over anything but the one number we appropriate. In the committee I voted no on the 1 percent cut. And I feel it needs to bear at least equal percentage cuts as the other agencies. With that, I'd like to yield the rest of my time to Senator Stinner. [LB944]

PRESIDENT FOLEY: Thank you, Senator Clements. Senator Stinner, 1:40. [LB944]

SENATOR STINNER: Thank you, Senator Clements. I do want to get on the record and correct something that was said early on. The Governor did not freeze salaries. We actually did pass an increase in salaries and benefits. I thought it was also interesting in taking a look at the last ten years, administrative costs versus what our state-aided budget is. Now what's a state-aided budget? I'll get to that. But there has been no percentage increase in administration costs over the

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ten years in the state-aided budget. Now, our total budget for the university is \$2.5 billion, but, because of restrictions and research, \$1.6 billion is basically restricted, leaving you a state-funded budget of \$941 million. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR STINNER: Of that \$941 million, we provide--"we" meaning the Legislature-- provides 61 percent, 39 percent from tuition and other fees. I also want to go back to Senator Bolz who said 11.23 percent...or 11.33 percent. I'm sorry, that is wrong. It's 8.5 because we did...she was using an old page. If we go with the current...with the proposed Erdman cut, it will be 11.33; it will go from \$49 million in cuts. Now, we are cutting the University of Nebraska, we are cutting state colleges, and we are cutting community colleges in like kind. But it will go from there to \$66 million. But it doesn't say...it doesn't tell you the whole story. The whole story is what would normally happen in the operation. Normally you'd go up 3 percent. So if you go up 3 percent, or if you go to their audit report,... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR STINNER: ...and in their audit report they talked about \$50 million, \$50 million of ongoing operating cost, of which \$20 million covers it. So 30 and 30 takes you to 60. [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR STINNER: Sixty...thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Smith. [LB944]

SENATOR SMITH: Thank you, Mr. President. I do rise in support of LB944 and in strong opposition to AM2405. Earlier this morning, we heard about tax policy and tax structure having a significant impact on business decisions. But other state characteristics also affect business investment decisions in our state, including things like work force, transportation, healthcare, K-12, but also, have no doubt, higher education has a major, major impact on businesses' decision to locate in our state, to expand in our state, and for people to remain in our state. The modern market is represented by mobile capital and labor with all types and sizes of businesses that locate where they have the greatest competitive advantage. And we need to do the very best we can for our state to keep it competitive. The University of Nebraska is a major economic driver in our state and contributes greatly to the competitiveness of our state and to the image of our state. It helps create diversity in our economy and business investment, and without the

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university and its support to that end I would question where we would be today. But there is no doubt, if we want to be in better shape in the future, we need to make wise investments with our university system. And we must be careful not to damage the ability of the University of Nebraska system to impact the economy. We do not want to see damage done to the university because when we damage our university system, we damage the image of our state. When we damage the image of our state, we limit businesses that do want to expand here and that want to come here and locate. We have to be very careful, colleagues, to send the right message to those that are on the outside looking in to our state that Nebraska is open for business and that we want to be a vibrant location to have people locate and to stay. I have great confidence in President Hank Bounds and the Board of Regents. I know many of them very well. I believe they are making wise decisions for our university and I am very pleased to have President Hank Bounds be a part of our state and to lead the University of Nebraska system. I trust President Bounds and the Board of Regents to make wise decisions and to trim where possible, to gain efficiencies in the operations of the University of Nebraska system, and to structure the university operations for optimal gain. I do not believe that LB944 is a blank check and I believe that the additional cuts in the AM2405 would do great harm to the University of Nebraska system and to the image of our state. I do not believe, as some have said here on the floor of the Legislature in recent comments, I do not believe that you can say you have no problem with the University of Nebraska management and that you respect Hank Bounds and his leadership and then turn around and support AM2405. I just do not believe that that's possible. This is not a blank check. This is allowing the University of Nebraska system to continue to do what they do and to trust our Board of Regents and the leadership at our university system... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR SMITH: ...to make the wise decisions for Nebraska's institution. I ask you please to vote no on the amendment and to support LB944. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Smith. Senator Halloran. [LB944]

SENATOR HALLORAN: Thank you, Mr. President. I stand in support of AM2405 and I would like to make a positive suggestion to the University Board of Regents. I know they don't necessarily want to pay a great deal of credence to any suggestions from the Legislature and I understand that. I'm going to quote from a gentleman who is within the university system, and this is from a letter to the editor to a fine newspaper, the Kearney Hub. And he is endowed Professor Tom Martin, endowed professor of philosophy at the University of Nebraska-Kearney. "Let's get serious about budget cuts at the University of Nebraska. The university is...composed of two basic parts: a body and a soul. The body of a university is its buildings that are maintained by the various caretakers: custodians, plumbers, electricians, carpenters, etc. The soul of the

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university is its faculty who house a variety of subjects which they minister to students seeking the disciplines necessary for a thoughtful life. A minor, though necessary, component of...a university...is its administration whose function is to provide for the needs of the professors... During the past 40 years there has been a disproportionate growth in the size of administrations at universities. Using the hierarchical, corporate model and pay scale, the university has become bloated with excessive duplication of administrative offices on its various campuses." This is coming from a professor within the system. "Before the advent of computers and telecommunications, each campus in the state college and university systems created a campus by using a corporate organizational model that resembles a high-rise apartment building. The president of the university is positioned on the top floor above the chancellors of the three universities and the medical school. Under the chancellors are layers of executive assistants, speech writers, and directors of various sorts: of alumni and athletics, of affirmative action and diversity. All of these are followed by a cadre of vice chancellors, for academic affairs and the not-so academic affairs, of university relations, business and finance, enrollment management and student affairs" all very necessary..."All of these are supported by support staff, and faculty assistants to the vice chancellors of administrative assistants. Beneath the various vices come the deans who also have one or two assistant deans, administrative assistants, secretaries, and work-study students. In short, when looking at the operational flow chart of a university, it looks like an apartment building in which one would descend floor after floor before locating a teacher with a room full of students. We are in luck, for in this new age of voice-activated computers that allow people to talk and be seen by the person...whom they are speaking, it is possible to streamline the administration of all the campuses of the University of Nebraska system. In fact, UNL, UNO and UNK, which are currently operating as separate but dependent institutions, can become the University of Nebraska operating under one administrative system with extension campuses. This can be accomplished through Distance Administration. In as much as all the departments and all faculty within the university system are linked by computers, the departments on each campus within the university system can be moved into one department. The department of English, for example, at the University of Nebraska at Kearney, Omaha and Lincoln can be merged into one department. This will result in the Department of English of the University of Nebraska with branches in Lincoln, Omaha and Kearney." [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HALLORAN: "This model also can be applied to the departments of biology, chemistry, math, physics, philosophy, psychology, political science, sociology, etc. Having a chancellor and the various vices, deans, directors and chairmen at each campus is like having a governor with his entire staff in each county, treating each county as though it were a separate state within the state of Nebraska. With the technological advances of Distance Administration, it is no longer necessary to have a chancellor representing the interests of each campus as it is no longer necessary to be separate universities within Nebraska, but one University of Nebraska.

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The consolidation and downsizing of administration at each campus will result in a sizable saving for the taxpayers of Nebraska; especially given the ongoing budget cuts to the University of Nebraska." This is coming from a professor within the university. In 1931, George Norris decided that it was inefficient to have two, to have a bicameral, and decided to save money... [LB944]

PRESIDENT FOLEY: Time. Time, Senator. [LB944]

SENATOR HALLORAN: ...and make it one. [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR HALLORAN: Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Halloran. Senator Lowe. [LB944]

SENATOR LOWE: Thank you, Mr. President. This seems to be a major topic today of the University of Nebraska discussion. It's a very important part of our state. I don't believe there is hardly anybody in our state that doesn't believe in the University of Nebraska and the accomplishments that have come out of it. What is being said here today: that we must do it efficiently. There are ways to do things very efficiently and sometimes we get carried away. And I think that's what is on the floor and what is being said today is we like the way things are, we don't want to slow it down a little bit or going to keep on moving ahead, no matter what or how many farms go under this year. Now, the people of Nebraska have had to cut back on their spending. Why can't the agencies of the state do the same? I'd like to yield the rest of my time to Senator Kuehn if he would take it. [LB944]

PRESIDENT FOLEY: Thank you, Senator Lowe. Senator Kuehn, 3:30. [LB944]

SENATOR KUEHN: Thank you, Senator Lowe. Thank you, Mr. President. Again, I want to bring us back again to an idea which is how I began a series of questions during the hearing to President Bounds, and that is that I would like this discussion to be about proportionality. So as we are talking about the impacts of budget decisions, nothing is an all-or-none choice. There is a degree of proportionality in what level of funding results in what kind of outcomes. And so to contribute and continue with just some facts on higher education in Nebraska, I want us to circle back to this idea of proportionality. So while certainly we're talking about the future of the University of Nebraska, I don't want us to lose sight that we're also talking about the future of other institutions which are publicly supported and publicly funded. And while I recognize that

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Senator Erdman's amendment is specifically about funding of the University of Nebraska system, realize that every funding decision has trade-offs. And I want to go back to a number which I had thrown out before, which is the number of degrees and certificates that are awarded each year in the state of Nebraska beyond from our postsecondary educations, and that's about 30,000...more than 30,000, soon to be almost 31,000 certificates, awards, and degrees, and that's a lot of output, a lot of training, a lot of education in the state of Nebraska. For the proportionality component, only a third of those is from...are from the University of Nebraska system. So when we talk about the impacts of any changes to the University of Nebraska system, we have to recognize that's only impacting about a third of the total number of graduates and recipients in the state of Nebraska as a whole. It's a big chunk and is one we should not take lightly. But I think it's also why we need to not run away with really extreme predictions that all agricultural efficiency is going to be lost, healthcare access is going to be denied, and some of the other kind of extreme claims that have been put out and repeated in the media and in advertising campaigns. In fact, if you look at some breakdown of numbers, of the 14,000 bachelor's degrees that are awarded in the state of Nebraska, about 7,700 of them come from the University of Nebraska system between UNK, UNO, and UNL. [LB944]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: One minute. [LB944]

SENATOR KUEHN: But it's also important to recognize that another 6,000 come from the State College System and the private colleges. If our concern is higher education levels, there are more master's degrees and more doctoral degrees awarded by Nebraska's private colleges than the NU system. That's an important number to look at when we talk about proportionality, as well as our investment in all students across the state. So when we say that we're not going to have access to healthcare, we're not going to create as many healthcare providers as a result of these funding cuts, which are unpleasant, it doesn't stand to reason when we look at the numbers of graduates in the state of Nebraska. We have to make sure that we're focused also on the broader picture of our entire higher education profile in the state and what we want that to be comprehensively because we're responsible not just for the NU system but the state colleges and, to a degree, even our community college system, which is created... [LB944]

SPEAKER SCHEER: Time, Senator. [LB944]

SENATOR KUEHN: ...by this Legislature. Thank you, Mr. President. [LB944]

SPEAKER SCHEER: Thank you, Senator Kuehn and Senator Lowe. Senator Thibodeau, you're recognized. [LB944]

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SENATOR THIBODEAU: Good afternoon. Thank you, Mr. President, and thank you, colleagues. I stand today in support of LB944. I am against the AM2405. I'm a product of University of Nebraska system, as well as my husband. And I do understand that all of us are forced with making some cuts. I think the Appropriations Committee worked very hard in doing the right budgeting. However, I'm hearing great discussion on the floor today that I would like to continue to hear and I think Senator Kuehn is bringing up some very good points that I think we all should listen to. So with that, I would yield the rest of my time to Senator Kuehn. Thank you. [LB944]

SPEAKER SCHEER: Senator Kuehn, 4:09. [LB944]

SENATOR KUEHN: Oh, thank you, Senator Thibodeau. Another point which has been brought up that I do want people to think about, again, not because I'm opposed to the University of Nebraska system but I want us to have a realistic discussion about what the actual impact of these decisions are. There's been some publication. There was a recent article about peer groups and peer comparisons and we love to talk about peer groups in higher education. I've been part of meetings where we decided what our aspiration group was, and that's always an interesting determination. I wish for my legislative record I could decide and measure myself against my aspiration group as opposed to my real group or my competitors. But that said, I want to take a look at some comparative numbers and I want to look at an example which has been held up in a member...a letter from members of the Board of Regents which talked about bond ratings and Kansas, which, you know, all things Kansas are held up as we don't want to be Kansas. We don't want to be Kansas in terms of funding; we don't want to be Kansas in terms of bond ratings; we don't want to be Kansas in terms of higher education. And I always find some of those comparisons very interesting because, in full disclosure, I'm a graduate of Kansas State University. I'm a proud alum of the program at the College of Veterinary Medicine there. And there's always one thing that I found very interesting and I looked up some numbers. If you were to just take a look at, and I know some have scoffed at the idea that Kansas State would be in any way a peer school to the University of Nebraska-Lincoln, but in many ways they're very similar: land-grant institutions, similar location in the Midwest, have many similar and competing programs at all levels--bachelor's, master's, and doctoral. K-State has about 23,000 students; UNL has about 26,000. If you compare them by appropriations, you might want to say, wow, we've got to be careful about not becoming Kansas. They've had a bond rating issue. Kansas' support of higher education has been notoriously discussed throughout the higher education world. University of Nebraska-Lincoln, according to numbers provided by the university, would have about \$261 million of state appropriations versus the \$157 million to the 23,000 students at Kansas State, which, per FTE, is about \$6,800 for a student at K-State versus over \$10,000 for a student at UNL. And initially you may think, wow, that's a cautionary tale; K-State can't be functioning; how are they recruiting faculty; how are they recruiting students; how are they maintaining their land-grant mission? And as an alum and as someone who uses the resources

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provided by the College of Veterinary Medicine, their diagnostic lab and others, on a regular basis, there's another ranking I want you to notice. If you look at student outcomes across higher education, one of the measures of student outcome and quality is the number of students who receive the prestigious Rhodes or Marshall fellowships, the Truman fellowship, the Goldwater, the Udall. If you look at all public universities in the United States, all of them, Kansas State ranks number one, proud alum. If you look at their number of Rhodes, Marshalls, Truman, Goldwater, Udall, total them all up,... [LB944]

SPEAKER SCHEER: One minute. [LB944]

SENATOR KUEHN: ...they are in the top ten in all of these major scholar achievements. Why don't you ask the University of Nebraska-Lincoln where they're at on those ranking lists. We have these dire predictions that quality cannot be maintained without hundreds of thousands of dollars of individual appropriations year after year. I don't want to see the University of Nebraska-Lincoln funded at a level of K-State. But to simply say that there is a direct correlation between appropriations and student quality, ability to retain and attract quality faculty, it just simply doesn't stack up to facts, to experience, to what's happening in higher education around and across the country and in this region. So let's have a debate on facts, objective information, not just subjective hypotheticals and what we think might happen out of pure loyalty. [LB944]

SPEAKER SCHEER: Time, Senator. [LB944]

SENATOR KUEHN: Thank you, Mr. President. [LB944]

SPEAKER SCHEER: Thank you, Senator Kuehn, and thank you, Senator Thibodeau. And I apologize, I forgot the "h" when I first announced you. Senator Williams, you're recognized. [LB944]

SENATOR WILLIAMS: Thank you, Mr. President. Good afternoon again. I was reminded just a little bit ago that each one of us comes with a different worldview, and that's certainly evident today, and each one of us comes with a different set of priorities and based on those priorities is where we will want to spend the money that we do have to spend from this state. There's no question in my mind that all higher education is important. University system, our State College System, our community college system, all of it is important. But no other state college attracts private investment like the University of Nebraska system. It's simply different in what it can accomplish because of its wide reach and its wide appeal. Think about Innovation Campus, what's happening there on the campus of UNL that's not being replicated anywhere else, and how that private-public partnership is creating new ideas, new innovation, and new growth in our state. Think about the research that the University of Nebraska system is doing for agriculture

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and other endeavors. Think for a minute about the Buffett Cancer Center, the private investment there again, and the good that it's doing, hiring of highly professional people which we are attracting to our state to grow our state, but also taking care of the health needs of not only Nebraskans but people across the world. The new College of Business Administration on the campus of UNL, the science and health center at UNK, the infectious disease research that we're doing, the military research on terrorism, that's what this university is, that's what it's about. Think for a minute about the big picture, about vision, about where you want to grow this state and take this state long term. I hope you would agree that that vision should include excellence rather than mediocrity. I hope you would agree that that vision should be exceptional rather than just settling for average. We can thrive and not just survive, but it takes execution on that vision. We can all dream, but dreams are just that until someone takes action and turns those dreams into reality. That's the role of the Nebraska Legislature: turn those dreams into reality. I ask you, what is your vision for this state? For me, the University of Nebraska plays a significant role in the achievement of that vision. This amendment singles out one area of higher ed, the University of Nebraska. I don't believe that's fair. I think we should vote this amendment down and move on with the mainline budget. And with that, I would yield any extra time to Senator Stinner. [LB944]

PRESIDENT FOLEY PRESIDING

PRESIDENT FOLEY: Thank you, Senator Williams. Senator Stinner, 1:15. [LB944]

SENATOR STINNER: Thank you, Senator Williams. I do want to go back to the issue of cash, and we talked about cash, and I did pull together the cash balance of \$325 million. And I will tell you the cash moves around. It goes up and it goes down and many times you have to analyze exactly the peaks and valleys of it, but we did have against that cash balance of \$325 (million) about \$150 million in payables which shows an ending balance, unrestricted balance of revolving funds, as well as unrestricted general operating of \$174 (million). Now that was down from \$182 (million) so they are spending down their cash. But you also have to step back and you have to look at some other requirements that are out there. Those requirements have to do with debt servicing. They also have to do with 60 days that they have to maintain for federal research into working capital, and also they have a master trust agreement. That master trust agreement spreads out over all campuses. It makes it easier for them to access capital markets. They have to maintain a bond rating. And we talk about bond ratings. Why do we need to have a strong bond rating? First of all, it represents the strength of that financial institution, but it also represents... [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

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SENATOR STINNER: ...the fact that there's fiscally responsible people running your organization. [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR STINNER: Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Kolowski. [LB944]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. I also stand in total opposition to AM2405 and total support of LB944. I want to give a different slant, I think, to the discussions that have been going on. And as I look around this room and look at the families that are represented here, we probably have easily many, many stories to tell within the 49 senators that we have in this body. I think it's really important that we think in terms of the entire family, where they have gone to school, the history they have with a certain school, university, whatever it might be, and those connections are the things that make the difference in the lives of all of us as we work through the degree granting and accepting that we complete in our lives, as well as where our children might be going or our grandchildren. When I sit here every day, I have an opportunity to look around at this Chamber, and as I look at Senator Lindstrom's desk right in front of mine, some of you know he was a student of mine when he was at Millard West High School in the late '90s. Now that's an interesting little sideline, but I'm very proud of what he's been able to accomplish, and the work that he does and what he brings to our body as a whole. Senator Hilgers, I wanted to thank him, and I did thank him, for his comments earlier. I have known 5,000 students like Senator Hilgers that have gone away, come back and are making great contributions to the state of Nebraska. A little earlier in the day, Senator Groene had mentioned something about a number of people in the state of Nebraska and how much...how difficult it is to live here with the taxes and all the rest. Well, that doesn't explain how we are growing at 1.92 million people, and soon to reach 2 million people within the next six years, it's going to happen. It's happening in the Omaha metropolitan area as far as people and expansion going on, as well as it is in Lincoln with the great deal of growth that's taking place here. I have lived in Nebraska over 50 years now. I came from Illinois. In Illinois, when you look at the university system and the discussions they might have or I grew up with, I might look back and say this will be an embarrassing discussion to have. As they look at the University of Illinois--Champaign/Urbana, Northern Illinois, Eastern Illinois, Southern Illinois, Western Illinois, Illinois State University, and Chicago Campus Illinois, those are just some of the university and outreach that we had in the state of Illinois that were serving the people in that state and making a difference in the lives in the families of that population over time. I had the distinct pleasure of doing something that probably no one else in this room has done. I was a graduate assistant at both UNO and UNL when I was working on my doctorate--on my masters at UNO and Ph.D. at UNL. That gave me

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an insight deeply entrenched in the departments of education that I was working with and had opportunities to see the things... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR KOLOWSKI: ...inside the university that make a difference in the history of the university. I thank Senator McDonnell for his comments; his story is much like my story. And Senator Halloran made a comment a few minutes ago about the body and soul. My difference with what he said would be simply that within the body, the physical plant, and I would put the staff in that particular area; and the soul, I would say, would not be the staff, but the students and the years of connecting of family members and all the different connectivity they would have with the university over their lifetime. That to me is the continuous soul connections that make a difference in a school. I hope we can look at what we are looking at with the University of Nebraska. [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR KOLOWSKI: Thank you, appreciate it. [LB944]

PRESIDENT FOLEY: Thank you, Senator Kolowski. Senator Pansing Brooks. [LB944]

SENATOR PANSING BROOKS: Thank you, Mr. Lieutenant Governor. I rise in support of LB944, and I rise opposed to Senator Erdman's amendment, AM2405. I just want to go through a couple things that I have been hearing on the mike, including the fact that people are considering asking for a blank check. I think that's totally disingenuous to say we are asking for a blank check to pay for the university. I also think that the fact that a building was taken down is not an indication of waste. The fact that the university supports agriculture is not surprising to me in the least. And I would expect that, and I have seen it way prior to this discussion or this year. My district has over 8,000 students, alums, and employees that are connected to the University of Nebraska--that's over 22 percent...22 percent of my district. So we are talking about the fact...and Senator Stinner mentioned that we are talking about 8 to 11 percent of cuts over the past three years. That's significance when normally we would be looking at an increase of up to 3 percent. Again, people are talking about the rankings. And I think that we are talking and comparing apples to oranges when looking at these rankings at times. If you look at the U.S. News and World Report, the ranking that Senator Erdman discussed compared all the public, private, and professional universities in the United States. If you look at U.S. News and World Report, they compare 311 public, private, and professional universities and colleges, and we are among the top half of that. We are at 124. If you look at specifically just the 132 public universities and colleges, which seems like the correct comparison to me in U.S. News and

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World Report, the University of Nebraska-Lincoln was ranked at 58, which is among the top half of all institutions considered. So I feel like it's really disingenuous to like pull out some bad ranking and go forward. I know that the University of Nebraska Law College consistently gets best value in the country. Two of our children went to Emory University. And they are among the top five in endowments. Why is that? That's because they had a gift from the Woodruff family of a lot of Coca-Cola stock. And that gift was prior to Diet Coke coming out in our country. So you know, what we compare, what we are able to say one institution versus another, we are not comparing apples to apples. And I do appreciate the discussion regarding my alma mater. I care a lot for the University of Nebraska. I especially love the law college; I love the fact that we are a land grant university and that UNL is the flagship of that university. Clearly, we've continued...I have continued to say that workforce development is the number one issue for the state chamber, and yet we want to precipitously cut the driver of that workforce, the University of Nebraska and say, well, you know, we are just asking for a blank slate. No one is asking for a blank slate. We all drink from wells we did not dig, my friends, that famous quote. So today...now I have said my spiel on the University of Nebraska. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR PANSING BROOKS: We have talked about Nebraska, we have talked about rainy day fund, I appreciate that. But due to the portion of the budget that deals with Title X, Nebraskans, we aren't talking about TEEOSA that's in the budget; we're not talking about Department of Health and Human Services center that is going to now cut and hold back and delay the 12-bed unit, or Norfolk sex offender unit that's going to be delayed. We haven't talked about how the budget is affected by the massive changes to our tax code nationally by Congress. We aren't talking about the changes to the Water Sustainability Fund or the fact that prior cuts...we are not talking about the prior cuts to providers. We are not talking about the Intern Nebraska Cash Fund or the salaries to the various branches of government. We are just looking at three main issues, and Nebraska is not getting one piece of information about the rest of our budget. I think this is unreasonable that Title X... [LB944]

PRESIDENT FOLEY: Time, Senator. [LB944]

SENATOR PANSING BROOKS: ...should not have been in this budget. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Senator Stinner. [LB944]

SENATOR STINNER: Thank you, Mr. President. Once again, folks, we just need to get recentered, relooked at this thing. We are talking about a budget; we're are talking about cuts;

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we're talking about fairness; we're talking about balance. And we can talk all we want about graduation rates and put wedge issues out there and do all of that kind of stuff, but there has been and continues to be some question about--we can bring down the cash and pay for these cuts in cash. And as I talked about this before, it is encumbered, fully encumbered by a master trust agreement. But additionally, how do you replenish that cash back? Work through an operating cycle; you pull your cash down. How long does it take you to rebuild that cash? It takes a long time, I will tell you that. So be careful, be careful how far you pull that down. The other thing about...we talk about bond ratings, and maybe we get carried away with that. I happen to think it represents how well management is doing, how well they are as stewards of cash and how well they are doing relative to other like kind institutions. It's also important, if I'm a renowned economist, if I'm a cancer doctor, I want to know that you have financial stability. And what that AA rating says is you've got financial stability, you have long-term sustainability. And I will read to you on Moody's, and I think...this is an independent bond source, and they talk about the University of Nebraska Aa1 rating reflects the University of Nebraska healthy cash and investment and good prospects for growth; and this is September 26, 2017. Other strengths include low debt, like obligations, and no defined benefit plan. They also say--well diversified revenues plus conservative fiscal management produce consistent positive operations in cash flow. Do you want me to read that again to you? Well diversified revenue and conservative fiscal management produce consistent operations in cash flow. Offsetting factors, interestingly, within their report is increase in competition, researching funds, and recent state funding cuts, an expected on-going capital needs that will require careful debt and expense management over the next few years. Also factors that could lead to a downgrade--sustained erosion of cash flow. What's a part of the cash flow? Didn't I just say--61 percent of the General Funds are provided by appropriations. So if we want to cut that, obviously they have to either cut additional costs or raise tuition. But that takes a period of time, and they have instituted \$30 million of cuts already...\$30 million of cuts that they have looked at. And I have already told you, over the last 10 years that percentage of the budget, of the state aided budget on administration has not gone up. So they have been good stewards of cash; they have been doing the right things as it relates to that. Then there's the notion that we just throw money willie nilly at this thing. Well actually we do, we do. We allocate a block of money to the University of Nebraska. But with that, we have the University of Nebraska's budget request, and you can actually go through and dissect every expenditure, every department. There's 2,960 pages, and I haven't looked at hardly any of those pages, but they have an annual general operating budget which is 334 pages, that's the abbreviated version. If you want to see where your money is being sent and how they are allocating those dollars, that's a good way to look at the budget. The other thing that they provide is departmental listing in six volumes, 7,400 pages,... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

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SENATOR STINNER: ...if you want any more information. Comprehensive annual audit report-- read it; it's 110 pages. I've read all four years since I've been here. It's an interesting read. It tells you about their debt, tells you about debt service. It tells you about the operating. It tells you about the foundation. You also have salary information contained in the annual personnel roster; and I will tell you this, that this peer group that we are talking about, happened 25 years ago, and it was an agreement between appropriations. There was a fight between appropriations, Scotty Moore happened to be chairman at that time, and they agreed upon a peer group in which to evaluate how the university is going. We have kept that peer group in place and we do look at that and do refer to that. I also have a strategic plan. I also have reviewed the extension division and the review of the extension division. The university is doing a great job. This is our state. And we can talk about all the other educational institutions. This is ours. [LB944]

PRESIDENT FOLEY: Time. [LB944]

SENATOR STINNER: Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Stinner. Senator Morfeld. [LB944]

SENATOR MORFELD: Question. [LB944]

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. Senator Morfeld. [LB944]

SENATOR MORFELD: (Inaudible.) [LB944]

PRESIDENT FOLEY: Correct. [LB944]

SENATOR MORFELD: 25 votes, I'd like a call of the house then. [LB944]

PRESIDENT FOLEY: There's been a request to place the house under call. The question is, shall the house go under call? Those in favor vote aye, those opposed vote nay. Record, please. [LB944]

CLERK: 26 ayes, 4 nays. [LB944]

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PRESIDENT FOLEY: The house is under call. Senators, please return to the Chamber and check in. The house is under call. Unauthorized personnel please leave the floor, the house is under call. Senator Morfeld, when they are all checked in, you can accept call-ins or request a roll call vote. [LB944]

SENATOR MORFELD: (Inaudible). [LB944]

PRESIDENT FOLEY: Will do. Members, please check in. Senators Albrecht, Bolz, Kolowski, Scheer, Lindstrom, Riepe, Chambers, Wayne, Brewer, Lowe, Larson, please return to the Chamber and check in. The house is under call. Senator Kolowski, Senator Wayne, Speaker Scheer, please return to the Chamber and check in, the house is under call. Waiting for Senators Kolowski and Wayne. All members are present. The question for the body is whether or not to cease debate. There's been a request for a roll call vote in reverse order. Mr. Clerk. [LB944]

CLERK: (Record vote taken, Legislative Journal pages 1066-1067.) 30 ayes, 1 nay, Mr. President, to cease debate. [LB944]

PRESIDENT FOLEY: Debate does cease. We are still under call. Senator Erdman, you are recognized to close on AM2405. [LB944]

SENATOR ERDMAN: Thank you, Lieutenant Governor. Interesting debate and conversation this afternoon. I listened to Senator Bolz's comments about the chamber of commerce. If I was the chamber of commerce in Lincoln and Omaha, I would be all for the university getting more money as well. Because you see, when you come into Lincoln, no matter which direction you come from, when you get in the city limits if you roll down your window in your vehicle, you can smell taxes. This city functions on taxes. You take away the state employees in this state and the university and you have Sidney...that's exactly what you have. So getting testimony from the chamber of commerce as to what you should do with the university does not surprise me at all, and it makes absolutely no difference to me, because that's why you do. Because every dollar that comes from everywhere across the state comes here, and it helps their economy, and that's why Lincoln is growing and the rest of us are shrinking. So we are talking today about trying to get the university to be more efficient in what they do, cutting back on the administrative expenses. Senator Halloran gave me an idea how you can do administration by distance. It makes a lot of sense. Senator Kuehn pointed out exactly what we all should understand, is that there are other colleges that do educate more students than the university. So if the university does a certain amount of economic development, then these other universities do more than that, because they have more students. So the university is not the engine that drives the state. The university is here because we are here. It's not the other way around. I'm not opposed to the university and what they do. I want the university to spend our money wisely, and they are not

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doing that. So that's what this is all about. So I would ask you to vote green on AM2405. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Erdman. Members, you heard the debate on AM2405. 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. [LB944]

CLERK: 10 ayes, 32 nays, Mr. President, on the amendment. [LB944]

PRESIDENT FOLEY: The amendment is not successful. I raise the call. Items for the record, please. [LB944]

CLERK: Mr. President, Senator Thibodeau offers LR358; Senator Bostelman LR359, both will be laid over. And Enrollment and Review reports LB946 as correctly engrossed. That's all that I have. Thank you. (Legislative Journal pages 1067-1068.) [LB946 LR358 LR359]

PRESIDENT FOLEY: Members, we've moved off the university amendment. Many of you had your lights on. You may want to turn your lights off if you do not want to weigh in on the next item. But we are off the university issue at this point. Next item, Mr. Clerk. [LB944]

CLERK: Mr. President, pursuant to the Speaker's powers under the major proposal rule, the next amendment is Senator Wishart, AM2514. (Legislative Journal page 1034.) [LB944]

PRESIDENT FOLEY: Senator Wishart, you are recognized to open on AM2514. [LB944]

SENATOR WISHART: Thank you, Mr. President. While I have been working really hard today with members of the Legislature to see if we can come to a compromise on Title X. To me a compromise means that everybody has to move a little. Usually when you walk away from a compromise everybody feels a little pain, but in the end, we are all moving forward on what we think is the best policy decision and what we can make happen when we have a diverse group of 49 senators. So with that said, I have brought one amendment that I think addresses some of the concerns that I had heard during the General File debate in terms of the audits that came to light in 2015 and 2016, the financial audits, and some of the concerns the Department of Health and Human Services had in terms of making sure that no Title X funds are used inappropriately. And so the amendment that I have introduced creates a pretty clear firewall for financial separation for any clinic that receives Title X funds, as well as creating more accountability in terms of requirement for monthly reporting. I think that this amendment addresses any concerns that our constituents have with making sure that financially we are responsible with Title X dollars and

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we are not putting any Title X dollars in jeopardy with any future audits that may have some problems. With that, I look forward to the discussion on this amendment. And as I said, I have been working on another amendment, hoping to get additional compromise on this issue so we can move forward with the budget. Thank you. [LB944]

PRESIDENT FOLEY: Thank you, Senator Wishart. Debate is now open on AM2514. Senator Hilgers. [LB944]

SENATOR HILGERS: Thank you, Mr. President; good afternoon, colleagues. I rise in opposition to AM2514, although with some of...initially what I've looked at. And I want to at least compliment and thank Senator Wishart, Senator Bolz, and others, since our debate last week we have had significant and, I think, very good faith conversations in an attempt to work through what disagreements we might have. I think there are issues that can be resolved. I think there might be some philosophical issues that may not be able to be resolved. But I can say over the last several days, with the meetings I've had with Senator Wishart, Senator Bolz, the Speaker, and others, Senator Morfeld, I think we've made multiple efforts to try to work through this as best that we can. And I certainly am committed to continue to do that effort. So I appreciate what Senator Wishart has done. With what I've seen so far of the amendment, as I told her, if it's similar to what she showed me before we started discussing today, I remain opposed, but I'm willing to continue to work with Senator Wishart. So that is not necessarily a firm opposition; I still remain open to compromise and continue to work. I want to reset the debate a little bit. I don't have a lot of time. But I do want to go over a couple points and have a discussion over why it is that we need to do this anyway. And I think it ties in a little bit with Senator Wishart, part of the opposition I have with Senator Wishart's amendment. Part of what her amendment does, at least that I see on the gadget is that it says that a provider "shall," "shall," mandatory, shall provide for a referral for an abortion upon request. That is very critical language. Because we had a long conversation about this last week, but federal statute, the Weldon Amendment that we discussed last week, dictates that you cannot receive funding, an entity cannot provide funding in the context of federal DHHS or receive funding if they are going to use that funding in a way that would discriminate against those who decide not to refer for abortion. Now we had a long conversation, and I expect it to come up again today, that while the Weldon Amendment, which is what I've been referring to, well that's really a conscious clause restriction, and that actually is not something that would apply here. And, colleagues, I deeply disagree. And I laid out my statutory analysis last week on the mike, which is when you have clear language in a statute, and that statute does not say anything other than you cannot receive funds if you discriminate against those who do not refer for abortion, if you cannot receive funds...you cannot receive funds, it does not carve out conscious at all. Now I'm not asking you to take my word for it. I'm going to quote...since last Thursday and into today, one of the things that I have done is actually go in to and see what has the federal government said about the federal statute in the interplay between a federal regulation that was passed or issued in the Clinton era with the more recent and still good

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law, Weldon Amendment. And I'm going to quote from the Federal Register, there was a notice of proposed rule change, and this is...I think this is directly on point and directly deals with the counterargument that we've heard about the Weldon Amendment and why I cannot, in part, support the AM2514. And this is...I'm quoting from a January 26, 2018, proposed rule, it's Volume 83, Number 18 of the Federal Register, and it talks in significance detail about what the Weldon Amendment says, it goes into depth about what the plain text of the amendment says. And I'm quoting from 3891, and what it says is, it quotes the Weldon language which says...which says that you cannot...states that funding shall not be available to an agency program or government, if that agency program or government subject to any institutional, individual, healthcare entity to discriminate on the basis that that entity does not provide or refer for abortion. What it says is...I'm quoting...while Weldon certainly protects objections based on conscious or religion, which is one of the points Senator Morfeld and others have made... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: ...nothing...nothing, colleagues, in the text limits its protections to those context. The legislative...now opponents of my view have said, well, the legislative history says something to the contrary. But the Federal Register that a federal Department of Health and Human Services says to the contrary, colleagues, the legislative history of the Weldon Amendment cannot be used to contradict or limit the plain text of the statute. And in any event, the legislative history in the form of a floor statement from the amendment sponsor, representative Weldon, reinforces the plain meaning, because he said on the floor the amendment simply states that you cannot force the unwilling to participate. So that would include, according to the amendment sponsor, those professionals who say they are pro-choice and supportive of Roe, but would otherwise would rather not perform abortions. I'm going to go into a little bit more detail next time on the mike on this Federal Register, but what this amendment would do would be in direct contribution with the regulation statutes that apply from the federal government and would put our funding at risk. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Murante. [LB944]

SENATOR MURANTE: Thank you, Mr. President. I will yield the remainder of my time to Senator Hilgers to continue. [LB944]

PRESIDENT FOLEY: Thank you, Senator Murante. Senator Hilgers, 4:45. [LB944]

SENATOR HILGERS: Thank you, Mr. President; thank you, Senator Murante. With that additional time, I'll be able to sort of go in a little bit more depth with what I was sort of

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skimming through. So the Federal Register is...this is where...this is the mechanism through which new rules are proposed from the federal government. So when we were speaking last week, there was the discussion of--well, you have a federal regulation that says you shall refer for abortion upon request, by the way, directly mirrors the language that's in AM2514, in terms of you must refer upon request, but you have a later in time federal statute that is still good law that contradicts with that regulation. And we spoke last week about how our system of law works. And how our system of law works, is we have a hierarchy of legal authority. The very top of that hierarchy is the constitution; the next are federal statutes; the next are federal regulations, and these are all assumed they are validly issued and authorized; and then you get into state law. And so a federal statute supersedes a federal regulation where they contradict. And so when we read the plain language of Weldon, it says you can't discriminate based on referrals. And that doesn't say anything about whether you are pro-life or not, or you're pro-choice or not, or you have any religious beliefs whatsoever. It says you can't. And that's the plain language of the statute. Now last week the argument was, well, Senator Hilgers, I guess...I understand it doesn't say anything about conscious, it doesn't say anything about religious beliefs in the Weldon Amendment, but did a Google search, and there's some items on the HHS Web site that sort of contradict what you are saying. And, oh by the way, there's floor history from the floor debate from when this was passed that contradicts what you are saying. And the core principle of law is that when you have an unambiguous statute, you cannot contradict or change the meaning by what we all say on the floor. What we say on the floor is important. It's a record that is being laid. It helps provides in some context interpretive guidance, but you can't take what is a clear statement of law and undermine it or override it based on the language that we...the things that we say on the floor. That's just a basic principle of law. But when you apply those principles here, I think it's very clear that the Weldon Amendment supersedes the federal regulation. But the reason I'm reading from the Federal Register, colleagues, is that this is the...what...the authoritative guide for how to interpret federal regulations in light of federal statute, in the absence of a binding court ruling is the federal agency itself, the Department of Health and Human Services, and they are the ones who issued this proposed rule. And they agree with the construction that I put forward before this body both today and last week. And what they said was, they quoted the language, as I did before, and here is the quote: While Weldon certainly protects objections based on conscious or religion...and I will pause there, I don't disagree that it certainly would cover conscious and religion, but it's not limited to that is the argument that proponents of this language are making. It goes on to say: Nothing in the text limits its protection to those contexts. It goes on to say, reaffirm the point that I've made which is that you can't have legislative history contradict a clear statute. Here is what it says, quote: The legislative history of the Weldon Amendment cannot be used to contradict or limit the plain text of the statute. It goes on to say: In any event, the legislative history in the form of a floor statement from the amendment sponsor, Representative Dave Weldon, reinforces the plain meaning of the amendment. Representative Weldon stated that his amendment simply states...this is a quote of

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Representative Weldon...simply states: you cannot force the unwilling to participate in abortion. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: ...and that it protects....thank you, Mr. President...and that it protects those who choose not to provide abortion services, including those health professionals who say they are pro-choice and supportive of Roe v. Wade but would rather not perform abortions themselves. Colleagues, this is the federal Department of Health and Human Services, in January of 2018, interpreting the scope of the Weldon Amendment. In light of many of the arguments that are being made on the floor in terms of the legislative history and this attempt that I do not believe is in any way justified by the language of the amendment to limit it from a broad discrimination statute, one that prohibits discrimination against choosing to refer for abortion for any reason to one to a small subset of reasons. Next time at the mike, I will talk about why that is very critical to our funding...the ability of us to continue to receive Title X funding here in the state of Nebraska and what the Federal Register has to say about that as well. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. (Visitors introduced.) Continuing discussion, Senator McCollister. [LB944]

SENATOR MCCOLLISTER: Thank you, Mr. Lieutenant Governor; and good afternoon colleagues. I rise in support of LB944 and also favor the continuing effort to modify the Title X language in the bill. I oppose inclusion of the Title X language in this appropriation bill. The Title X issue is just a policy issue and it shouldn't be in a budget bill. The Title X issue is an end-around effort knowing that the policy itself would never stand up to our 33-vote cloture rule. I think it's a devious effort to include Title X appropriation in this particular...this bill. And I would support continuing discussions to strip that language from the bill. With that, I would give Senator Krist the balance of my time. [LB944]

PRESIDENT FOLEY: Thank you, Senator McCollister. Senator Krist, about four minutes. [LB944]

SENATOR KRIST: Thank you, Mr. President. Thank you for your courtesy, Senator McCollister. Good afternoon colleagues, and good afternoon Nebraska. We had this discussion at some length just a few days ago, we're going to have this discussion again at some length, an extended debate. My intention would be to see this fail cloture and then bring it back when we have everyone's attention, because I don't think we have the administration's attention nor do we have a reasonable amount of cooperation when it comes to looking at a compromise. I think that it's

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great to stand up here and say I oppose a compromise for these reasons, but I think that if you're genuinely...if you listen to Senator Wishart and her opening, the idea is that not everyone is going to be happy at the end of the day, but we are going to get something done. So if that's what it takes, and remember, as I said on the mike previously, we don't have to pass this budget bill. We don't need to pass this budget. We have got a budget in place. There's going to be an awful lot of people hurt. And if that's what it takes to bring people to the table and talk about Title X, as I said several times, Governor, come to the table. Because this isn't a shot across the bow. We don't have to pass a budget bill. Is that a threat? No. It's not a threat. I just think at this point we are taking a major policy issue and we are putting it in an appropriations bill. And I know I will be criticized for saying that, because there's been several people who would relate that to actually doing what I did with the problem gamblers bill, but had nothing to do with that, had nothing to do with the committee process. I have two different initiatives working at the same time. One of them was a bill that went to General Affairs. The other one I was working with the Chairman of Appropriations and during the entire session. I didn't have to pull it out, I didn't have to do...one said \$500,000 and the other one said \$50,000. So, I believe that an appropriations bill does not belong...policy changes...substantive policy changes do not belong in a budget bill, in an appropriations bill. It just shouldn't happen. We can talk about it again, and we will. I was wondering if Senator Stinner would yield to a question. [LB944]

PRESIDENT FOLEY: Senator Stinner, would you yield, please? [LB944]

SENATOR STINNER: Yes, I will. [LB944]

SENATOR KRIST: Senator Stinner, how much money is allocated or appropriated in Program 125? And that's a question I will place to you now. I'm next in the queue. I will just ask you to take a look at Program 125, and tell me how much money is there when I get back up on the mike again. [LB944]

SENATOR STINNER: Okay. [LB944]

SENATOR KRIST: Colleagues, it is indeed a policy issue that's been injected into our appropriate process. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR KRIST: Is that one minute, sir? [LB944]

PRESIDENT FOLEY: One minute. [LB944]

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SENATOR KRIST: Thank you. A policy issue that has been injected into our appropriations process. We appropriate, we legislate, and we've applied oversight. We've talked about oversight this entire session, we talk about appropriations now. It doesn't belong there. It's never belonged there. It is an end run, and I believe it needs to be removed, at least compromised in terms of the subject matter that's there. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Krist. You are next in the queue, you may continue if you care to do so. Senator Krist. [LB944]

SENATOR KRIST: Sir, the legislative staff and Senator Stinner are trying to get me a number for Program 125. But I think it goes to character that we talk about how budgets are put together and exactly how much money is there. This is a man in the corner office who is used to getting his way and doing anything he needs to do, including buying back the death penalty and illegally buying drugs. Program 125 is a transition program. Every Governor back to the beginning of the budgetary process has put money into a transition program during an election year. Why? Because he may not be Governor, and the next Governor may decide he wants to transition in a different way and save money. The arrogance of this Governor to not put it in the budget is indicative of the way that we are being treated in this legislative body with this appropriations bill and with this budget indeed. Program 125 has zero money in it. Senator Stinner, could you confirm that on the mike for me, please. I'd like to ask Senator Stinner a question. [LB944]

PRESIDENT FOLEY: Senator Stinner, would you yield, please? [LB944]

SENATOR STINNER: Yes, I will. [LB944]

SENATOR KRIST: I just made a statement...thank you for your courtesy in coming to the mike...I just made a statement that the transition fund, which is Program 125, had zero money in the Governor's budget and zero money in this appropriations budget, is that correct? [LB944]

SENATOR STINNER: That is correct. [LB944]

SENATOR KRIST: Okay. Thank you. So we've confirmed it. The Governor doesn't want to lose, so he's not putting any money in the transition budget. That's the arrogant way that we are being treated on this floor with this budget on a whole different issue. I for one will not vote for cloture on this bill until there is a compromise. There has to be a compromise, and it has nothing to do with Planned Parenthood, it had nothing to do with Planned Parenthood. It has to do with those clinics that are out there all over the state that potentially would be in jeopardy if they didn't do what they were supposed to do by federal law to draw down Title X. I don't think that's clear.

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And on my next time on the mike, I will talk about what's happening in California. If we don't make changes because of some court case, some Supreme Court ruling, as in LB44, let's talk about what's happening in California right now with their Supreme Court case. I see no sense of urgency to change what has already been working in this state. We do not fund abortions. There is a separation already in those facilities. This might be as the Governor calls it a pro-life state, but the significant piece of legislation so far is a license plate and simply regurgitating language that's been in our budget forever. Thank you, Mr. President. [LB944 LB44]

PRESIDENT FOLEY: Thank you, Senator Krist. Senator Clements. [LB944]

SENATOR CLEMENTS: Thank you, Mr. President. I'm standing in opposition to AM2514, in support of LB944. I believe the existing language in the bill is sufficient, and similar language has been done in federal budgets. I believe the Hyde/Weldon Amendment was part of a federal budget. During our hearing, February 5, on this issue, on Title X, Creighton law Professor Mangrum came and spoke as a proponent. I would just like to quote from some of his comments. He says: In this particular case, the language is designed to replicate the original language that relates to what was authorized and validated by the U.S. Supreme Court in Rust v. Sullivan. This is for program integrity. If in fact the program is being administered properly, the language doesn't hurt anything because the language is actually clarifying and validating what Congress originally did and what they initially set up, so it doesn't change any outcome. All it does is make it more accurate and reflective of the original intent. I asked Professor Mangrum if the Supreme Court was validating prior law or prior regulations, and he said--both. The regulation that was in place under Rust v. Sullivan had the language in it, quote, counseling concerning referrals for and activities advocating abortion, end quote. That was the language of the regulation that Rust v. Sullivan validated. So the language that's being proposed for Nebraska is the language that was in place at the time Rust v. Sullivan was decided. And he concluded saying it makes it easier to be in compliance by having more specificity, and it's not Nebraska creative language. It is the original regulatory language that's already been upheld by the U.S. Supreme Court. It's not words that are ambiguous, no one has ever seen before, it's the same regulatory language that has always been in force by the U.S. Supreme Court dealing with this very same issue. Another proponent we had was Bo Botelho, the Chief Operating Officer of the Nebraska Department of Health and Human Services. And he says the proposed amendment is needed to ensure program integrity through enhanced clarification. Currently, there are 42 sites across the state, and each organization that currently receives funding can continue to do so as long as their policies and practices are consistent with the adopted language. We do not see a decrease...foresee a decrease in available services because of the proposed language. The department believes other facilities would step forward if current grantees choose not to participate. And he said--I think it's important to mention it is common to lay out use of fund parameters in the state budget. The state budget is full of instances which further clarity and direction is provided about the way funds are used. And he concluded by saying--the amended language in Section 71 provides

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greater program integrity through enhanced clarity needed to be good stewards. The Chief Operating Officer of HHS wants to provide Title X funds and says that he can do that with this language. I'd like to yield the rest of my time to Senator Hilgers. [LB944]

PRESIDENT FOLEY: Thank you, Senator Clements. Senator Hilgers, about 1 minute. [LB944]

SENATOR HILGERS: Thank you, Senator Clements; thank you, Mr. President. I'll be brief, I only have about 50 seconds. I want to clarify that I think the status quo is untenable because I believe that the status quo as being currently interpreted by federally qualified health centers puts our funding at risk, especially in light of the January 26, 2018, Federal Register interpretive guide from the federal Department of HHS, which I probably do not have time to start, with about 20 seconds left. So next time on the mike I'll walk through that. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Geist. [LB944]

SENATOR GEIST: Thank you, Mr. President. And I just stand in support of LB944 and the original language and against this amendment. And I want to clarify to those who have been sending me e-mails that this money does not discontinue funding to Title X clinics. It only discontinues funding to those clinics that provide abortion services if they commingle their funds. So to be clear, if you are attending a Title X clinic that does not perform abortions, you are fine, you will continue getting your funding as usual. So I just wanted to make that clear on the record and to those who are listening on TV right now because it's an important misinformation, I think, that's getting out there. And in light of that as well, and since I like to be brief, I will give the rest of my time to Senator Hilgers, should he like it. [LB944]

PRESIDENT FOLEY: Thank you, Senator Geist. Senator Hilgers, 4 minutes. [LB944]

SENATOR HILGERS: Thank you, Mr. President. Thank you, Senator Geist; I certainly echo all the comments that you made and agree with them. Here is the problem...one of the problems that we have. There's this notion that dollars that go to clinics that provide abortions, even if those dollars are not going towards an abortion service, have the risk of commingling and given the fungibility of money, it supports an abortion in a way that is inconsistent with federal policy. That's one issue. There's another issue which is this idea of referrals. And that's really when we are speaking about the Weldon Amendment and the federal regulations, that's the conflict and I think that's an issue that puts some of our funding at risk if we follow the federal regulation that's been superseded by the Weldon Amendment. That regulation says 59.5 of the federal code...or of CFR, Code of Federal Regulations says--you have to refer upon request. And given the memo from last week that we saw, that Senator Bolz circulated from that law firm, the interpretive...the

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way that many of health centers have interpreted that is that they have to refer upon request. But recall there's a Weldon Amendment that supersedes it. This Federal Register says that the way that you interpret the Weldon Amendment in light of that regulation is the Weldon Amendment applies and prohibits you from discriminating against those who would not refer for abortion, no matter what the reason. And here is what the Department of HHS what they say about enforcement of that provision: If we were to become aware...I'm quoting now, this is from 38.91 of the Federal Register that I cited earlier...if we were aware of a potential violation of federal healthcare conscience and associated anti-discrimination laws...associated anti-discrimination laws, i.e. the Weldon Amendment, which I just had quoted in-depth from the previous discussion...If we become aware of a violation of our antidiscrimination laws, we will take action. And what will that action include: well, enforcement mechanisms would include termination of relevant funding, in whole or in part, clawbacks, referral to the Department of Justice, or other measures. This proposed rule clarifies the recipients are liable for their own compliance with federal healthcare conscience and associated antidiscrimination laws. Federal healthcare...recipients are liable for their own compliance with federal healthcare conscience and associated antidiscrimination laws. We have to ensure that we comply with the law. Recipients of funds have to ensure that they comply with the law. Well, what the federal government has said is that the Weldon Amendment controls, it's an antidiscrimination provision that is not limited to conscience. That is what it has said. If we enact a rule or a law in our budget, a law that says you must refer, we are in direct conflict... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: Thank you, Mr. President. ...we are in direct conflict with that provision. There is no other way to read it. Federal government interprets, it says you have to comply with our anti-discrimination laws. Those are not limited to conscience. And if you do not comply, you put your funding at risk. If we embed in statute that you have to refer, we are putting ourself at risk of losing all our Title X funding, period, full stop. I share the concerns with my colleagues that we need to ensure that these Title X funds go to those who need them. But if we put this into law, we're putting them at risk. If we follow...if an individual clinic or the state follows the federal regulation that has been disavowed by the Weldon Amendment and by federal government and the federal HHS, we put our funding at risk. The status quo, colleagues, is not tenable. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Pansing Brooks. [LB944]

SENATOR PANSING BROOKS: Thank you, Mr. Lieutenant Governor. Well, I rise basically in support of LB944, but again, my friends, here we are continuing to discuss this social issue when we have so many other issues to discuss in this budget. Last year, we had the same discussion.

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We said bring a bill, come forward with a bill on this. There were actually two interim study requests in the proceeding term, and there was no committee that had those interim studies or that held them. Both interim study requests were denied because they determined it wasn't a problem. Title X issues are not a problem, it's a pass through, it doesn't have an effect on the budget. So we talked about this last year, and we said come back and bring a bill. If you want to deal with this, bring a bill. But Nebraskans, how are you feeling about the fact that we aren't discussing our constitutionally mandated budget. What we're doing is...and we will continue to do this every year if these things continue to come in and Appropriations chooses to go forward and bring it on the floor. I will extend debate. I know there are others with me. We will continue to extend debate, because these are decisions that the Governor has made, that the Appropriations Committee has made, and now the Legislature has made. So we've got to decide. Why don't you bring a bill? I would like to ask a question of Senator Hilgers, please. [LB944]

PRESIDENT FOLEY: Senator Hilgers, would you yield, please? [LB944]

SENATOR HILGERS: Absolutely. [LB944]

SENATOR PANSING BROOKS: So why didn't you bring a bill, Senator Hilgers? You knew this...we had this discussion last year. If you cared so much about this, why didn't you bring a bill instead of just having the Governor put it in the budget? Wouldn't it have helped the Governor to bring a bill? [LB944]

SENATOR HILGERS: Senator Pansing Brooks, I didn't bring it last year. I didn't bring it this year. It was the Governor's decision to bring it in the appropriations bill. [LB944]

SENATOR PANSING BROOKS: Okay. But you decided not to bring a bill. But we already discussed, and so here we're in the exact...thank you, Senator Hilgers, we're in the exact same issue. And Senator Hilgers continues to discuss federal law. Yep, federal law exists, covers this area; basically has said it's not necessary. And you've heard Senator Krist say, there's no need to pass a budget, we can just take the budget we have before. Again, if we go forward, I will stand by my amendment which says cut this language out of the budget. We can bring a bill and discuss it full well next year. I don't understand what is the problem for the body to bring a bill. If we continue to allow social issues like this to come forward, we can start arguing NRD in the budget, Senator Groene. We can have that same discussion where there was a great split in the body. We can talk about gambling and helmets and property taxes and environmental issues. Let's just put it all in the budget, and then we don't have to have bills or committee hearings. The Governor can just tell us what he wants; Appropriations can say, okay, I guess that's what he wants, and we can all lie down and pretty much go home. That will be pretty easy. I'm grateful for the work of Appropriations, but this should not have come forward in the budget, no matter

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what you think about Title X, no matter where you are, if you think that this has to do with abortion or you don't, which I don't, but wherever you are, this policy issue should not have come in the budget. There was an attempt at an interim study, and both attempts failed. So Nebraska, we're not discussing funding of mental health right now. We're not discussing passing....or the pressing issues of prison reform right now. Again, Title X covers... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR PANSING BROOKS: Thank you, Mr. President. ...28,000 Nebraskans. We're talking about \$2.1 million for 40 health centers. The providers can't use Title X for abortion services. And there's no evidence of commingling funds. Everybody drops that word--oh my gosh,there could be commingling of funds. Let me tell you, they've been searching and trying to find evidence of malfeasance and inappropriate actions by the various groups. Here we are today focused on ideology and politics rather than dollars and cents in our budget. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Senator Groene. [LB944]

SENATOR GROENE: Thank you, Mr. President. I'm confused here. Tax dollars, to me, are tax dollars. By the way, there are many states who use their own tax dollars to aid abortion payments through the Medicaid. But if you look at this section, just prior to this new section on Title X, there's included in the amount shown as aid for this program \$653,759 for each of the next two years. To reimburse for the provisions of pap smears, colonoscopies, cervical biopsies, it goes on all the way to pap smears, diagnosis and treatment of sexually transmitted disease, including but not limited to gonorrhea and HPV. It goes on, pretty much mirrors what Title X, this is state money. Then it says none of the General Fund provided under this program shall be used to perform or facilitate the performance of abortion or the counsel to refer for abortion. Is Senator Krist here? [LB944]

SENATOR KRIST: I am. [LB944]

SENATOR GROENE: I have a question for you. [LB944]

PRESIDENT FOLEY: Senator Krist, will you yield, please? [LB944]

SENATOR GROENE: Senator Krist, you've been in the body for what, ten years? This statement here on state funding has been in the budget since (inaudible). Do you remember if an issue came up? Where did you stand on this part of the budget for the last five, ten budgets that you've

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been here? Did you stand up and fight the state...General Funds could not be used to facilitate the performance of abortion or to consult or to refer to abortion which mirrors Title X funding? [LB944]

SENATOR KRIST: Will you let me finish my answer, if I give it to you? [LB944]

SENATOR GROENE: It's my time, sir. I learned that from you four years ago. [LB944]

SENATOR KRIST: General Funds--the key would be General Funds. We can do anything we want to do with our General Funds. When we start restricting federal funds from coming in and going to places...there's actually a Supreme Court case being heard right now on the reverse discrimination of this particular issue. [LB944]

SENATOR GROENE: Thank you, sir. I think that under reverse Supreme Court case that was in the paper, I think that was state funds in California, I'm not sure, but I'm pretty sure it was. But anyway, but it was a different...it targeted individuals who did not want to refer abortions. All we're doing here is protecting the Title X's funding by mirroring what we already have in statute. I keep hearing we never in Appropriations have told them how to spend the money and who can and can't use it. Just the section right above it, since the 2000s, I don't remember any of my cohorts that have been here as long as I have, have stood up and fought this section of General Funds because we told them we could not...HHS could not give money of state funds for somebody who does the performance of abortions or consults or refer abortions. Now, federal funding on Title X says you cannot do that; pretty much mirrors those words. I'm trying to figure out what the argument is here. We are mirroring federal legislation. We are mirroring language we already had in our budget. I'm confused. We have...let's play politics, we have right now a conservative administration at the federal level who appoints conservative people to the federal HHS. I would think we would make sure we have language that that individual in Washington reads and says, yes, they are following the federal Title X legislation. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR GROENE: That is how you protect the Title X money, because yes, like Senator Geist said, I'm for this because now it does protect the proper use of Title X in my clinic in North Platte, and other clinics who follow the federal guidelines. This language protects them, protects the women who come in that clinic, not looking for an abortion, they're just looking for help. That's who I'm trying to protect here. If Planned Parenthood wants to separate their clinics, two different offices, two different phone systems, two different receptionists, I'm fine, because there's an awful lot of women who go into Planned Parenthood looking for services, and not looking for an abortion, or don't want to be given that option of abortion. Thank you. [LB944]

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PRESIDENT FOLEY: Thank you, Senator Groene. Senator Morfeld. [LB944]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I think that a lot of what I have said in the past remains the same, and that this is unnecessary. There are already financial controls that are in place. There was an audit in the past that found that some of the funds were improperly coded and that actually none of the funds were actually used for abortions. If they were used for abortions, then they would have had to refund the funds. And so the bottom line is that we are trying to address a problem that doesn't exist to the detriment of at least 8,000 people that are served by some of these clinics that would otherwise not be able to receive these title funds. And potentially 20,000 others...so 28,000 other people that may not be able to have access to these funds; which, quite frankly, will lead to more unplanned pregnancies and will likely lead to the need or the demand for more abortions in some cases. So this actually has a counterintuitive effect based on the beliefs of many of the people that are promoting this language that is in the budget bill. I think Senator Wishart's amendment up here would solve the issue. With that, I yield the remainder of my time to Senator Chambers if he so chooses. [LB944]

PRESIDENT FOLEY: Thank you, Senator Morfeld. Senator Chambers, 3:20. [LB944]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, this is a struggle between the Legislature and the Governor. The Governor wants a campaign topic. And if you remember the debate we had last night, you heard where a number of his departments said, even though they were instructed by the Legislature to prepare rules and regulations, they said the law itself was clear enough so there need not be any rules and regulations, and they did not enact any. You've heard Senator Hilgers and others talk about what the federal law says and what it means. So if that's the case, then we don't need to put anything in the statutes, do we? But they're going to argue both sides of their mouth because their tongue has a fork in it and it goes both directions when they stick it out. The Governor is the one dictating what's here. I don't see some people...like Geist, she's not here in a lot of our discussions, a lot of these other people. I had said that the Governor is going to crack the whip and there will be more people here on this specific issue than we had this morning and on others. So, I have to be practical. Does the Governor...and it is the Governor...have enough votes to get cloture? I don't think he should be given cloture. The Legislature is debating the budget bill. We should debate it however long we need to if it means the entire remainder of the session. And if we run out of time, there's always a special session. See, this is about so-called antiabortion people. I don't think there's such a thing as abortion rights. Abortion is a procedure. Women have a right. Women are the ones who determine whether they want an abortion or whether they want a pregnancy to be carried to term. But that man in the corner office and some of these busy bodies on crotch watch here think they ought to dictate to a woman what she ought to do in terms of making reproduction choices. Now, put what I said about crotch watch by the Governor, and I'm talking about these so-called pro-life people. They're busy body, they're nosy. They got the ear to bedroom doors, bedroom walls; their

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eyes to key holes. And it always go to do something negative to a woman. They're now developing a birth control pill for men. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR CHAMBERS: You'll hear Catholics and everybody else backing off that talk about birth control being bad, because now they can have all the sex they want and don't have to worry about making a woman pregnant, and they will be giving it to these priests. These priests will be getting birth control pills so that there won't be an accidental pregnancy, as has occurred. I watched the hypocrisy; and the Legislature should not be a part of it. But that's what's happening here today. Look how many people are here. When do you see Senator Watermeier here? Look around at the people you don't see when we're having debates on other issues. They were ordered and instructed to be here, and here they are; their master's voice has spoken. This is the Governor dictating to the Legislature. And I will not be dictated to. I will not vote for cloture. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Halloran. [LB944]

SENATOR HALLORAN: Thank you, Mr. President. I stand opposed to AM2514. It is a mystery to me how through an audit it can be found that somewhere around 6 percent of the funds went to abortion that would have been Title X monies. And it's been written off that it was just a coding problem. Well, do we know that or was it done and then they just recoded it to make that look correct? I don't know. Maybe the audit clarifies that. But it seems to me that we're putting Title X to risk. We're putting all of these clinics who provide healthcare for women at risk if we run the risk of Planned Parenthood not separating abortion from their healthcare services. Nationwide, according to their own reports, abortions are up...they perform abortions they're up, it's more profitable, and their healthcare services are declining. So they can guise themselves as being there performing the services for healthcare for women, but their focus is abortion. I would yield the rest of my time to Senator Hilgers. [LB944]

PRESIDENT FOLEY: Thank you, Senator Halloran. Senator Hilgers, 3:45. [LB944]

SENATOR HILGERS: Thank you, Mr. President. Thank you, Senator Halloran. Before I came back on the mike, I was reflecting about...a number of the conversations that I've had both on the mike and off with both supporters and opponents of this bill, I was thinking about it when Senator Pansing Brooks was speaking. And I do want to just say that I deeply appreciate the conversations that we've had, even with people who might disagree philosophically on this particular issue. I think we have to...I think there's been, certainly from the people I've spoken with, a real effort to try to reach compromise. Sometimes philosophy won't let you get there, but

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I think there's been a real effort to try to resolve this and talk it through in a good-faith way. So again, I'm deeply appreciative of that. And I want to turn now to one of the points that have been made that I've heard which is, well, this really doesn't belong in a budget bill and why don't you bring a bill. And I will give you one actual reason why we ought not to bring in a bill, which is that these federal regulations, as we've seen from the Federal Register that I cited, are not...do not have the same sort of permanency that a statute might have. And so right now, we're under an administration that is interpreting these guidelines, and I think correctly, in a way that would say that you are putting your funding at risk if you refer for abortion, if you discriminate against those who do not want to refer for abortion, you're putting your funding at risk. But that could change. And in a couple years we could have a new administration. And if we put this into statute, it becomes that much more difficult to change down the road, whereas when we're looking at this every two years through the biennium budget process. So actually I think there's a good reason to not have it in statute, but also I think there's a very good reason to have it in...I'm sorry...not statute, but in the budget bill versus through a standing committee, but I think there's very good reason to have it because it naturally fits within the budget bill. What we're dealing with is the appropriation of money. We are setting...using the plenary powers that we have as a body, conditions on which the receipt of those funds...the receipt of those funds in which they're conditioned. That is what we're doing. That's within the authority of this body to do. And the place to do that is within the budget bill. In fact, for those of you who might have some questions as to well why is this being done now? One answer to this is that it's been done on numerous occasions before, not specifically with Title X, but it has dealt with funding for abortion. So I cited a 1999 budget bill, LB880, that said none of the General Funds provided here...provided under this program shall be used to perform or facilitate the performance of abortion... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: ...or to counsel or refer for abortion. Thank you, Mr. President. That was in the budget bill, colleagues. That was not through a standing committee, that wasn't through a stand-alone bill, that was in a budget bill. That language, by the way, is identical...was in the budget bill that this body voted on last year. And I do not recall there being debate on that particular bill. I've got the mainline budget from last year that we voted on then. I will cite to LB480 from 2000 which said no funds expended or received by or through this particular initiative shall pay for abortion referral or abortion services. That's another example, colleagues, of this type of legislation not being done through a standalone bill, but doing it through the natural place for this type of action which is in the Appropriations bill. We're setting conditions of the appropriation of dollars. The natural place for that is within an Appropriations bill. And I think that is why this bill was brought through the Appropriations process. I think it has a natural home there. And I think it's very much appropriate for this discussion today. Thank you, Mr. President. [LB944]

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PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Chambers. [LB944]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm so disappointed in Senator Hilgers and I will say it. First of all, to suggest that the appropriation of money from the state General Fund is on the same basis as money that is sent and made available by the federal government. I'm not aware that when a budget is being discussed and you talk about rainy day funds you include in what can go into a rainy day fund money that might come from the federal government. When they determine how much money the state has, they talk about revenue raised by state sources. That's what that Forecasting Board that uses tea leaves and Ouija boards are talking about, not federal money. They're talking about the amount to be realized from taxes or revenues raised by the state. So for Senator Hilgers who knows better to equate these federal funds with state money that comes from state taxes is, I think, disingenuous at best. And he gets drawn into these simple-minded positions that these simple-minded people following the Governor who is anti-woman and they keep giving him the time, giving him the time, he keeps taking the bait, and going deeper and deeper and deeper. This Governor has never done anything that was uplifting to or respectful toward women, that would deal with doing away with these crimes against women, specifically. I don't know that he offered a proclamation to recognize March as women's history month. Maybe he did and did it quietly. I'm not aware of anything he's done. And there are women on this floor running behind the Governor because he helped them get into office. And this Governor is more anti-woman than any that I've seen since I've been in the Legislature. And he's playing these idiotic people in this state who call themselves pro-life by saying, look what I've done; I'm pro-life. And all they need to hear is that slogan. Look at his actions. Look at his conduct. Listen to him the rest of the time. You all are not going to pay any attention to anything I say, but I'm saying it for the record. I'm saying it for the people who watch because they can distinguish between those who are sick of fans for the government and the Governor specifically here and those who are concerned about the lack of accessibility and availability to women of healthcare. They're the ones who know what we're talking about, those who cannot have the access right now. So on this floor, Senator Hilgers and those who are sitting here today, because the Governor told them to be here, can say anything they want to, but the people who are affected know what the situation is. I haven't even heard Senator Hilgers talk about this doctor who looked at women's...and I'm going to say the word...looked at state female women...females who wanted to be state troopers, looked at their vaginas. He made them put their feel flat and spread their legs, Senator, and he looked at their vaginas and their anuses. That's what the doctor did. Where is this sucker on the Lincoln radio station when it comes to what that doctor did. And HHS has not taken any action against his license yet. And yet all these people play like they're interested and concerned about women have said nothing. One of the troopers to whom it happened testified before one of our committees... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

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SENATOR CHAMBERS: ...and talked about what it did to her in terms of being humiliated and violated in that way. There was no response from senators. That's what I look at. I'm not going to vote for cloture. I'm one person. I cannot bully...be bullied by the Governor or intimidated by the Governor or anybody else. I will not vote for cloture. I hope there are enough people who will not vote for cloture. You are not facilitating our legislative process. You're knuckling under to the Governor. He is in charge. I know that. But I'm saying this once, if not again, we ought to behave more like a pride of lions than a flock of sheep. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Chambers. Senator Hilgers. [LB944]

SENATOR HILGERS: Thank you, Mr. President; good afternoon, again, colleagues. I want to respond to a point that Senator Chambers made at the beginning of his comments. Well, actually, I think it is...I agree with...certainly agree with, in part, and disagree in its application in a way, but I think it really highlights the issue that we have here with the status quo. And so what Senator Chambers...the distinction that I heard him draw was between the use of putting restrictions on General Fund dollars, which are state funds, versus putting restrictions on federal dollars. And I want to...the way...I agree with the concept that the state cannot put restrictions that conflict with other requirements that the federal government might impose on the use of dollars, so to that extent, I agree with Senator Chambers. I disagree with the application of that argument in a single subject rule, which is a conversation that I had with Senator Krist last week, which I will touch on perhaps a little bit later in my comments or another time on the mike. But the reason why I think this is really important is...and I will turn back to the HHS regulation...if we are doing something that is in conflict, either "we" being the state or the recipient of the funds, if we're doing something that is in conflict with federal requirements or conditions that are attached to these funds, then either the state or that recipient risks losing those funds. I think that's a general principle that is absolutely true. To that, I agree with Senator Chambers. But here is the issue, colleagues, federal HHS has said that you must comply, recipients and states, you must comply with the antidiscrimination and healthcare conscience clause...those are two separate things...you must comply with both. If you don't...and by the way...compliance is up to you, so you've got to do it yourself, no one is going to come and tell you, but if you don't, there are enforcement mechanisms that include, quote, termination of relevant funding in whole or in part, clawbacks, referral to the Department of Justice, or other measures. So we absolutely...and I agree with Senator Chambers...we can't create rules that contradict with federal conditions. That is precisely what AM2514 would do, at least part of the language, because that language says you must refer upon request; you shall refer upon request. It doesn't take into account someone who doesn't want to refer for a religious reason or otherwise. And because it doesn't, it is in direct conflict with federal regulation in statute as interpreted by the federal Department of Health and Human Services. That puts our funding at risk. Now take that language away and let's just say we're at the status quo. Well as indicated by, I think, evidence by the memo that was circulated last week and by some of the conversations I've had off the mike, if there are

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recipients of those funds who are referring upon request and are not allowing those who do not wish to refer...the opportunity not to refer...and are treating it as mandatory, they also would be running afoul of the Federal Register...of the guidelines as interpreted by the federal government. So I think it's a critical point and actually it goes to the heart of the argument for those who wish to have this language remain in LB944, because I do want to see those funds continue to be dispersed. And I do want to see those funds get to the hands of the healthcare providers who can use them to help people. But the status quo or language that will be in direct conflict with federal conditions of those funds, that put those funds at risk is not acceptable to me. And I think it's not acceptable to a number of other members of this body. And so I do believe that this is appropriate to be had...this type of restriction for appropriations is appropriate in our Appropriations bill. Now, the distinction has been made, this federal general fund distinction has been made in regard to the single subject rule. [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: I know Senator Krist and I have had some conversations...thank you, Mr. President...I think it was alluded to perhaps by Senator Chambers, or at least implied in his remarks, we've had this conversation. And last week I told Senator Krist, I said it on the mike and off the mike, that I would do my due diligence. I had not heard that particular argument on the floor and I'd consider it, yeah, but I think we all ought to...for arguments we had not considered that might have constitutional merit, we ought to, I think, in my view, I ought to go and investigate those. So I did do additional research on the single subject rule. The short answer is I don't think it applies here for a number of reasons. I probably only got about 20 seconds left, so I won't go into those reasons here, but I will the next time on the mike. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Murante. [LB944]

SENATOR MURANTE: Thank you, Mr. President; members, good afternoon. I rise in support of LB944, and in opposition of AM2514. I do appreciate the words and the legal knowledge and expertise that Senator Hilgers always brings to the table in discussions like this. In my view, it comes back to a far more fundamental question than the legalisms--Do you believe that taxpayer dollars should be given to abortion providers or not? Do you believe that in our budget, Title X dollars should be given to abortion providers or not? Do you believe that providing taxpayer dollars to abortion is worthy of filibustering the entire budget or not? Do you believe that we should shirk our constitutional obligation to adopt a budget over whether or not abortion providers get taxpayer dollars or not? This is our job. This is why taxpayers sent us to this Chamber, to adopt a budget. And I believe that every one of us, all 49 members of this body, have a provision in this budget with which we disagree. The logical conclusion is not to filibuster

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the budget because we're not getting our way on a public policy. And I have to say to those who say that they don't believe that public policy ought to be in the budget, you can't support AM2514 because AM2514 is a public policy that's in the budget. This is not a removal of the Title X language out of the budget, friends. It is a modification of what came out of the Appropriations Committee, but it does not remove the language. It is every bit the substantive public policy as what is currently contained in the budget. If your objective is to remove public policy from the budget, AM2514 is not the solution, it does not achieve that end. I agree with Senator Hilgers and his conclusion that it puts us on very thin ice on what to me is plain federal language. But it does not accomplish the end of taking public policy out of the budget. And once again, the irony is this body today voted to pull a bill out of a committee, a legislative bill that had a public hearing that failed to advance to the floor and put it in the budget. And most of the folks who voted in favor of that are now saying public policy has no place in the budget. So this is a brand new philosophy that just started on LB944 and appears to only apply to getting money to abortion providers. And I will say again, as I said on General File, the people of this country and the people of this state are united on the issue of whether taxpayer dollars ought to be given to abortion providers. The super majority of this country can agree, whether you consider yourself to be pro-life or pro-choice, where you stand on abortion laws and regulations, one thing most folks can agree upon is that it is an issue with which taxpayer dollars should not be appropriated. And it is only a radical fringe extreme who believes that taxpayer dollars ought to be given to abortion providers. And to hold up a budget, to prevent a budget from being enacted... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR MURANTE: ...is irresponsible, and it is a dereliction of our duties and our oaths of office. We are here to do a job. Our job is to pass a budget. I think we should have an up or down vote on AM2514. If there is a further amendment to have the language stricken from the budget in its entirety, I would fully support an up or down vote on that. I will oppose both, but I think both are worthy of discussion and a vote. But at the end of the day, we need an up or down vote on cloture. We need a yes vote on cloture so we can get an up or down vote on the budget, because that's what we're here to do. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Murante. Before proceeding, items for the record? [LB944]

CLERK: Thank you, Mr. President. Senator Harr offers a new resolution, LR360; it will be laid over. Amendments to be printed: Senator Friesen to LB1103; Senator Morfeld, LB948; Senator Chambers, LB596; Senator Kolterman, LB1005. That's all I have. Thanks, Mr. President. (Legislative Journal pages 1069-1070.) [LB1103 LB948 LB596 LB1005 LR360]

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PRESIDENT FOLEY: Thank you, Mr. Clerk. Continuing discussion, Senator Thibodeau. [LB944]

SENATOR THIBODEAU: Thank you, Mr. President; good afternoon, colleagues; good afternoon, Nebraska. Again, I am standing in support of LB944 with the Title X language currently in there. I have not changed my position since our last debate on this. I have heard from many people throughout the whole state of Nebraska stating to please keep their tax dollars safe and not allow them to go toward providing abortions. I want to kind of reiterate what Senator Murante said, pro-choice, pro-life, regardless of your stance, people do not want their tax dollars paying for abortions. And this is something that we do need to ensure. And as Senator Hilgers has pointed out several times, this has happened, there has been a commingling of funds and we need to make sure that this no longer happens. And with that I would like to yield the rest of my time to Senator Hilgers, if he so wants it. [LB944]

PRESIDENT FOLEY: Thank you, Senator Thibodeau. Senator Hilgers, 4 minutes, if you care to use it. [LB944]

SENATOR HILGERS: Thank you, Mr. President; thank you, Senator Thibodeau. I want to echo the comments made by Senators Thibodeau and Murante. You know, I understand the discussion last year was maybe of a little bit different tenor in terms of the procedural process. I think what's been very clear here is that this procedure process has been followed. There was a bill introduced through the Appropriations...that was referred to the Appropriations Committee as part of the budget. There were hearings on this particular amendment. There was discussion on this amendment. The amendment was adopted as part of the committee package. There were attempts to modify or strike that language in the Appropriations Committee process; those attempts failed. We are now on the floor. There are now attempts at those attempts to either modify or strip out the language--fail. That would mean we've had multiple bites at the apple on a significant policy issue and I do think that it is irresponsible to not pass this budget bill. I don't think we should be in the business of not voting for cloture on a budget bill. I think that is the paramount responsibility of this body. And when we are in a normal year, the first year of a biennium, as has been noted many times here, the only thing that we have to do here in a normal year is pass a budget. That's not necessarily true this year, but it is the paramount first responsibility of this body to fund the government. If we do not do that because of the attempts to strip out this language fail, I think that's irresponsible. And keep in mind, who would be the ones that would be stopping this budget bill from moving forward? It wouldn't be those who are proponents of this language; those proponents had the votes in the committee. Presumably, if we get to that point, we'll have the votes on the floor. I, for one, will be voting for cloture, as well as a number of my colleagues who are supportive of the language in LB944, as well as many who don't support the language that's in LB944, but understand that our paramount first responsibility is to pass this budget. We have to fund government; we have to do it the right way. So I hope that

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when we get to cloture that it is...I understand Senator Chambers will not vote for cloture, but I hope it's 48 to 1. Turning back to...how much time do I have, Mr. President? [LB944]

PRESIDENT FOLEY: 1:30. [LB944]

SENATOR HILGERS: Okay, just briefly, I want to talk about the single subject rule, but I didn't leave myself enough time to speak on that. So I do want to talk about this notion, this distinction that's being made between state general funds and other funds and what the Legislature can and cannot do with those funds. I want to cite to a 1987 Nebraska Attorney General Opinion that deals with an analogise context. And the question before the Attorney General was whether or not a specific legislative appropriation was needed in order to place restriction on non-General Fund funds. And these weren't federal funds, but the Attorney General likened these grant funds, these custodial funds to federal funds and treated them the same way. And what the Attorney General said--the Legislature may direct the use of these funds to the same extent in the same manner that it directs use of any other appropriated funds received from sources, outside of general tax revenues and other fees associated with the general operation of state government. The Legislature has plenary or absolute power over appropriations...plenary or absolute power, colleagues. They may make them upon such conditions and with such restrictions as it pleases within constitutional limits. One constitutional limit is the supremacy clause in the United States Constitution which restricts us from passing things that are in conflict of federal regulation or statute. That is exactly why the language in AM2514 can't...I believe cannot...should not be put a part of this bill because that directly conflicts with federal regulations in statute, it's determined by the Department of Health...federal Department of Health and Human Services. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Vargas. [LB944]

SENATOR VARGAS: Thank you very much, Lieutenant Governor. Colleagues, I've spoken on this issue before. I believe that there are...if there are problems that arose that we need to figure out what we can do in terms of internal program integrity, if that's really the case, that there's more that we can potentially do internally. We did have a representative from the DHHS come and testify, that was Bo . And what we did not have the opportunity to have Dr. Courtney Phillips, our CEO of DHHS weigh in. We had her come and testify, but we didn't have a more formal statement as to what she believes. And I wanted to make sure this is just in the record, this is a letter, 3-18, protecting Title X for Nebraskans and this was in the Journal Star, an editorial. And she writes: We must protect Title X family planning related health services for women and men across Nebraska. That is why Governor Pete Ricketts' initiative is important, it protects access for Nebraskans by assuring the program is paying for permissible services and not abortion-related services. The Nebraska Department of Health and Human Services has

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provided Title X funds to communities across the state since 1971 and the program plays an important role in providing care to our fellow Nebraskans. However, more must be done to ensure the program is not at risk because of federal dollars being spent on abortion-related services, which are outside the scope of the program. Programs across the agency are audited and it was found that Title X funds were used to pay for abortion-related services. This is not a judgment on whether the funds were intentionally or unintentionally used for this purpose, it is simply a statement about the findings. This put the entire program at risk. Governor Ricketts' proposal states that a Title X clinic must be objectively independent of an abortion provider. For example, have different staff, accounts, etcetera. These clinics also cannot directly refer to abortion providers. These updates do not change the services Title X clinics provide, they ensure Title X funds are not misused and protect access. Nebraskans will continue to receive the quality care they need as taxpayer dollars are spent appropriately. Dr. Courtney Phillips, CEO, Nebraska DHHS. If we're talking about issues with coding, if we're talking about issues with mismanagement, potentially, of funds, keep in mind, we should be doing everything we can to then make sure their financial mechanisms on the front end so that we are accounting for this. Remember, this is a lump sum, and on the back end an audit. We can require more financial reporting, that is something we can do. But I wanted to make sure this was in the record in terms of what was her perspective intention on Title X. I will yield the remainder of my time to Senator Krist, if he will have it. [LB944]

PRESIDENT FOLEY: Thank you, Senator Vargas. Senator Krist, 2:18. [LB944]

SENATOR KRIST: Thank you for your courtesy, Senator Vargas; and thank you, Mr. President. I passed out to you an analysis in the Supreme Court this month, the title--Analysis in the Supreme Court this Month--abortion is the elephant in the room. I hope you read it, and I hope you understand that the Supreme Court is ruling right now on an issue that is actually the antithesis of what we're talking about, but it goes to statement that you cannot restrict Title X funds in any way. And the restriction of Title X funds, we've already talked about that we have, Senator Groene, in our budget, had in our budget that I've never argued about, I am pro-life from conception to natural death and I am against the death penalty and everything in between, so don't challenge my pro-life stand. What I'm challenging here is the way that this is being done. And if, indeed, we had to wait on LB44, Senator Watermeier's bill, because we're waiting for a Supreme Court ruling, why should we rush into this without the Supreme Court telling us whether we can actually make these rules? Answer me that one? Riddle me that one, Batman. Why should we hurry into this fact in moving forward... [LB944 LB44]

PRESIDENT FOLEY: One minute. [LB944]

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SENATOR KRIST: ...without having the results from this Supreme Court ruling that they're currently meeting? It makes no sense to me. So we can stand up here and play lawyer all day long and we can say this is what the law says; this is what this Milton says, this is what this says. This is real. This is a restriction in the state of California. Read it for yourself, it's been in the newspaper. Senator Groene acknowledged he saw it in the newspaper. This is the synopsis of what's happening. We can go do this and be in court tomorrow for making bad legislation. There's no question in my mind that someone would or will press forward. Thank you for your courtesy, Senator Vargas; and thanks for listening, colleagues. [LB944]

PRESIDENT FOLEY: Thanks, Senator Krist. Senator Clements. [LB944]

SENATOR CLEMENTS: Thank you, Mr. President. I haven't read that Supreme Court article, but I did read what I read before, talked about the Supreme Court has ruled on language of this sort. I wanted to point out that...I wanted to point out that I was appointed by the Governor last year. In the interview, probably discussed ten different issues. And I told him that I was planning to vote on my own convictions, and he has not told me how to vote. But I do want to, again, say that I oppose AM2514. I will vote for cloture on LB944. I believe the existing Title X language is necessary to properly administer the federal funds that the state of Nebraska handles. With that, I would like to yield the rest of my time to Senator Hilgers. [LB944]

PRESIDENT FOLEY: Thank you, Senator Clements. Senator Hilgers, 3:50. [LB944]

SENATOR HILGERS: Thank you, Mr. President; thank you, Senator Clements. I want to answer the question posed by Senator Krist a moment ago which is why is it that some of us, at least myself, I would be included in that group, counsel waiting for a constitutional...or a case that would come out from the Supreme Court on LB44 and why is it that we are not doing the same thing here. And I think there's a very simple reason, which is those are apples and mangoes. Those are two totally different situations. On the one hand, in the internet sales tax realm, you have a current Supreme Court case, the Quill decision that's been around for 26 years that says we have no power to do what we're trying to do. The Supreme Court now is taking up a case that is a direct attack to that decision, and all indications are they're going to do something. Whether they overturn it or not, we're not sure; but there's no doubt they're going to directly impact the legal authority that prohibits us from doing what it is that we want to do. Seemed to me in that instance it would be prudent to wait a couple months and see what the Supreme Court does. This is a wildly different situation. We are dealing with a constitutional amendment in the Weldon Amendment that applies here. There's no law currently like the Quill case. There's no Supreme Court decision that exists that says we can't do this. It's not as if we're trying to do something where otherwise couldn't do. In fact, what we're trying to do is remedy the fact that we are actually doing things that we can't do. We can't...we cannot mandate referrals in this state given

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the guidance from the Weldon Amendment and the Department of Health and Human Services. So we're trying to fix it, actually. So here we don't have a comparable legislative or constitutional provision or some other statute or something else that might prohibit from what we're doing, so that's one difference. But the second difference is is the case that Senator Krist is referring to, and I actually read some of the comments from the oral argument from the justices yesterday is dealing with the free speech issue...the idea that certain crisis pregnancy centers were singled out for their pro-life views. That idea is totally consistent with the type of anti-discrimination and conscience clause statutes that we're dealing with here. So the Supreme Court is not going to give any guidance that will implicate...the Supreme Court is not taking up the Weldon Amendment. The Supreme Court, there's no indication that I've seen, and I will look at the papers between now and Final Reading to look to see if there's some suggestion that there might be some change in the law that might impact what we're doing here. But to compare LB44, which dealt with a Supreme Court case directly on point that bound our hands with another Supreme Court that was looking to overturn that decision, a very clear piece of authority, with this situation where there is nothing that's tying our hands, in fact, we're trying to fix the situation, I think is comparing two wildly different situations. [LB944 LB44]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: And I respectfully...thank you, Mr. President...I respectfully disagree with that comparison. One of the questions that...another conversation I had with Senator Krist...and I do appreciate the conversations that we have on these legal issues, because as I've spoken many times on the mike, I think it's incredibly important for us to understand the constitutional authority on which we place our decisions and to make sure we actually can do what it is that we say we do. And one of the issues that Senator Krist raised last week was the single subject rule and the single subject rule as applied to this particular case. The argument was that it was that it wasn't constitutional. I, again, probably have run out of time to speak about that, but I hope that I will have a little bit more time before we close to address the single subject rule. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Senator Geist. [LB944]

SENATOR GEIST: Yes, thank you, Mr. President. And I just want to stand up and have us take a step back for a minute. I know this gets heated. It's passionate. There's passions running high on both sides. I can appreciate that. I know that certainly where I come at this issue from and I can respect both sides of the thought here. However, I would also like to remind you that this budget reflected in LB944 was passed out of the Appropriations Committee nine to nothing. And we need to think about that. Our responsibility, I will echo what Senator Murante said, is to pass a budget. We all agreed upon this last round. And now here we are again arguing the same thing.

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And I would just urge you to let's go back and do what the Appropriations Committee did, pass this out. Let's move forward. We're doing the right thing. And I am interested in the single subject rule, as Senator Hilgers was speaking about. But I just want us all to take a breath and let's get back to what the main thing is. The main thing is passing this budget. It's already been done out of Appropriations. It was done last round on General File. And I would just urge each of you to do it again this...on this round as well and give a green vote to LB944. This is important and it's important that we move forward. And I will relinquish the rest of my time to hear about the single subject rule, Senator Hilgers. [LB944]

PRESIDENT FOLEY: Thank you, Senator Geist. Senator Hilgers, 3 minutes. [LB944]

SENATOR HILGERS: Thank you, Mr. President. Thank you, Senator Geist. The long-awaited single subject rule, at least you're listening to it. So the argument on the floor last week was that when we do Appropriations bills, one of the things that we have to have is the single subject rule which is a constitutional restriction on the types of things that we can do. In a broad stoke, what it says is you can't appropriate and do policy in the same thing. And I think this is partly what Senator Pansing Brooks, in her opening comments, way back when this debate started, was speaking about, you can't necessarily appropriate and also make changes to the death penalty. You can't appropriate and make changes to equine massage licensure. That's sort of the idea behind single subject rule. Now, it's commonly confused with the single subject rule that we talk about with our constitution, because that's the one that tends to crop up in sort of the media because, oftentimes, petitions to change the constitution will get rejected because they do not...they violate the single subject rule. And it's important to note at the outset that the single subject rule, as it relates to appropriations, is much more lax, for lack of a better word, than the single subject rule for a constitutional amendment. In other words, the single subject rule has to do with the fact that what you're doing goes to the singular aim of whatever it is that you're appropriating. And because the Legislature has plenary and absolute power, as I quoted from the Attorney General's Opinion earlier, the Legislature has broad authority to be able to place conditions on particular appropriations. And so in this case, what we have is not saying we're going to appropriate dollars and then we're going to modify some other statute that has nothing to do with appropriations. What we're saying is, we're going to place conditions on the appropriation and the receipt of funds, conditions that are consistently and constantly placed in appropriations throughout our budget. Some of which I've referred to already... [LB944]

PRESIDENT FOLEY: One minute. [LB944]

SENATOR HILGERS: Thank you, Mr. President. ...which are the multiple references that I have already quoted from our budget bill relating to abortion. And I had another example, that I cannot find in my stack of papers at the moment, but you will see examples like this all the time

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where the Legislature with General Funds or otherwise says we're going to place a condition on the receipt of these funds; we've done it with abortion, we've done it with a whole host of other issues, this is exactly what this body has done before. Senator Krist made the distinction between federal and general funds. You can...maybe it's a different standard from one versus the other. I looked into that. There is nothing that I could find that made that distinction in the constitution, or in any cases interpreting the constitution, and the Attorney General Opinion. If it is out there, I'd love to see it. I have not seen it. I do not think that this in any way violates the single subject. It's something we've done for years and years in the past. Thank you, Mr. President. [LB944]

PRESIDENT FOLEY: Thank you, Senator Hilgers. Mr. Clerk, you have a motion at the desk. [LB944]

CLERK: I do, Mr. President. Senator Stinner would move to invoke cloture pursuant to Rule 7, Section 10. [LB944]

PRESIDENT FOLEY: It's the ruling of the Chair that there has been a full and fair debate accorded to LB944. Senator Stinner, for what purpose do you rise? [LB944]

SENATOR STINNER: I would like a call of the house and a roll call vote in reverse order. [LB944]

PRESIDENT FOLEY: There's been a request to place the house under call. The question is shall the house go under call? Those in favor vote aye; those opposed vote nay. Record, please. [LB944]

CLERK: 31 ayes, 2 nays to place the house under call. [LB944]

PRESIDENT FOLEY: The house is under call. Senators, please return to the Chamber and check in. The house is under call. Senator Geist, check in. Senator Linehan, check in, please. All unexcused members are now present. The question before the body is whether or not to invoke cloture. There's been a request for roll call vote in reverse order. Mr. Clerk. [LB944]

CLERK: (Roll call vote taken, Legislative Journal pages 1070-1071.) 30 ayes, 8 nays, Mr. President, on the motion to invoke cloture. [LB944]

PRESIDENT FOLEY: Cloture is not invoked. We're still under call. Speaker Scheer, you're recognized. [LB944]

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SPEAKER SCHEER: Thank you, Mr. Lieutenant Governor. Just a little pre-warning for you folks, we will move on to the agenda, we will move to the claims, and then move into the next bracket. My intent would be to break for dinner from 6:00 to 6:30ish and finish up at 10:00 tonight. So if you're thinking about if you want to stay overnight or drive back, we'll go until 10:00. Hopefully we'll be able to move some legislation then this evening. So that's where we're looking today. If there's any questions, as always, please come back and I will be glad to explain. Thank you.

PRESIDENT FOLEY: Thank you, Mr. Speaker, I raise the call. Proceeding to Select File, state claims bill. Mr. Clerk. [LB950]

CLERK: Mr. President, LB950. Senator Wishart, I have Enrollment and Review amendments pending. [LB950]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB950]

SENATOR WISHART: Thank you, Mr. President. I move the adoption of the E&R amendments to LB... [LB950]

CLERK: I misspoke, Senator. I have no amendments pending to the bill...my mistake. [LB950]

PRESIDENT FOLEY: Senator Wishart for a motion. [LB950]

SENATOR WISHART: Mr. President, I move to advance... [LB950]

PRESIDENT FOLEY: Actually...excuse me, I didn't realize, we've got some members in the queue. We need to clear the queue. Just a moment, please. Okay, Senator Wishart for a motion. [LB950]

SENATOR WISHART: Mr. President, I move to a advance LB950 to E&R for engrossing. [LB950]

PRESIDENT FOLEY: Members, you heard the motion to advance the bill. Those in favor say aye. Those opposed say nay. LB950 advances. Proceeding to General File, 2018 senator priority bills. Mr. Clerk. [LB950]

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CLERK: Mr. President. LB1132 was a bill introduced by Senator Pansing Brooks. (Read title.) Introduced on January 18 of this year, referred to the Judiciary Committee, the bill was advanced to General File. There are Judiciary Committee amendments, Mr. President. (AM1971, Legislative Journal page 761.) [LB1132]

PRESIDENT FOLEY: Thank you, Mr. Clerk. Senator Pansing Brooks, you're recognized to open on LB1132. [LB1132]

SENATOR PANSING BROOKS: Thank you, Mr. Lieutenant Governor, and members of the body. I bring LB1132 before you today as the next important step in combating human trafficking in our state and to help the victims of this abhorrent practice to be able to move forward with their lives. This bill will allow sex trafficking victims to access a process by which they can come forward with a conviction they received as a result of their being trafficked and have that conviction set aside and those records sealed. This bill is critical for trafficking survivors who need a pathway to rebuild their lives without the burden of a criminal conviction hanging over them. Research shows us that 91 percent of trafficking victims nationwide have criminal records as a result of their victimization. These ancillary charges include prostitution because of the acts that their traffickers forced them to commit, theft charges because they know they will face violence if they don't meet their nightly quotas, drug charges because of the addictions their traffickers have forced upon them in order to coerce compliance, and the list goes on. These criminal records follow the victims long after they've escaped their traffickers' sinister hold on them. In the past years our Legislature has tackled human trafficking head on. In 2015, we expanded definition through Speaker Scheer's bill. In 2016, we provided the legal immunity from prostitution charges for victims of human trafficking. And last year, we imposed tougher sentences on sex buyers and traffickers, decreasing the supply and demand of sex trafficking victims and bringing violent criminals to justice who prey on our most vulnerable Nebraskans. It is now time to turn to trafficking victims and provide them the support that they need to move forward with their lives. Research shows that criminal records prevented 58 percent of the trafficking victims from finding a place to sleep at night and 73 percent of the victims from obtaining jobs. These are victims under our laws being penalized for the criminal malfeasance of their traffickers, the actual criminals. I would ask you to please look at the colored fact sheet which I have distributed to better understand the barriers that these victims face. LB1132 allows victims with criminal records to apply to have those records set aside. First, victims must prove to the court that they are a trafficking victim. Second, they must prove that their criminal records are a result of and occurred during their victimization. If the victim proves this, then all public records of their convictions will be set aside and sealed. What this means practically is that any employer, landlord, or private citizen doing a background check on the victim will not be able to see any record of the victim's conviction. However, law enforcement agents will still see the arrest and conviction occurred and that the conviction was set aside. This procedure will give victims privacy and security and a hope for the future. Thirty-four states have

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already passed similar bills to LB1132 and 29 of these have even more expansive victim protection laws. Survivors in Nebraska need these protections, too. This bill as drafted fits into existing set aside laws in Nebraska. It does not affect the powers of the Board of Pardons. It also applies to Nebraska Revised Statute 29-2264 outlining set aside law, which was found constitutional under the case of State v. Spady in 2002. I worked extensively on this bill with partners from other states who pioneered these laws. As a result, the procedures of this bill create multiple layers of judicial discretion and opportunity for prosecution to be heard. Additionally, research in states that have passed similar laws indicate that not a single false report has been made through similar procedures. Testifiers at this bill's hearing included academic experts, survivors of trafficking who have experienced multiple, simultaneous convictions firsthand, law enforcement officers who are working daily to keep victims safe on the streets, and service providers working with trafficking victims daily. LB1132 has the potential to impact hundreds of victims across this state, providing them with the tools that they need to rebuild their lives. It is our duty as lawmakers to ensure that every citizen has an equitable chance at living a decent life. This cannot happen when Nebraskans who have had the most heinous crimes committed against them are further punished for their victimization. Justice isn't just about putting people behind bars, it's also about removing the shackles on victims who have been brutalized by criminals, raped by sex buyers, and ignored for far too long. By providing protections for victims we enable law enforcement to be able to work with victims in order to arrest the actual perpetrators, the traffickers, and the purchasers. Yesterday's Omaha World-Herald article--I passed out as well--from Sheriff Dunning highlights the benefits that law enforcement has from this bill. So I want to thank Senator Quick for prioritizing this legislation and I'd like to offer him the remainder of my time. [LB1132]

PRESIDENT FOLEY: Thank you, Senator Pansing Brooks. Senator Quick, 4:20. [LB1132]

SENATOR QUICK: Thank you, Mr. President. And thank you, Senator Pansing Brooks, and thank you for allowing me to prioritize your bill. One of the things for me especially and it's really not something to be proud of, but in the Grand Island paper it says that Grand Island leads the state in the number of individuals sold for sex on a per capita basis. A new report found that Grand Island has 200 individuals sold for sex per 100,000 people. Omaha was next with 182 people, followed by Scottsbluff with 146, Gretna with 143, and North Platte with 135. Next in line were Lincoln, 97; Council Bluffs, Iowa, with 95; and York with 75. Looking at the number of the individuals sold for sex rather than per capita, Grand island ranked third among Nebraska cities in the report, which is called "Nebraska's Commercial Sex Market." Omaha led the state with an average of 675 individuals sold for sex per month, ahead of Lincoln with 200, Grand Island with 65, North Platte with 15, and Scottsbluff with 10. This bill will do a lot to help the victims of sex trafficking to be able to straighten out their lives, to be able to--I shouldn't say straighten out their lives--but become productive citizens instead of having to turn back to that life. I think what happens a lot of times is, is that they want to get out of that cycle that they're in,

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but with the convictions on their sheet, employers look at them and say, you've been arrested for this and for this, and for that reason we can't hire you. So I think this will help them to get their lives back and be able to move on and become productive citizens in our communities. I wanted to list off the people who were proponents at the hearing. And those would be: the Women's Fund of Omaha, The Salvation Army, there were several sexual trafficking victims there, The Women's Center for Advancement, Rejuvenating Women, Douglas County Sheriff, ACLU of Nebraska, and Nebraska Criminal Defense Attorneys Association, Nebraska Family Alliance, a retired FBI agent, Creighton University Human Trafficking Initiative, UNL Human Trafficking Conference and Law College, and Nebraska Catholic Conference. And that just shows the people who took an interest in helping these individuals get their lives back. And I would like to mention that Senator Lindstrom will have a friendly amendment and will be heard shortly and we would support that. And there was one other thing that I wanted to read, and that is that... [LB1132]

PRESIDENT FOLEY: One minute. [LB1132]

SENATOR QUICK: ...this was in the Omaha paper and this was a quote by Meghan Malik with the Women's Fund, and this is what it's like for someone. This no longer looks like street walking. Present day sex trafficking looks more like a young teen going to a hotel room after school where he or she is bought or sold for sex multiple times. The next day it starts all over. With that, thank you, Mr. President. [LB1132]

PRESIDENT FOLEY: Thank you, Senator Quick. As the Clerk indicated, there are amendments from the Judiciary Committee. Senator Ebke, you're recognized to open on the committee amendments. [LB1132]

SENATOR EBKE: Thank you, Mr. President. AM1971 is a white copy amendment that addresses two specific technical concerns raised with LB1132. The green copy of the bill makes reference only to convictions being sealed. Juveniles, though, who are found responsible for a delinquent act are not convicted, they are adjudicated. This amendment provides that a juvenile delinquency adjudication and not only an adult criminal conviction may be sealed. Another issue addressed by AM1971 is that the green copy of the bill would authorize a "petition" to seal. This could mean that a new civil case would be created relating to the request for the sealing of the old criminal case, thus potentially frustrating the intent of the bill. AM1971 removes reference to a "petition" and replaces such references with the word "motion," to clarify that such filing would be on an existing case and not a "petition" initiating a new matter in the court. I believe that these changes make LB1132 a better, more clear bill, and I would encourage you to vote green on AM1971 and green on the underlying bill. Thank you, Mr. President. [LB1132]

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PRESIDENT FOLEY: Thank you, Senator Ebke. Mr. Clerk. [LB1132]

CLERK: Mr. President. Senator Lindstrom, I have a note you want to withdraw AM2159. Mr. President, Senator Lindstrom would move to amend with AM2361. (Legislative Journal page 986.) [LB1132]

PRESIDENT FOLEY: Senator Lindstrom you're recognized to open on AM2361. [LB1132]

SENATOR LINDSTROM: Thank you, Mr. President. Thank you, Senator Pansing Brooks for working with me on this amendment, and thank Senator Quick for prioritizing the underlying bill. AM2361 amends my LB855, Senator Howard's LB897, and Senator Krist's LB678. I will speak to my portion of the amendment, then we'll let Senators Howard and Krist speak to their portions of the amendment. LB855 seals the criminal record history of those who have received a pardon from the Nebraska Board of Pardons. Once the person receiving the pardon files a motion with the court in which they were sentenced, the judge will grant the motion and the record will be sealed from the public. The law enforcement will still have access. LB855 is a bill to break down barriers to employment. The idea for this bill was brought to you by a constituent and numerous others who have received a pardon but were finding it difficult to get it past a background check, even after going back to school and receiving skills needed to get a good paying job. One constituent was working toward an associate degree in paralegal studies and was discussing employment options with a law firm and was advised to find a different course of study because no law firm would hire him based on his record. Sealing records that have been pardoned will allow applicants to say that they have no record and a background check will indicate the same. It is time for us as a body to give pardons, in effect, that has a true impact on the individual. The Nebraska Board of Pardons is made up of the Governor, the Secretary of State, and the Attorney General. The board does not hear pardon cases for felons unless ten years have passed since the sentence was completed and three years for misdemeanors and the person has had no contact with law enforcement in that time period. The bar is set high to receive a pardon and cases are highly scrutinized by the board. One applicant had waited the ten years to apply but in the meantime was ticketed for driving an overweight truck and his case was denied. LB855 was passed out of the Judiciary Committee on an 8-0 vote. It is good policy to provide a pathway for those who have been pardoned and turned their life around for the better. I urge you to vote green on AM2361, AM1971, and the underlying bill, LB1132. And I yield the remainder of my time to Senator Howard. [LB1132 LB855 LB897 LB678]

PRESIDENT FOLEY: Thank you, Senator Lindstrom. Senator Howard, 7:30. [LB1132]

SENATOR HOWARD: Thank you, Mr. President. Good afternoon, colleagues. Today I'm asking you to support AM2361 to LB1132, which contains my bill, LB897. LB897 was advanced from

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the Judiciary Committee on March 12 with a unanimous vote. It has no fiscal note, and Senator Pansing Brooks has graciously allowed us to use LB1132 as a vehicle for this bill. This bill came to me from a hospital who noted that under current law they were forced to report any patient who came into their care who showed evidence of being a victim of sexual assault. The green copy of this bill simply excluded the reporting requirement for sexual assault and my office was contacted by the Attorney General's Office who's been doing extensive work on a new program to help sexual assault victims and work on addressing the backlog of rape kits in our state. And through meeting with them and working with their new state forensic nursing coordinator, we crafted language that would not only protect a victim from these mandatory reporting requirements, but would also allow them to report anonymously and take control of their care. We also met with the hospital association and other provider groups and received their input on how to make the best process and be as pro victim as possible. This is the language that was advanced from committee via a committee amendment as included in AM2361. Before I explain the mechanics of this bill, I want to take a minute and tell you why passing this legislation this year is so important. Allowing survivors of sexual assault to make their own choices following an assault is a core value of the sexual violence advocacy community. Restoring power, control, and choice can be a critical component of the healing process, as sexual violence takes away a victim's power, control, and choice. By ignoring adult victim's choices, mandatory reporting requirements for medical providers can mean that individuals don't report or don't get a rape kit done. A good example of this is you go to the hospital after you've been raped, the provider says, if I do this rape kit and I provide you with this care, I'm going to have to report it to law enforcement. And if you're not ready for that, a lot of times women will just leave the hospital, no rape kit, no medical care. By creating this bill would really prevent that from happening. LB897 and AM2361 allows a victim to decide if and when to report a sexual assault and directs the Attorney General to create a protocol for anonymous collection of evidence. This will allow evidence collected through a rape kit to be sent to the State Crime Lab, even if the victim declines to report the sexual assault to law enforcement immediately. While some larger hospitals do already have sexual assault nurse examiner coordinators who coordinate care, many smaller hospitals in our state do not. And so enacting a statewide protocol through the Attorney General's Office for anonymous reporting will ensure that they have the tools they need to protect victims. The language in AM2361 does require law enforcement to be called if there is serious bodily injury or if the person is a victim to serious injury that was committed with a deadly weapon, as defined in Section 28-109. In that instance, the attacker could be a public danger and so you want law enforcement to be called. Under this legislation, a victim must give written consent before law enforcement is contacted. But if a victim didn't want to report at the time, the medical provider can still collect that rape kit and can maintain that important evidence so that it's preserved. Many times a victim may feel more comfortable reporting a sexual assault after they leave the hospital and talking to friends and family members and getting that support can be really important for them when they're thinking about filing that report. Again, LB897 just clarifies Nebraska statutes in regard to reporting of sexual assault and directs the Attorney

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General to create a protocol for anonymous reporting for hospitals. This will allow evidence to be collected through a rape kit and sent to the State Crime Lab even if the victim declines to report the assault to law enforcement at the time of collection. The bill has no fiscal note. It was advanced out of your committee unanimously. I would say it's long overdue; we're one of two states that still have mandatory reporting laws for medical providers. I would urge the body to vote green on AM2361. I want to thank Senator Pansing Brooks for letting me hitch a ride on LB1132 and Senator Quick for his priority, as well as Senator Ebke and her committee for their time and attention to this bill, as well as Senator Lindstrom for the time. Thank you, Mr. President. [LB1132 LB897]

PRESIDENT FOLEY: Thank you, Senator Howard. Debate is now open on LB1132 and related amendments. Senator Schumacher. [LB1132]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. I think this bill might be misnumbered. It should be 007, because unless I'm reading this wrong, it's a license to kill. On page 2 of the proposed amendment it says that a court shall grant a petition to set aside the conviction or the adjudication for the offense if it's a juvenile for something that is other than a prostitution related offense, which would be murder, kidnapping, if the court finds the petitioner's participation in the events was a direct result or incidental to being a victim of sex trafficking. So Bonnie and Clyde start out in one of these sex trafficking situations and blow up a few banks, kill a few people. And then Bonnie comes in and shows a judge her tattoo and some of this other stuff and a affidavit from an attorney and I don't see any wiggle room in here that gives a judge any authority to say, no, Bonnie, you're going to jail for a long time, if he finds, yeah, she was a victim or incidental to being a victim of sex trafficking. I can't believe I'm reading that right. But would Senator Pansing Brooks answer a question? [LB1132]

PRESIDENT FOLEY: Senator Pansing Brooks, would you yield, please? [LB1132]

SENATOR PANSING BROOKS: Happy to. [LB1132]

SENATOR SCHUMACHER: Is that right? [LB1132]

SENATOR PANSING BROOKS: Well, it sets forth, as you look in other parts of the bill, all the things that the court must look at to determine whether or not this is...whether it has been trafficking. And we've worked with...I'm happy to tighten up the language if you think there's something like we did before, but we've worked with the AG's Office, we've worked with the county attorneys, the sheriffs, we've talked with all sorts of people to get this correct. This is what's happening nationally. What we have is we have cases where the victim has been raped by a hot curling iron. There is actually a case proceeding right now where the woman was trying to

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get away from the trafficker and pushed him down the stairs to get away and he died. So there are instances where the court may find that that murder was...there was a reason for it. So, yes, part of it is correct. So I will clarify if there's something specific between now and Select, but. [LB1132]

SENATOR SCHUMACHER: Thank you, Senator. Wow. Wow. Incidental to being a victim of sex trafficking, a license to kill. While a judge can look at a lot of things, the language is very clear with very little wiggle room. The court shall grant a petition to set aside a conviction or an adjudication for an offense other than a prostitution-related offense--there's another paragraph dealing with prostitution-related offenses--if the court finds that the petitioner's participation in an offense was a direct result or incidental to being a victim of sex trafficking. We need to tighten that up before this goes to Select. I'm not sure how this got that far or who it got past, but I'll be happy to sit here and listen to an explanation of what that means, other than what it seems to say in plain English. I just couldn't support 007 right here yet. Thank you. [LB1132]

PRESIDENT FOLEY: Thank you, Senator Schumacher. Senator Krist. [LB1132]

SENATOR KRIST: Thank you, Mr. President. Good evening, colleagues, and good evening, Nebraska. If Senator Schumacher would you yield to a question, please? [LB1132]

PRESIDENT FOLEY: Senator Schumacher, would you yield, please? [LB1132]

SENATOR SCHUMACHER: I sure will. [LB1132]

SENATOR KRIST: So the federal law has to do with not treating trafficking victims as offenders. It very clearly says that they are victims of a sex crime in sex trafficking. And I think that what we have settled on in Judiciary, not just Judiciary but also the Attorney General's Office, is that there are crimes that are committed or could be committed by a victim of sex trafficking, whether it be a child adjudicated or an adult who has committed a crime. So I'm not sure your analogy of 007 is correct. I don't think this is using a Walther PPK...whatever he used. I think that this is a conjecture that the judge, the discretion of the judge, is to look at the circumstances. And I would agree with Senator Pansing Brooks that the language throughout the bill gives some very clear guidelines that the judge has to look at before we do. Again, I would echo Senator Pansing Brooks's concerns in terms of cleaning up the language. You, sir, have a lot more experience than I in the legal profession. And that really is not a question, it's more a lead in to what I think I read and how we voted this out, and I'd yield the balance of my time to you. [LB1132]

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SENATOR SCHUMACHER: Thank you, Senator. I don't read it that way. The petitioner has to show the judge a copy of the official record,--that's on page 2 of the amendment--an affidavit by an attorney or professional that they were consulted in regard to this person being a victim. Considering whether they're a victim the court may consider any other evidence, but in the end the test is whether or not the court finds that they were a victim. And if they're a victim there's no limit to this thing. So I think this is state law. It's proposed state law. We're writing our own law, we're not dittoing the feds in at anyplace here. I would not be comfortable with a situation of just saying, well, you were a victim of sex trafficking and you can show it to a court. The judge has got to set aside your conviction and you're free to go. I remain concerned. Thank you. [LB1132]

PRESIDENT FOLEY: Thank you, Senator Krist and Senator Schumacher. Senator Chambers, you're recognized. [LB1132]

SENATOR CHAMBERS: Thank you. Mr. President and members of the Legislature, I'm going to give you all a chance to gloat today. I looked at the committee statement and I wished, I was hoping, that I would have been absent, but I voted for it. This analysis that Senator Schumacher gave, and you notice I'm saying Senator, he is behaving like a true lawmaker. And when a cogent, logical, reasonable argument is presented based on the actual words of the proposed statute, my position is that I cannot deny the validity of what he said. If I, in my own mind, am convinced that a position that I took is erroneous or downright wrong, for my purpose I see nothing to be gained by holding to a position that I'm convinced has no validity. I've used this statement so much that you all can probably say it by heart. I want my education to be improved by whomever is able to do so. I'm going to look at this language again. There was another bill, I forget what it was, but it was along the line of the kind of legislation we're talking about here where Senator Schumacher and I looked at some things, I was given language that he thought would help tighten it up. I'm going to look at this language again. It cannot be a blanket free pass to somebody who would commit any kind of crime. When the word related to what a judge is to do is "shall," no matter how the judge feels, the judge must do what that statute says. The only time a judge need not do that is if the statute is unconstitutional. I have to look at this and I intend to do so. And you have had the opportunity today, based on what is in the record, to gloat and point the finger at me and see an example of one who did not read carefully what was being voted on. I'll acknowledge that the general thrust of the bill is something that I agree with, but I had not looked as closely as I should have at the language that was being used to create the statute. So if I review it and arrive at the same conclusion that Senator--and now I'll say professor, because a professor is the mentor and the one with the professor is the mentee--if my professor has hit the nail on the head, then the mentee shall have his education improved. And you'll see how I'm able to be going in a certain direction, be convinced that it's the wrong direction, stop, turn around, retrace my steps, reorient myself,... [LB1132]

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SPEAKER SCHEER: One minute. [LB1132]

SENATOR CHAMBERS: ...and then move in a direction which is correct. So I thank Senator Schumacher for what he did. And I think we all, when presentations are being made on bills of this kind, listen to those who have the knowledge, the experience to explicate the language. And if it turns out that that analysis is correct, it ought to prevail. Thank you, Mr. President. [LB1132]

SPEAKER SCHEER: Thank you, Senator Chambers. Seeing no one in the queue, Senator Lindstrom, you're welcome to close on AM2361. [LB1132]

SENATOR LINDSTROM: Thank you, Mr. President. Again, thank you to Senator Pansing Brooks for allowing myself, Senator Howard, and Senator Krist a vehicle to advance this. And I'm sure that he'd like to maybe expand on some of the underlying questions that were expressed, so I would yield my time to Senator Pansing Brooks, Mr. President. [LB1132]

SPEAKER SCHEER: Senator Pansing Brooks, 4:30. [LB1132]

SENATOR PANSING BROOKS: Thank you, Senator Lindstrom. Again, I will happily talk with Senator Schumacher and Senator Chambers, but this is not the granting of immunity. This is a set-aside. And a set-aside is a remedy in Nebraska law for a person to pursue after he or she completes the sentencing in a criminal case. LB1132 provides a unique set of remedies for victims of human trafficking. Right now the only people that the victims can talk to are the traffickers themselves, because those are the people that get them out of jail, and the victims are less likely to get help, less likely to stop the vicious cycle of trafficking. So I'm happy to work with them. I hope you will vote green on LB2661 (sic) and also Judiciary amendment, AM1971, and following on the bill, LB1132. Thank you, Mr. President. [LB1132]

SPEAKER SCHEER: Thank you, Senator Lindstrom, Senator Pansing Brooks. The question before us is adoption of AM2361. All those in favor please vote aye; all those opposed vote nay. Have all those voted that wish to? Please record. [LB1132]

CLERK: 30 ayes, 0 nays, Mr. President, on the adoption of Senator Lindstrom's amendment. [LB1132]

SPEAKER SCHEER: AM2361 is adopted. Moving back to AM1971, the Judiciary Committee amendment. Seeing no discussion, Senator Ebke, you're welcome to close. [LB1132]

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SENATOR EBKE: Thank you, Mr. Speaker. Colleagues, this bill is a great effort, it's a good bill. There may be some technical details that need to be worked out, and I'm sure that Senator Pansing Brooks will work on it as we move to Select. So I would urge the adoption of AM1971, as well as LB1132. [LB1132]

SPEAKER SCHEER: Thank you, Senator Ebke. The question before us is adoption of AM1971. All those in favor please vote aye; all those opposed vote nay. Have all those voted that wish to? Please record. [LB1132]

CLERK: 27 ayes, 0 nays on adoption of committee amendments. [LB1132]

SPEAKER SCHEER: AM1971 is adopted. Going back to discussion, Senator Wayne, you're recognized. [LB1132]

SENATOR WAYNE: Thank you, Mr. Speaker. I do have some concerns, but I am going to work with Senator Pansing Brooks to try to work out some of the concerns that I also believe that Senator Schumacher already pointed out. But the question I have, I guess, if Senator Pansing Brooks would yield to a question. [LB1132]

SPEAKER SCHEER: Senator Pansing Brooks, would you please yield? [LB1132]

SENATOR PANSING BROOKS: (Inaudible.) [LB1132]

SENATOR WAYNE: So, typically, in some sex trafficking rings there's a leader and then sometimes an enforcer and then sometimes an actual participant. Would an enforcer be a victim underneath the statute, because technically they are a victim and it's incidental to sex trafficking? [LB1132]

SENATOR PANSING BROOKS: It will depend on the bill, it will depend on the facts and what you can...I mean, you can look through the bill and see that there's all sorts of things they have to show, to show that they were being under the influence. And of course, trafficking, as you may remember, includes force, fraud, coercion. [LB1132]

SENATOR WAYNE: Right. Okay, thank you. I'll work with Senator Pansing Brooks and Senator Lindstrom on a couple of things that I have, but I just wanted to put that on the record because I've had a couple of e-mails and text messages about that from some prosecutors and I'll find out if I can clear that up and we'll move forward. Thank you, Mr. Speaker. [LB1132]

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SPEAKER SCHEER: Thank you, Senator Wayne and Senator Pansing Brooks. Seeing no one else in the queue, Senator Pansing Brooks, you're welcome to close on LB1132. [LB1132]

SENATOR PANSING BROOKS: Thank you, Mr. Speaker. Again, I want to reconfirm and reassert that this is not about granting immunity. We did that a couple of years ago. This is after the charges have been filed and the decision has been made, somebody may apply to have those convictions set aside and will then have to go through all sorts of steps. If it could be tightened up through language, I'm willing to do it as I've shown numerous times in the past. And again, I think that Senator Wayne has asked about something that's called a, quote unquote, bottom girl who are the people who are originally forced into trafficking and then end up being forced to bring others in. So according to the statute, if you are a victim of trafficking and you can prove that you were under that force, fraud, duress, influence at the time, there's reason that a court might be willing to set aside. But, again, I do not agree that this is a mandatory step, but I'm willing to talk with Senator Schumacher about this. I want to thank you all for this, because we have experienced and are experiencing a sea change by working together on this trafficking issue for the past four years. We're understanding and creating a new paradigm. Human trafficking, as we all know, has been taking place for thousands of years. So the oldest profession in the world should actually be rephrased as the oldest myth in the world. I would ask you to vote green and look forward to working with whomever would like to approach me between now and Select. Thank you, Mr. Speaker. [LB1132]

SPEAKER SCHEER: Thank you, Senator Pansing Brooks. The question before us is advancement of LB1132 to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Have we all voted that wish to? Please record. [LB1132]

CLERK: 27 ayes, 0 nays, Mr. President, on the advancement of LB1132. [LB1132]

SPEAKER SCHEER: LB1132 is advanced. Next item, Mr. Clerk. [LB1132]

CLERK: Mr. President. LB986 was a bill originally introduced by Senator Hansen. (Read title.) Introduced January 11 of this year, referred to the Urban Affairs Committee, advanced to General File. There are committee amendments, Mr. President. (AM1958, Legislative Journal page 765.) [LB986]

SPEAKER SCHEER: Senator Hansen, you're welcome to open on LB986. [LB986]

SENATOR HANSEN: Thank you, Mr. President, and good evening, colleagues. I rise today to introduce LB986, which is my personal priority bill. This bill would allow our cities to establish

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neighborhood improvement districts in residential areas. This is a concept based on existing language authorizing successful business improvement districts which have existed for many years. Neighborhood improvement districts or NIDs are a tool to provide neighborhoods with an additional target source of funding for neighborhood improvement, development, and revitalization efforts. These improvement districts are designed to offer existing neighborhoods more control to fund and execute projects they deem important and necessary. By empowering neighborhoods to prioritize their own needs, NIDs enhance local control and ensure resources are targeted where they're most needed. I became interested in the concept behind neighborhood improvement districts after many conversations with my constituents and neighborhood leaders about the need of projects in different neighborhoods throughout my district. Throughout both my campaign and my tenure here in the Legislature the issues facing neighborhoods of my district were a recurring issue that kept capturing my attention. I wanted to come up with a way to empower neighborhoods to set their own priorities for projects that would benefit their neighborhoods the most. Modeling NIDs after business improvement districts, which operate successfully in many different cities across Nebraska, allows us to take what we know works in a commercial setting and mold it to fit in residential areas. NIDs are formed in a similar way to BIDs, though NIDs give more weight to the residents of a neighborhood with a committee amendment requiring residents to make up a majority of the neighborhood improvement district board. As neighborhood improvement district boards are being set up, the mayor, with approval of city council, can choose to appoint an existing neighborhood association to serve as the board or can appoint an independent board of at least five other members. As Senator Wayne will introduce in a moment, the committee amendment, AM1958, excludes cities of the metropolitan class. Neighborhood associations in Omaha have indicated they have adequate tools and did not necessarily want the option to form NIDs. We've also worked with other stakeholders to increase the public notice periods and clarify other notice and transparency requirements. I'm appreciative of all of those who have worked with our office to craft this legislation and the neighborhood groups who have offered their support. And as always, we'll continue working with all stakeholders who have an interest in this bill. Advancing LB986 will not solve all of the problems neighborhoods face, but it will give residents across Nebraska another tool to start finding solutions. I thank the body for their consideration of LB986 and I look forward to advancing this important economic development tool for our neighborhoods. That was the end of my prepared remarks. And I just was thinking as I was prepping for this bill, one of the issues in how I frame this is, I live in the neighborhood of University Place, which way back in the day 90 years ago was its own town that has long since an annexed by Lincoln. And we in University Place are a neighborhood of, I think by some estimates about 10,000 people, which in terms of state of Nebraska would actually make us one of the larger towns in the state of Nebraska if we were still independent. So the issue then becomes for me and kind of one of the driving things and the thing I clued into with the idea of neighborhood improvement districts was, how do we give local control to a sizable group of people who no longer have that same sort of local control? You know, the difference between...the difference in size between University Place and

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city of Lincoln, and that's just even one of my neighborhoods. It's one of multiple neighborhoods in our city council districts, it's one of multiple neighborhoods in my district. But it's still a large group of people who could kind of be grouped together with similar needs and concerns and issues. So this is my attempt to make sure we had local control available in a unique way to kind of the lowest individual kind of unit of our communities' neighborhoods. With that, Mr. President, I would conclude my opening and ask the body for a green vote on LB986. [LB986]

SPEAKER SCHEER: Thank you, Senator Hansen. Senator Hilkemann, you're recognized. I'm sorry. Senator Wayne, it's not that I didn't see you, I was looking past you. You're just looking so stealth. I understand that. Senator Wayne, if you'd like to introduce the committee amendments. [LB986]

SENATOR WAYNE: Thank you, Mr. Speaker. And members of the Legislature, this committee amendment, AM1958, makes a number of changes to the committee bill. First, the amendment clarifies the purpose of the act is to supplement, not reduce the level of government services provided to neighborhoods. Second, the amendment allows NIDs to be used to establish or assist neighborhood clean ups, litter clean ups, recycling, and other trash abatement programs. Third, the amendment requires the majority of the members of the NID board must be residents of the neighborhood. Under the bill, both residents and property owners within the neighborhood could serve on the board, but the amendment ensures that residents will control the board. Fourth, the amendment adds additional notice provision and additional time for notices under the act. Notice of hearings to establish or expand the NID must be given 30 days prior to the hearing rather than 10 days. Two notices by publication will be given for hearings to establish or expand NIDs, instead of one. Mail notice of the hearings to establish special assessments will be given to property owners within the NID. Fifth, the amendment clarifies that cities may amend NID ordinances to change the function or provisions of existing NIDs. And finally, the amendment excludes cities of the metropolitan class from the act. A number of neighborhood groups in Omaha, which is the only city in the metropolitan class, have expressed concern that the NID structure could be used to supersede neighborhood associations, and we have a lot of neighborhood associations that are already put together by the city of Omaha as far as outreach and a directory. And they were just unsure of how this bill would affect them. While Senator Hansen made significant strides in trying to address those concerns regarding the bill, we were unable to reach an agreement and that's why we proposed the amendment as a committee to remove cities of the metropolitan class. I would ask for a green vote to adopt AM1958. Thank you, Mr. President. [LB986]

SPEAKER SCHEER: Thank you, Senator Wayne. Senator Hilkemann, you're now recognized. [LB986]

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SENATOR HILKEMANN: Thank you, Mr. Speaker. First of all, my apologies to Senator Hansen. I would normally have talked with him about this before this bill was introduced. I had a group approach me about LB986 and had several questions. And their concerns are, Senator, that by setting up these improvement districts, what's going to keep the city from setting up some boundaries or setting up new boundaries, appointing a board, and then actually creating a new improvement district which would then be...the city would be able to tax at a higher level again and create basically another taxing authority within it. So that's the concern that they have. So my question is, Senator Hansen, will you take a question? And you've heard the question that I have. [LB986]

SPEAKER SCHEER: Senator Hansen, would you please yield? [LB986]

SENATOR HANSEN: Yes, I would yield. And I guess, if I understand your question is kind of what limits or what controls do we have? Ultimately, every decision by the NID board is just a recommendation to the city council. So, ultimately, all decisions, including any special assessment levied would have to be approved by the city council. And as an elected body represented by the voters, I would imagine there would be strong hesitation to do anything that was unpopular in any particular one of their districts. [LB986]

SENATOR HILKEMANN: So you mentioned, you used the illustration in your opening of University Place. And I lived there for about four years going through Wesleyan, myself. So if I understand this right, now, what would be the...what's the actual advantage to University Place for doing this? [LB986]

SENATOR HANSEN: Sure. So University Place is a little unique in that we're a neighborhood that has a business improvement district in it already for a commercial strip that's the old downtown. And they have an ability to kind of create their own funding source, and their own board, and really recommend their own projects. So they've been able to do some special things, including the curbs are really close to the street, which are a high speed street, so they set up traffic barriers to protect pedestrians and do other improvements that are kind of above and beyond city services that wouldn't necessarily be guaranteed or required by a city. But those are limited commercial areas and this would expand it to residential areas. [LB986]

SENATOR HILKEMANN: Okay. So you're not dealing with the commercial portion of this, you're dealing with the residential portion of University Place, is that what you're saying to me? [LB986]

SENATOR HANSEN: Yeah. It would just be residential areas only. [LB986]

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SENATOR HILKEMANN: And you're not concerned that the city of Lincoln would boundary this whole area off as kind of a separate area that could be taxed separately? [LB986]

SENATOR HANSEN: The intent is to create a defined boundary and the requirement of the bill is for it to be a defined area of town. You couldn't necessarily just create a neighborhood improvement district for the entire city of Lincoln. The intent would be to pick a specific neighborhood and preferably a preexisting, well-established one and use those boundaries. I'm not 100 percent sure I understand your question, Senator. [LB986]

SENATOR HILKEMANN: Okay. Well, Senator, I'm not...again, I was contacted on this and I think I appreciated their concerns that were expressed,... [LB986]

SPEAKER SCHEER: One minute. [LB986]

SENATOR HILKEMANN: ...and so I'm probably not...I'll get some clarification from them, too, on this as this goes forward. Thank you. [LB986]

SPEAKER SCHEER: Thank you, Senator Hilkemann and Senator Hansen. Senator Chambers, you're recognized. [LB986]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I'm glad Omaha is taken out of this bill. I'm going to vote for that amendment and then you can do what you want to with the rest of it. But it's difficult for me to vote for a bill that's doing to people in another city what I don't want done in Omaha. A special assessment can be made. Let me ask Senator Hansen a question or two before I make assumptions and presumptions, because I was occupied on other matters and didn't get to really thoroughly review this bill. Senator Hansen, is it true that the city council can levy a special assessment on this neighborhood property? [LB986]

SPEAKER SCHEER: Senator Hansen, would you please yield? [LB986]

SENATOR HANSEN: Yes, I would yield and yes, the city council can levy the assessment. [LB986]

SENATOR CHAMBERS: And the residents, how would it be determined that there would be a special assessment? Do they consult with the residents and get some kind of survey to see if they're willing or the council just levies the assessment? [LB986]

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SENATOR HANSEN: It would need to be a recommendation of the neighborhood improvement district board, which by our committee amendment would be made up by a majority of residents of the neighborhood. [LB986]

SENATOR CHAMBERS: But there are people who don't have to be residents who would be on that board, isn't that true? [LB986]

SENATOR HANSEN: They certainly could be, yes. [LB986]

SENATOR CHAMBERS: There could be people who own property and, in fact, buy up a lot of dilapidated property and have influence on what is done even though they don't live there. Is that possible? [LB986]

SENATOR HANSEN: That is possible. [LB986]

SENATOR CHAMBERS: Thank you. Members of the Legislature, I have lived...despite what some idiot said, I have lived in what would be called by a lot of people the ghetto. It's not ghetto at all. I have never lived more than three or four miles from where I was born. I've had many opportunities to move. I've never wanted to move from the people who are like me. My blood is in my community, my community is in my blood. And there are things that I would fight against because I felt very protective toward that community and the people in it. I would not want a city council comprising primarily white people levying special assessments against the community I live in, which is struggling already. There are absentee landlords who buy up a lot of slum property, as they call it. They'll tack something here, tack something there, then rent it out. It's substandard. There was one guy who even had a junkyard in the community and he wanted some kind of waiver so he could keep that junkyard and he used the "n" word when he was addressing the Omaha City Council and the police had to intervene because there were some people in that audience who did not appreciate that. These are ghettoizing moves, even though they may not be intended to be that. These communities are already set aside by boundaries sometimes enforced by insurance companies who redline the area. City services are not what they ought to be. This is not something that is going to benefit substantially the people in the communities that will be affected. Had Omaha been left in the bill, I would try to kill the bill. I also was contacted by some people from Lincoln, and that's what put the bill on my radar screen. I will not support the bill. I have not examined it sufficiently to offer amendments, but I think the rest of you who intend to support it should be very careful in what you do. [LB986]

SPEAKER SCHEER: One minute. [LB986]

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SENATOR CHAMBERS: And if you advance it to Select File, by that time I will have had a chance to examine it more thoroughly. And I did talk to Senator Hansen before making these comments and he is aware of what my concerns are about the bill. Thank you, Mr. President. [LB986]

SPEAKER SCHEER: Thank you, Senator Chambers. Mr. Clerk. [LB986]

CLERK: Mr. President. One item, Enrollment and Review reports LB945 as correctly engrossed. (Legislative Journal page 1072.) [LB945]

Mr. President, Senator Linehan would move to recess the body until 6:30 p.m.

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. All those opposed say nay. We are in recess.

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

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

SPEAKER SCHEER: Mr. Clerk. Mr. Clerk.

ASSISTANT CLERK: Mr. President, prior to recess, the Legislature was considering LB986. I now have a unanimous consent request by Senator Larson to bracket the bill until April 18. [LB986]

SPEAKER SCHEER: There is an objection. Senator Larson, you are welcome to open on your motion. Senator Larson, you are welcome to open on your motion. [LB986]

ASSISTANT CLERK: Senator Larson, it now becomes a motion to bracket the bill. [LB986]

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SENATOR LARSON: Sounds good. Thank you, Mr. President. I do have fundamental problems to LB986. I had fundamental problems with it coming out of committee. I think that some of those questions have been raised on the floor already, but in the end what we're doing here is we are creating to where a neighborhood association, essentially, or a neighborhood district that consists of not just residents, but property owners as well; I understand that residents have to make up a majority of the board, but those that aren't there can be part of that, to go and then ask the city council to put a special assessment for property taxes on an entire district. Now, I do have a lot of faith in Nebraskans and their willingness to continue to be engaged, but I feel that at the neighborhood level that a lot of people don't necessarily pay that much attention to what's happening. They are more interested, and rightly so, in their everyday life, their family of four or five or what they have going on at work. And what this is going to do is it's going to put a significant amount of power in a very small group of people. And oftentimes a city council is going to agree with them because these are the people that contact them, get involved. This is going to be a property tax increase on those individuals, regardless of whatever else you call it. If you call it a property tax, my understanding would be unconstitutional, but we're calling this a special assessment. And we're adding things like litter cleanup and trash cleanup. Colleagues, this is not what I would consider good legislation, and especially as we are moving forward continuing to work to solve a property tax problem that I hear from all sides we're not doing enough. I voted for LB947 out of committee, but I hear from a lot of the rural community that's still not enough. I hear from the urban community that what we're doing isn't enough either. This, I understand, Senator Hansen bill is a local control. But in the end, we're talking about a very small amount of people that are engaged or pay attention. I mean, heck, you could go out and take a poll and see how...what our name might be or how many people know their state senators in their district. The rural senators will be significantly higher in terms of name ID and people being able to name their state senator than the urban senators that polls have showed that. But in the end, we aren't that well known. And we're the ones that are on the paper significant amounts of time, that are in the local news. These neighborhood improvement districts aren't. People will get their special assessments and realize that they are getting taxed extra money for what? Litter cleanup, trash cleanup? It just doesn't make sense to me. So I would urge my colleagues to vote for the bracket motion and we can move forward. Thank you, Mr. President. [LB986 LB947]

SPEAKER SCHEER: Thank you, Senator Larson. Senator Erdman, you are recognized. [LB986]

SENATOR ERDMAN: Thank you, Mr. Speaker. Good afternoon...or evening, I should say. I have a concern about the bill as well. I was reading in what it is that they can do. They can do social events. They can do about anything they want. And I have a couple of questions for Senator Hansen if he'll respond. [LB986]

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SPEAKER SCHEER: I'm sorry. Senator Hansen, would you please yield? [LB986]

SENATOR HANSEN: Yes, I would. [LB986]

SENATOR ERDMAN: Thank you, Senator Hansen. Senator, in a couple of places in the bill it says...it talks about any penalties imposed for failure to pay a special assessment. Do you know what those penalties are? [LB986]

SENATOR HANSEN: It would depend on the exact city council ordinance. They could set it up whatever they want, but I would imagine it would be some sort of a lien. [LB986]

SENATOR ERDMAN: Okay. So it would be an encumbrance on the property if they didn't pay their assessment? [LB986]

SENATOR HANSEN: Most likely, yes. [LB986]

SENATOR ERDMAN: Okay. So how much can they levy? [LB986]

SENATOR HANSEN: They can...it would depend on whatever the city council resolution passed. [LB986]

SENATOR ERDMAN: So it said in there something about...the bill said something about whatever was necessary to pay for the improvement and whatever they were going to do. So is it open ended? They get to levy whatever they wanted? [LB986]

SENATOR HANSEN: They could only levy what is necessary to pay for the improvement. And that amount would be known before the city council votes. [LB986]

SENATOR ERDMAN: So it could be significant. [LB986]

SENATOR HANSEN: Sorry, I didn't hear. [LB986]

SENATOR ERDMAN: It could be a significant amount if the city council approved that? [LB986]

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SENATOR HANSEN: Yes, it could be a significant amount if the city council approved a significant amount. [LB986]

SENATOR ERDMAN: Okay. So your original bill, didn't it say that all those people that were going to be on the committee had to live in the community? [LB986]

SENATOR HANSEN: My original bill did not specify whether or not they had to live in the community. My assumption was that they would, but it did not actually specify. [LB986]

SENATOR ERDMAN: So then it also talks about changing the boundary of the improvement district. They can do that as well? [LB986]

SENATOR HANSEN: With public notice and a public hearing, yes. [LB986]

SENATOR ERDMAN: Okay, have a public notice and a public hearing. So they can do about anything they want. Can they have organized social events and pay for those? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR ERDMAN: So like a block party or a community picnic? [LB986]

SENATOR HANSEN: Yeah, they could. [LB986]

SENATOR ERDMAN: Okay. That seems kind of peculiar. So they're going to levy this and so we want to do a trash cleanup or we want to do a bus stop or whatever we want to do. So it will be a while before they collect the money, so they have to put the assessment in place and collect the money before they do that, or does the city council give them the money to do this and then they go and collect the assessment? [LB986]

SENATOR HANSEN: I suppose they could do flexibility depending on what they had, including if they had other funds available, because it is not limited to the special assessment, but imagine in most cases it would be special assessment, then project. [LB986]

SENATOR ERDMAN: Okay, okay. Well, this is a new concept to me. I think it's a property tax increase, as Senator Larson had commented. And I am for the bracket motion, MO281, and I'll be voting green on that and against the bill if it gets that far. Thank you. [LB986]

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SPEAKER SCHEER: Thank you, Senator Erdman and Senator Hansen. Senator Hansen, you are recognized. [LB986]

SENATOR HANSEN: All right. Thank you, Mr. President. Colleagues, let me first thank you for your time and kind of talk about a procedural thing that kind of happened real quick. My understanding was right, and I checked with the Clerk. Senator Larson's original motion was a unanimous consent motion to bracket, which means that nobody objected. It would have bracketed my bill automatically. And that was filed right after recess. So I had objected, which is why he then got the opportunity to open. I have actually done that on other unanimous consent motions in the past, especially when somebody doesn't explain when a motion happens. Just kind of as a learning curve, if you hear unanimous consent and you don't know what it is, it is probably safer to object because something is happening and that could be a recommit, that could be a bracket or something of that nature. Secondly, moving on to the bill, thank you all for your comments beforehand and going forward. I think we just kind of wanted to reframe the issue a little bit more. And some of my questions with Senator Erdman connected to the issue. So this is something that ultimately would be a power vested in the city council. This neighborhood improvement district board, much like a business improvement district board, is just a group that recommends things to the city council. The city council would ultimately be the final decision making body for anything they do, including the creation of the neighborhood improvement district board, including any special assessment which is not a guaranteed thing, but it's just one funding source that we have provided; and that was copied off of the business improvement districts. So when we're talking about power and what power we invest, it is always in the city council, and we have working with some of the groups, the realtors, for instance, came in and wanted longer notice periods, so we bumped up the notice periods. We included mailings to all property owners, all registered property owners, connected. So that is...we're trying to be open, we're trying to be transparent; we're trying to give city councils, we're trying to give the duly-elected representatives of a community the power to do special projects that might only benefit one part of the town. The other thing I want to be clear, if a special assessment was used, and I want to be clear, that it is just an option, it is not a requirement, it is something that will be...a notice will go out to all the community members. And you will see exactly what the project is and exactly what the amount is. And you then can petition your city council or we even have a petition to stop it in the bill. So you can see, hey, you have a high-speed traffic near a school, you want to build a pedestrian overpass, it's going to cost this amount over five years. Yes, no, do you want it? And you can petition your city council either literally petition your city council, as we have available in the bill, or you can just, obviously, testify in support or opposed. And then they have the option of providing that. And that is my goal is there's some projects that only specify a specific area. And when you are dealing with overall budgets, how do we give extra flexibility for a neighborhood that might want to come together and really band together for a specific project? I don't expect these to be used...I don't...actually don't expect these to be used all too commonly. I expect them to be used in areas where there is a clear consensus. As all

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of us who have served in government, things don't happen quickly and things don't happen fast, especially at the city level. I know everybody is probably from a different community and different sized thing, but I think you can talk to our city council representatives and they certainly do hear from people on issues and behave accordingly. A lot of the questions that I have been getting, both on and off the microphone, kind of the scope of the bill and the ideas of the bill. My intent of this bill was to be broad, was to be permissive knowing that we are just giving authority to another group of elected officials in local control, ultimately the city council, and another group of involved citizens, the improvement district board, that they get to decide what they want to do. And if that's...you know, like I said, some sort of crossing guard program... [LB986]

SPEAKER SCHEER: One minute. [LB986]

SENATOR HANSEN: ...if that's some sort of other neighborhood thing, that is what they get to do. I know Senator Erdman brought up trash cleanup. That was something not in my original bill and was kind of when we were going through the original bill before the hearing was something I heard from neighborhoods in Lincoln very much--this is a recurring issue and this is something we would like to solve, and this is something that is above just a volunteer standpoint, what we need to do to really to do this. We would love to have a person, some group, some authority to do something there. That is why some things like that. I know it's kind of some small little issues, but I know all of you, if you've gone out like me, gone out walked the pavement, knocked the doors, talked to your voters, the small little issues are what stick in people's minds and what people talk to you about. And that is why I brought this bill forward. It's all of these little things that...what from a state level might seem really small, but they're what my constituents are passionate about, what they talk to me about when I run into them at community halls and all of those things. And I just wanted to give the city council a tool to do that. [LB986]

SPEAKER SCHEER: Time, Senator. [LB986]

SENATOR HANSEN: Thank you, Mr. President. [LB986]

SPEAKER SCHEER: Thank you, Senator Hansen. Senator Hilkemann, you are next. [LB986]

SENATOR HILKEMANN: Thank you, Mr. Speaker. I wonder if Senator Hansen would take a couple of questions from me? [LB986]

SPEAKER SCHEER: Senator Hansen, would you please yield? [LB986]

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SENATOR HANSEN: Yes. [LB986]

SENATOR HILKEMANN: Thank you very much. Let's go back to the talking about this in a sense of University Place, since we both are familiar with that area, and we need to do a shout out for the Nebraska Wesleyan basketball team that won a national championship over the weekend. Let me...I'm trying to get my hand around this, Senator. Someone from the realty lobby mentioned it to me like this, well, if they wanted to put in a green space in some area, this would be one of the projects that they could do with that. Would that be correct? [LB986]

SENATOR HANSEN: Yes, absolutely. [LB986]

SENATOR HILKEMANN: Okay. Now, this green space would have to then be approved by the city council, is that correct? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR HILKEMANN: So the NID would have to make a request to the city council to do that, is that correct? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR HILKEMANN: Okay. A concern I have with that, Senator, is that I'm an old, retired, grumpy guy at this point in my life. So if I bought a house at 56th and Huntington, for example, and I know what the real estate taxes are going to be on that and so forth, and I'm not in favor of putting in a new green space there. But they go ahead and this district gets approved for \$100,000...\$200,000 for a green space; because I own a house at 56th and Huntington, am I going to have to pay for that...help pay for that? [LB986]

SENATOR HANSEN: If they pay for it via a special assessment, then yes. [LB986]

SENATOR HILKEMANN: Okay. You see, like right now I am living in an SID. And when you live in an SID you know that your costs are variable and you know that there's a lot of new development that's happening, and you never know exactly what your taxes are going to be. So that's a concern I have is for those people, particularly on a fixed income, for example, that may not be planning, that all of a sudden they're going have to pay another \$1,000 assessment or \$2,000 assessment. Would that be an exception to this or would this be...is this kind of what we're talking about? [LB986]

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SENATOR HANSEN: I would be shocked if any assessment was \$1,000 or \$2,000. They would certainly could be an assessment, but I think if you told any voter in the city...or any city that they are going to pay an extra \$1,000, you would be recalled by the end of that sentence. [LB986]

SENATOR HILKEMANN: Okay. But that example that I utilized, you're saying that that could happen, is that correct? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR HILKEMANN: Okay. Thank you. [LB986]

SENATOR HANSEN: Thank you. [LB986]

SPEAKER SCHEER: Thank you, Senator Hilkemann and Senator Hansen. Senator Blood, you are recognized. [LB986]

SENATOR BLOOD: Thank you, Mr. President. Fellow senators, friends all, I stand in enthusiastic opposition to Senator Larson's motion to bracket, and in enthusiastic support of Senator Hansen's bill and the amendment from Urban Affairs. I would ask that Senator Hansen yield to a question? [LB986]

SPEAKER SCHEER: Senator Hansen, would you yield again? [LB986]

SENATOR HANSEN: Yes, I would. [LB986]

SENATOR BLOOD: Actually, I have several for you, Senator Hansen. [LB986]

SENATOR HANSEN: Perfect. [LB986]

SENATOR BLOOD: Senator Hansen, do you know what office I held prior to being in the Legislature? [LB986]

SENATOR HANSEN: I believe you were a city councilwoman in Bellevue. [LB986]

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SENATOR BLOOD: I was a city councilwoman in Bellevue. And so I'm very excited about this topic. You touched slightly down on BIDs; and BIDs have been a very effective tool for old town Bellevue, because they can share resources. Would you say that an NID utilizes, basically, the same principle in the fact that they are sharing resources? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR BLOOD: Okay. So I walked through what I know about BIDs and NIDs and I want to ask you if I am spot on or close. [LB986]

SENATOR HANSEN: Okay. [LB986]

SENATOR BLOOD: NID, develop safe neighborhoods? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR BLOOD: Promote health, safety, and general welfare? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR BLOOD: Work to establish, maintain, and preserve property values? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR BLOOD: I want to repeat that, because I heard some grumbling about the opposite. Work to establish, maintain, and preserve property values? And again a yes. Preserve and foster development of attractive neighborhood environments? [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR BLOOD: Okay. The question that I would have is, are you aware of any other types of special assessments that city councils utilize within the city limits of their municipalities? [LB986]

SENATOR HANSEN: The special assessments for business improvement districts are the one I'm familiar with. [LB986]

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SENATOR BLOOD: Okay. What about if you live in a neighborhood that doesn't have a sidewalk? [LB986]

SENATOR HANSEN: Yes, there are sidewalk...I forget the exact term, but there could be sidewalk districts as well. [LB986]

SENATOR BLOOD: And that is not unusual, is it? [LB986]

SENATOR HANSEN: No. [LB986]

SENATOR BLOOD: So to say that this could create special assessments of large portions is probably not accurate. They're usually pretty small when it comes to the assessment from sidewalk assessments to street light assessments to road repair assessments. [LB986]

SENATOR HANSEN: Correct. [LB986]

SENATOR BLOOD: Okay. So I just want to put that in perspective. Thank you, Senator Hansen. [LB986]

SENATOR HANSEN: Thank you. [LB986]

SENATOR BLOOD: I appreciate you answering the questions. It's been a real benefit for me to serve on the city council and work with the municipality before coming to the Legislature, because for those who have not every worked with a municipality, the stuff sounds really foreign and red flags go up. I think of Senator Briese's bill in reference to vacant properties, and what he's trying to do is give tools to municipalities to raise property values when there are eyesore properties that aren't being cared for; because Nebraska lacks tools when it comes to municipalities. We have TIF, but really, what other tools do they have to make communities better? And so when I look at the NID, I see it as another tool that's going to help make our municipalities better, that's going to take neighborhoods that maybe are not so nice, that are older, and improve them, just like BIDs can and do. I really worry when people cry wolf on this type of bill, because I think it shows a lack of understanding of the true good that it can do. And when we do worse case scenario, then I think that also says that we have little faith in the people who run our municipalities, our elected officials... [LB986]

SPEAKER SCHEER: One minute. [LB986]

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SENATOR BLOOD: ...that our residents choose to put into place there because they trust them to do the right thing. So what we are basically saying when we don't support this bill is that we don't trust those municipalities to do the right thing. And I think that is very sad. Thank you. [LB986]

SPEAKER SCHEER: Thank you, Senator Blood. Senator Ebke, you are recognized. [LB986]

SENATOR EBKE: Thank you, Mr. Speaker. A number of us have been trying to clarify exactly what this does. And coming from a smaller town where these things don't happen all that often, I had to get some clarification. So as I understand it, and Senator Hansen, you can listen and if I am wrong, be sure to correct me here in a little bit. As I understand it, participation in these would occur when the city council, after a hearing, after notification of all the people within the neighborhood was held, and the city council would then determine at that particular portion of the community was identified as a...tell me what is it again? A community. [LB986]

SENATOR HANSEN: A neighborhood. [LB986]

SENATOR EBKE: Neighborhood, okay, thank you, a neighborhood investment district. [LB986]

SENATOR HANSEN: Improvement district. [LB986]

SENATOR EBKE: Improvement district...okay, thank you. Senator Hansen is helping me. So it's not a...it wouldn't really be voluntary. Right? Senator Hansen, would you yield? [LB986]

SPEAKER SCHEER: Senator Hansen, would you yield? [LB986]

SENATOR HANSEN: Thank you, Mr. President. And, no, it would be required by the city council ordinance. [LB986]

SENATOR EBKE: Okay. So it's mandatory. So if there, as Senator Hilkemann was talking about a little bit ago, if you got a couple of grumpy people who don't want to pay their participate, they still have to participate if they are part of this district. [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR EBKE: Okay. So when the city council does this, we were talking about the collection of the assessments and where that comes from. And thank you to Senator Howard and

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Senator Crawford and Trevor for helping figure this out for me. But apparently this goes through the city, the assessment goes through the city. If someone does not pay the assessment, a lien can be placed on their property. While this doesn't go through the county and can't be called a property tax, it is, in effect, a property tax because you are required to pay it. The other issue is, I think, the question of sharing of resources. And while that sounds great, it's not really sharing if you are required to pay it. You are not sharing, you are being extorted in some way to participate. The other question I have is the question of big assessments versus small assessments, and we talk about that quite a bit. I would argue that big assessments versus small assessments are somewhat in the eye of the beholder and it kind of depends on what your budget is and how much extra this is going to cost you. At this point, I'm going to listen carefully. At this point, I'm probably inclined to support the bracket motion, just because I think we need to work this out. I think that in a time when property taxes are at the top of most people's agendas, anything that is going to add to the cost of their property, and an assessment certainly would, I think that we need to think carefully about authorizing that. So thank you, Mr. President. [LB986]

SPEAKER SCHEER: Thank you, Senator Hansen and Senator Ebke. Senator Quick, you are recognized. [LB986]

SENATOR QUICK: Thank you, Mr. President. First, I sit on the Urban Affairs Committee. And at the hearing when we had actually no opponents to this bill and we had four people who actually supported--Nebraska Realtors Association; we had one person representing himself, city of Lincoln, and then of course Senator Hansen introducing the bill. And coming out of committee it was voted out 6-1. I really believe that the voice of the neighborhood is important. So it's more of a local control issue. I can tell you from my experience of going down to city council meetings, that not just...if someone was opposed to creating this, they would be down at the city council meeting voicing their opinion. And I know more times than not that the...even though it might have been a minority that was represented, they were able to convince the council not to proceed. So I mean, I think it comes down to the voice of the neighborhood being able to go before the city council to see if they want to, you know, create a certain...do something, say like they want to put in a park project or something like that. I know that's probably more than what most neighborhoods would be looking at, but they would have to take it before the council; the council would hear the opinions from everybody in the neighborhood, not just so that we were supporting it. I know this year that I had brought actually a bill on tourism improvement districts, and that had to do with a lot of the local hotels in Grand Island and promote tourism in the state and they put money into the fund to promote that, and some of the other hotels weren't, and so they wanted more representation. They wanted more people involved in that so they could actually...so everybody was promoting tourism, and every hotel and restaurant would benefit from that. So I know how important it is to have that...to have everyone on board working together. And I think when you would have that, you would have the whole neighborhood working together to make sure that it worked properly and that it did what it

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said it was supposed to do. And with that, if Senator Hansen wants more time, I would yield him my time. Thank you, Mr. President. [LB986]

SPEAKER SCHEER: 2:20, Senator Hansen. [LB986]

SENATOR HANSEN: Thank you, Mr. President, and thank you, Senator Quick, for your courtesy. I just kind of wanted to kind of keep reaffirming kind of the core concepts and core issues. I know a special assessment is a lot of the text in the bill. But it's not required by any means; it is just an option. And, obviously, I knew full well that would probably be the thing we've gotten the most attention on, and I expected some of the debate to be center around it. But it is by no means required or mandatory, it is an option. Senator Erdman asked me about significant, and I agree that things can be significant. But Senator Ebke, I actually think, put it correctly. Significant is in the eye of the beholder. I'm expecting, you know, if we are turning a vacant gravel lot into a green space, I'm not expecting ginormous amounts. I'm expecting small amounts that will pay for the cost of the project. And whether or not an extra \$20 is significant to somebody or another, it's not my role to judge that, but they would get full notice, they would get 30 days notice of a city council hearing via mail to their registered address, and they would have the option to let the city council know that \$20 was significant to them...if \$10 was significant to them; they would have the option to let the city council know. This is just that opportunity. We are talking about all sorts of different things. [LB986]

SPEAKER SCHEER: One minute. [LB986]

SENATOR HANSEN: Thank you, Mr. President. You know, it's all sorts of different things. Senator Hilkemann is focusing on University Place. My district, we have, literally, a vacant lot where a department store burned down 15 years ago. It is literally a burned out store front that has been turned into a gravel lot. We've had some great opportunities to work with the city and partner with the city to actually put some gravel in there so we could host community events. There's a community market and some things like that to change what was an eyesore and a muddy hole with some bricks in it to an actual space we could use. I mean, that's something we were able to do because of...but would be kind of the ideal project that I was talking about, it was just, you know, making a vacant lot the city owns like accessible and useable. And just we had to find some outside grant funding, but I don't even remember where it was from. But there's just a little project like that, just to do a tiny thing that would make a neighborhood district(inaudible). I appreciate all the questions. I certainly expected a lot of people, and I really enjoy the focus of this by all means. [LB986]

SPEAKER SCHEER: Time, Senator. [LB986]

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SENATOR HANSEN: Thank you, Mr. President. [LB986]

SPEAKER SCHEER: Thank you, Senator Quick and Senator Hansen. Senator Chambers, you are recognized. [LB986]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, what I have to look at, when we are talking about legislation, is what is allowed under the legislation, not what the introducer tells us is his or her hope or expectation. Not one person on this floor can predict what a city council is going to do in the city where he or she may live. I would like to ask Senator Hansen a few questions. [LB986]

SPEAKER SCHEER: Senator Hansen, would you yield? [LB986]

SENATOR HANSEN: Yes, Mr. President. [LB986]

SENATOR CHAMBERS: Senator, this is called a neighborhood what? [LB986]

SENATOR HANSEN: Improvement district. [LB986]

SENATOR CHAMBERS: And it is not...it does not comprise...how do people get on this board? [LB986]

SENATOR HANSEN: Appointed with the mayor...there's two ways actually: appointed by the mayor with approval of the city council or the mayor can appoint an existing neighborhood board. [LB986]

SENATOR CHAMBERS: But it's the mayor appointing this group. [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR CHAMBERS: But it's called a neighborhood group. [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR CHAMBERS: In my community, black people would never sit still to have the mayor appoint people and set up with the mayor and the city council are going to call a

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neighborhood association group or anything else. So it's clear to me that this does not mean the same thing as a neighborhood council in Omaha, is that true? The neighbors are not in charge of this, are they? [LB986]

SENATOR HANSEN: They... [LB986]

SENATOR CHAMBERS: Let's say this, there are people in the community who support the mayor. [LB986]

SENATOR HANSEN: Okay. [LB986]

SENATOR CHAMBERS: So the mayor puts five of those people on the council. [LB986]

SENATOR HANSEN: That could be possible, yes. [LB986]

SENATOR CHAMBERS: That can be done. [LB986]

SENATOR HANSEN: Yes. [LB986]

SENATOR CHAMBERS: You say...or I have heard, trust these people because they have been elected. So this is a trust me bill, isn't it? [LB986]

SENATOR HANSEN: Sure. I would say the bill relies upon the city council and the mayor's decision, yes. [LB986]

SENATOR CHAMBERS: Thank you. And I don't trust elected officials. I look at what happens on this floor. I look at what the Governor can control on this floor. When you are talking about the area where people live, and many of them don't own property, the only ones who can petition or protest under this bill are those who are the record property owner. So if there are people who rent, there are certain things they have no right to do. And there are people who don't live there who can amass a lot of property, slum property, that they will rent to people. The people who live there don't own it. The one someplace else does. And this slumlord can go to the city council and say I want an assessment so that we can do thus and so and it might enhance the value of that slumlord's property. I will not support this bill, and I'm not going to grill Senator Hansen because Omaha is left out. But my conscience would not let me see forced it on people something I would not tolerate for a moment happening where I live, and by that I meant the city. We right now cannot get city services in our community of the kind that are needed. The police don't

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behave in the way that they should. I cannot get the officials to do anything about tracking down the source of guns, even though young teenagers; all teenagers are young, I meant 14 years old, know where to get a gun. But the police don't know where they come from in my community. I don't trust this bill. I didn't say Senator Hansen. I don't trust this bill, and there are people from Lincoln who contacted me. And I asked them, why don't you contact your representative. [LB986]

SPEAKER SCHEER: One minute. [LB986]

SENATOR CHAMBERS: Well, that's who's bringing it. I said, well, he doesn't represent everybody in Lincoln. There are other people from Lincoln, but they don't have confidence. And I don't know why, and I'm not saying this to disparage any of the representatives from Lincoln. But I will not support this bill and I will support the bracket motion. I don't think this bill should have been let out of committee, especially since Omaha was going to be removed from it. I don't know if that was a sweetener to cause those on the committee to vote it out, but the first thing was to get Omaha out. Do you realize that people in Omaha cannot be made to pay for trash pick-up unless there's a vote of the people, and that was done because I got the legislation years and years ago to make sure that the poor people are not going to have the trash picked up and then be assessed an amount to do it. We don't know whether there will be services that ought to be granted taken care of by the city. [LB986]

SPEAKER SCHEER: Time, Senator. [LB986]

SENATOR CHAMBERS: You said time? [LB986]

SPEAKER SCHEER: Yes, Senator. [LB986]

SENATOR CHAMBERS: Okay. [LB986]

SENATOR SCHEER: Thank you, Senator Chambers. Colleagues, if you did hear a bell, that is just the monthly automatic check. We are not normally in session at night. Senator Larson, you are recognized. [LB986]

SENATOR LARSON: Thank you, Mr. President. Senator Chambers is on the right track when it comes to recognizing that it is property owners. What he failed to mention is that, let's say, in his legislative district somebody owns an apartment complex. And in that apartment complex, there's 100 units. The way this bill is worded that one slumlord person would have 100 votes towards this. And the reason that is...and that goes to part of the bill when it comes to if the city council

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doesn't schedule a hearing from what the neighborhood association wants...or the neighborhood district, 30 percent of the registered property owners...yes, 30 percent of the registered property owners could petition the city council to put it on the agenda. But it's registered property owners by unit. So like I said, that person that owns an entire apartment complex with 100 units, if there are only 300 total units in the neighborhood district, neighborhood improvement district, that person could essentially by himself or herself demand that this gets in front of the city council. Then you don't know what would happen. But on the reverse side, it would take 50 percent of the registered property owners to stop it from becoming a special assessment. So only 30 percent to get it going...to demand it goes on, but 50 percent to pull it off. It doesn't seem necessarily fair. As I said earlier, I have a problem with the fundamental concept of the special assessment moving forward. I think that there is...I would prefer that we just adopt the bracket motion. But I think there is the will here to ensure that, obviously from at least Senator Chambers, and I guess I could take the easy way out and just let him do it, but I won't force that upon him this late in the evening, that this would go awhile. So I would encourage my colleagues to vote for the bracket motion and move on. Thank you, Mr. President. [LB986]

SENATOR LINDSTROM PRESIDING [LB986]

SENATOR LINDSTROM: Thank you, Senator Larson. Senator Hansen, you are recognized. [LB986]

SENATOR HANSEN: Thank you, Mr. President. First off, I guess I haven't said this yet, I would oppose the bracket motion and ask my colleagues to vote no on the bracket motion. If there's 25, let me find that out on an amendment, or if we have an opportunity to amend the committee amendments, which I'm more than willing to do, unfortunately Senator Larson's bracket motion is holding the bill hostage for the moment and then not allowing me to do any amendments that anybody might want. And I bring that up because AM1958 represents a lot of different amendments that a lot of people suggested and we worked together a lot of stakeholder groups. There was public notice requirements we got from different groups. There was the majority of residents making that clear. That was something, transitioning language from a commercial district to a residential district, probably wasn't as smooth as we would have liked, and so, obviously, incorporating residents is good. Increasing notice requirements, mailing copies, and all sorts of different things are as embodied in the committee amendments. I'm more than happy to work with anybody. If there's a specific issue or specific problem that can be changed, this is my best attempt, my best idea of how to empower neighborhoods in the city. If we can make that better as a body, by all means, like come up to me, talk to me. Senator Chambers, when he gave me the courtesy of letting me know he was going to oppose my bill, I told him off the mike and said if there's an option to make this better that you could support it, by all means come to me and let me know. And I guess I'll extend that to everyone. I do want to address Senator Larson's point. His metaphor kind of falls apart; I don't necessarily know what the hundred votes are.

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There's not votes in this situation. We do allow a percentage of the accessible units, which is defined by front feet or square feet to be able to do a petition to stop it, 50 percent to stop it. And that is something just kind of carte blanche, give property owners a right to protect their property interest. That was something I actually expected the body to like, that we would represent property owners' interests. So I kind of feel stuck between a rock and a hard place having me being criticized for giving property owners too much power, and me being...giving them not enough power, depending on who you are listening to. Like I said, I'm interested to hear what we are going for. But fundamentally, just getting back to the thing, it will be a decision by the city council. Yes, you can start it by petition and, yes, you can stop it by petition, and there's percentages there, and if those percentages need to be higher or lower respectively, okay. That will be an interesting discussion to have. I would ask you, though, to kind of give this bill a chance, to help support it, to defeat the bracket motion, and let's move on to see if the committee amendment and all the compromises that I worked on with various other stakeholders can be adopted. Thank you, Mr. President. [LB986]

SENATOR LINDSTROM: Thank you, Senator Hansen. Senator Morfeld, you are recognized. [LB986]

SENATOR MORFELD: Thank you, Mr. President. Colleagues, I rise in opposition to the bracket motion and in support of the underlying bill. I think that some legitimate points may have been brought up tonight, but I think that as a whole, this is a bill that provides the opportunity to take advantage of tools that are not necessarily already there, and to be able to do it in a hyper-local way. This is something that requires some neighborhood buy-in. Neighborhood associations in my experience actually wield a lot of political power. And cities and mayors and city councils often listen to them. I work with a lot of neighborhood associations in my day job, and I have always found that the city is generally pretty attentive to neighborhood association leaders and neighborhood leaders in general. And so, I think that this is a bill that has enough fail safes and ability for flexibility, but also provides some resources and some opportunities for neighborhoods to generate more resources to improve their homes...not their homes, but their neighborhoods, which oftentimes helps improve home values and also the neighborhood as a whole. So long story short, I think that this is a proposal that has had some...already some compromise, some good amendments to it coming out of committee. And I fully support it and I will oppose the bracket motion. With that I would yield the remainder of my time to Senator Wayne if he so chooses. Thank you. [LB986]

SENATOR LINDSTROM: Senator Wayne, you're yielded 3:30. [LB986]

SENATOR WAYNE: Thank you, Senator. I will not take all three minutes. Look, the idea behind this bill and the route we talked about on the committee was simple. This is a tool to bring

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neighborhoods together in a way. I understand those concerns, but I want everybody who is listening at home and everybody in this Legislature to understand one thing--I have accomplished something that I think has not been accomplished in at least seven years. I have brought Senator Larson and Senator Chambers together on an issue. So everybody give me a round of applause. Thank you, Mr. Speaker. [LB986]

SENATOR LINDSTROM: Thank you, Senators Morfeld and Wayne. Senator Friesen, you are recognized. [LB986]

SENATOR FRIESEN: Call the question. [LB986]

SENATOR LINDSTROM: The question has been called. Do I see five hands? I do. The question is shall debate cease? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB986]

ASSISTANT CLERK: 26 ayes, 7 nays to cease debate, Mr. President. [LB986]

SENATOR LINDSTROM: Debate does cease. Senator Larson, you are recognized to close on your bracket motion. [LB986]

SENATOR LARSON: Thank you, Mr. President. I would urge my colleagues to support MO281 and bracket LB986. Like I said, I have fundamental problems with it, as do many others in this body that have expressed them. Hopefully we can dispense of LB986 now. Thank you, Mr. President. A call of the house, roll call vote in regular order. [LB986]

SENATOR LINDSTROM: 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, all those opposed vote nay. Record, Mr. Clerk. [LB986]

ASSISTANT CLERK: 33 ayes, 4 nays to go under call. [LB986]

SENATOR LINDSTROM: 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. Senators Harr and Quick, please check in. Mr. Clerk, all members are accounted for. There's been a request for a record vote...roll call vote in regular order. [LB986]

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ASSISTANT CLERK: (Roll call vote taken, Legislative Journal page 1073.) The vote is 27 ayes, 18 nays, Mr. President. [LB986]

SENATOR LINDSTROM: The bracket motion passes. Raise the call. Items, Mr. Clerk. [LB986]

ASSISTANT CLERK: Mr. President, communication from the Governor. (Read re LB17, LB256, LB321, LB743, LB750, LB775, LB874, and LB936.) A second communication from the Governor, (Read re LB350.) (Legislative Journal pages 1073-1075.) [LB17 LB256 LB321 LB743 LB750 LB775 LB874 LB936 LB350]

SENATOR LINDSTROM: Next bill, Mr. Clerk. [LB1009]

ASSISTANT CLERK: Mr. President, LB1009, introduced by Senator Murante. (Read title.) The bill was introduced on January 16; referred to the Transportation Committee. That committee placed the bill on General File with committee amendments. (AM1737, Legislative Journal page 790.) [LB1009]

SENATOR LINDSTROM: Senator Murante, you are recognized to open on LB1009. [LB1009]

SENATOR MURANTE: Thank you, Mr. President; members, good evening. We are here this evening to discuss the so-called speed limit bill. It was requested by the Department of Transportation. I believe it could properly be referred to and is probably more appropriately referred to as the 85th percentile bill. I call it the 85th percentile bill because that's what the bill does, it aligns the speeds on Nebraska's roads to the 85th percentile. The Federal Highway Administration defines the 85th percentile as the speed at or below which 85 percent of all vehicles are observed to travel under free flowing conditions past a monitored point. According to the city of Lincoln, Public Works and Utilities, another way to consider this is the speed at which only 15 percent of traffic violate on average. This is a standard that traffic engineers use to get a safe speed limit that minimizes crashes and promotes a uniform traffic flow. That is exactly what this bill is about, ensuring that our speed limits are set up at the safest speeds for our citizens. Research shows utilizing this methods for...research supports utilizing this method for setting speed limits. University of Texas assistant professor of transportation engineering, Stephen Boyles, advocates for the 85th percentile rule. According to his research, if more than 1 out of 7 drivers operates above the posted speed limit, it may be appropriate to raise the speed limit. The Federal Highway Administration, the National Cooperative Highway Research program, and the Institute of Transportation Engineers support this approach. The FHWA noted that setting speed limits below the 85th percentile does not encourage drivers to comply with the posted speed. According to a report from the Federal Highway Administration, traffic officials generally agree speed limits should reflect the speed of most drivers. All states and most local

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agencies use the 85th percentile of free-flowing traffic as the best factor. In fact, the 85th percentile principle is codified as a recommended speed under Nebraska state law. Speed limits are not arbitrarily set and the Nebraska Department of Transportation does not take into consideration time saving for drivers. Instead the department takes an engineering approach, considering road design, current operating speeds, traffic volumes, traffic control devices, and crash data. This is exactly what we saw occur in South Dakota. The year after South Dakota raised its speed limits on its interstate from 75 to 80 miles per hour, traffic fatalities dropped by 13 percent. Simply put, South Dakota's speeds were too slow. I have heard from citizens all across Nebraska that they feel some of our speed limits are too slow. However, our laws must be grounded in fact, not feeling, to hear what the facts confirm about how drivers are driving. The following are observed 85th percentile speeds on some of the roads this bill would impact. On Nebraska Highway 2 in northeast Nebraska, the 85th percentile speed is 65 miles per hour. The current speed limit is 60. Under this bill that speed would be raised to 65 miles per hour. On Highway 34, east of Lincoln to Union in Cass County, the 85th percentile speed is 66 miles per hour. The current speed limit is 60, and the speed limit under this bill is 65 miles per hour. Highway 30 in Deuel and Keith County, the 85th percentile speed is already 65 miles per hour; the current speed limit is 60, and the speed limit under this bill goes to 65 miles per hour. What this data is showing is what this bill reflects is that the driving patterns are telling engineers and policy makers our appropriate speeds on our highways. The driving public does this every day, not by responding to surveys, but just by driving. Based on this data, LB1009 authorizes an increase in speed limits on state highways, expressways, freeways, and Super 2 highways by 5 miles per hour. As a result, you would see posted signs change from 60 miles per hour to 65 on the state's two-lane highways; and from 65 to 70 miles per hour on freeways, expressways and Super 2 highways. The first Super 2 is planned between McCook and North Platte. In instances where segments of the roads are faced with topographical limitations; for example, curves or hills, those roads will remain at their current posted speeds. Simply put, there are places where the speed limit, even if permitted, shouldn't be raised out of safety concerns, and in those places increases will not occur. Specifically, as this legislation pertains to the interstate, it allows for a 5-mile increase only after a study. It is important to note that the increase is authorized by LB1009, may be reduced if future studies warrant that action. Now it's possible that you are hearing today to increasing speeds will increase crash rates, but I would like to read to you directly from a study performed by professional engineering firm SEH. In the article, one of the paragraphs is entitled "Dispelling Speed Limit Myths," and I quote directly: Before explaining how...why speed limits are trending upward, let's first expunge some misconceptions. Here are four commonly held, but inaccurate statements about speed limits. (1) Lowering a speed limit will slow down traffic. (2) Lowering a posted speed limit will increase safety and decrease the number of crashes. (3) Raising the posted speed limit increases traffic speed. And (4), Drivers will always drive at 5 miles per hour over the posted speed limit. There is no guarantee that a speed limit will have any effect on driving behaviors. The fact is, when driving, most motorists choose a speed in which they personally both comfortable and safe. As cars have evolved to go

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faster and be safer, so too have the inclinations for drivers to increase speeds on open roads and rural interstates. The National Highway Safety Administration data shows the exact opposite from those who say that speed limits increases result in increase of crash rates. In 1994, prior to the repeal of the nationwide maximum speed limit of 55 miles per hour, there were 1.73 fatalities per hundred million vehicle miles traveled, compared to 1.13 fatalities per one hundred million miles traveled in 2015. Uniform traffic flow is a key component of road safety. More accidents occur when cars move at different rates. As I stated earlier, speed limits are not arbitrarily set and the department takes this subject very seriously. LB1009 brings us into compliance with industry standards and allows the experts to set the safest speeds for drivers. I would like to thank Senator Hughes for prioritizing this legislation. I believe you will hear shortly an amendment introduced by Senator Smith, which I will support. That is a bill to remove the interstate component from this bill and to focus this bill on what I think is an important and critical element of our state public policy, which is to focus on our rural highways. What we see right now, and if you travel...you don't need to be too far in western Nebraska, you can travel in the rural Sarpy County in the rural parts of the eastern part of the state where you are driving along the highway and the speed limit fluctuates up and down along the same path of highway. The highway doesn't necessarily change, but the speed limit does. And what that creates is a speed trap that allows law enforcement to pull automobiles over. It's bad public policy. And what this bill will do is streamline the rural highway speed limit speeds in this state which will make the speed limits more understandable to the drivers in the state, and I think that's the right public policy to do. I think that the I-80 component is a good piece, but it's probably a piece that ought to stand on its own in a separate bill. And I think we can certainly advance LB1009 with the adoption of the Smith amendment, learn the impact of LB1009 and if a future Legislature decides it to be appropriate to examine the speed limit on the interstate, that may be the appropriate thing to do. So I would encourage your support of LB1009, the committee amendment that is forthcoming, and the Smith amendment that is to follow that. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Murante. As the Clerk stated, there are amendments from Transportation and Telecommunications Committee. Senator Friesen, as the Chair, you are recognized to open on the amendment. [LB1009]

SENATOR FRIESEN: Thank you, Mr. President. Members of the Legislature, I ask you support AM1737, it's the committee amendment to LB1009. As the bill was introduced, Super 2 was made a new functional classification of a rural highway pursuant to Section 39-2103. Super 2 is a two-lane highway designed primarily for through traffic with passing lanes spaced intermittently on alternating sides of the highway to provide opportunities to pass slower moving traffic. The Department of Transportation suggested at the committee hearing that the Super 2 definition be included within the current rural highway classification of major arterial, which is a classification of highway characterized by high speed, relatively long distance travel patterns. So rather than adding a new definition, we are combining the new language into an existing

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definition. And I urge your adoption of the committee amendment. Thank you, Mr. President.
[LB1009]

SENATOR LINDSTROM: Thank you, Senator Friesen. Mr. Clerk. [LB1009]

ASSISTANT CLERK: Mr. President, Senator Smith would move to the amend the committee amendments with AM2254. (Legislative Journal page 861.) [LB1009]

SENATOR LINDSTROM: Senator Smith, you are recognized to open on your amendment.
[LB1009]

SENATOR SMITH: Thank you, Mr. President; and good evening, colleagues. If you look at the committee statement, you will see that I was the lone vote on advancing the bill out of committee...I was the lone no vote, that is, advancing the bill out of committee. What bothered me most in the bill in committee was the potential for a speed limit of 80 miles per hour on parts of our interstate system. Now, I understand this bill does not automatically increase the speed limit on I-80, but it leaves open that possibility and that provides me with a strong enough level of discomfort that I simply could not support the bill as it was. If you look at the committee statement, you will see that this bill was opposed by groups you would expect to be in opposition: AAA, the National Safety Council of Nebraska, and the Nebraska Safety Council. And by the way, I certainly appreciate the efforts of those organizations to work towards a safe environment on our roads. But what you will also see in the committee statement is the bill was opposed by Crete Carrier and the Nebraska Trucking Association. If any group knows the importance of maintaining a safe interstate system, it is the trucking industry. At the hearing on LB1009, the representative of Crete Carrier Corporation testified that in just one year drivers for that single company drove more than 30 million miles within the state of Nebraska. And I think it's safe to assume much of that was over I-80, which spans 455 miles across our state. AM2254 is a very straightforward amendment. It simply strikes from the committee's amendment the permissive language giving the Department of Transportation the authorization to increase the speed limit by 5 miles per hour on the interstate. AM2254 would keep the speed limit at 75. That's all it does. Proponents of the bill will tell you that uniform traffic flow is essential to safe driving conditions and more accidents occur when people drive at different rates. I don't dispute that. But if you increase the speed limit on the interstate, an increase in the speed differential is exactly what would result. And when I talk about the speed differential, in Nebraska a speed differential already exists between passenger vehicles and commercial vehicles. Many commercial vehicles are governed at 65 miles per hour. In fact, a U.S. Department of Transportation is in the process of considering a mandate that all newly manufactured commercial vehicles would be equipped with a speed limiter capping maximum speeds between 60 and 68 miles per hour. Colleagues, increasing the speed limit on the 50 mile per hour

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interstate...or the 50 miles of interstate between Omaha to Lincoln would save commuters roughly two and a half minutes...a mere two and a half minutes of time in exchange for a significant increase in the chance of an accident, an accident at high speeds, and an increase in the chance of a loss of life. Increasing the speed limit on the interstate is unnecessary. Our trucking industry travels on the interstate daily, investing millions into our economy every year; I think that when that industry stands up and says increasing the speed limit is not a good idea, I believe we should listen and we should pause and we should listen. So colleagues, I do ask you to please support AM2254. And with that I will support the remainder of the bill. But I do appreciate your time; thank you, Mr. President. Oh, and may I yield the remainder of my time to Senator Murante. [LB1009]

SENATOR LINDSTROM: Senator Murante, you're yielded 5:57. [LB1009]

SENATOR MURANTE: Thank you, Mr. President; thank you, Senator Smith, for yielding time. I want to reiterate first that I do support the Smith amendment. I think it is a good thing. I think that...although it is probably appropriate to raise...to give the Department of Transportation authority on Interstate 80, the bill, as it would exist as amended by Senator Smith's amendment is probably in the best form we can put it in. I would also like to reiterate that this bill was brought to us by the expert engineers in the Department of Transportation. Those engineers, including Director Schneweis, are in the rotunda right now and are available to answer any questions that any of you may have about why exactly this bill increases the public safety on our roadway. And so I would be happy to answer any questions that you may have, but they are here as well. So I wanted to inform you all of that as the debate progresses. Again, thank you, Senator Smith, and thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Smith and Murante. Debate is now open on AM2254. Senator Hughes, you are recognized. [LB1009]

SENATOR HUGHES: Thank you, Mr. President; good evening, colleagues. I would like to thank Senator Murante for allowing me to prioritize this bill. The reason I chose this bill is because I am one of the few rural senators who has a very large district covering western Nebraska. I do not have any interstate that goes through my district, it's all two-lane highways; all 60, 65 mile an hour. I spend a lot of time going back and forth across my district from the Colorado border to just south of Kearney is my district. I do spend...it's not very wide north and south, but it does go a long ways east and west. When I do go home, by the time I get about to...not quite to Lexington, I'm not quite halfway home. So that gives you some kind of an idea of the amount of time that I spend on the road all year long. I do go home about every weekend; I do spend time in my district all year-round, and those two-lane highways, I know them very well. I'm very appreciative of the fact of the improvements that the highway department is making to our road

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system throughout the whole state of Nebraska. There are some improvements that need to be made yet, but there are some pretty significant improvements that have happened and are underway, and I do appreciate that; and the fact that our vehicles are much, much safer than they used to be, even 10 years ago, 20 years ago. So there's no question in my mind that the ability of the road surface, the safety of the vehicles that we are driving today certainly warrant a little bit faster speed, depending on how far you go, how much time you can make up. Normally I'm 315 miles...or 300...yeah...315 miles from home, one way. Five mile an hour, that's a four and a half hour drive. That's about a half an hour I can pick up. I can do a lot of things in a half an hour once I reach home or once I reach here. While I'm sitting in my car, there's not a whole lot of work I can do because I'm driving. So again, I thank Senator Murante for allowing me to prioritize this bill. I am supportive of Senator Smith's amendment as well; and certainly the Transportation...the AM1737. I would appreciate a green vote. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Hughes. Senator Harr, you are recognized. I do not see Senator Harr. So we will move on to Senator Hilkemann. [LB1009]

SENATOR HILKEMANN: Thank you, Mr. Speaker. When I first read about this bill, I have to say that I looked at it and I said, fill in the blank, H-no; and then I went to no; and then I met with Director Schneweis and I said, well, let me think about this, I'll consider this. And so a couple of questions that came up, and I really appreciate the director talking to me about it and the reason why. And he showed me--we have these roadways where we have on one side of the city we have a 60 mile an hour speed limit; on the very opposite side of it on the same roads, very similar, we have 65 miles per hour. And we have done a lot of engineering studies and so forth on it, and that there's supposedly this 85 percent rule that if people are going 64, that people will drive it as they see fit. The question I have...he said, for example, we find that some people are driving 63 to 64 miles an hour, the best is to move it to 65. Now, Senator Murante, would you be available for a question? [LB1009]

SENATOR LINDSTROM: Senator Murante, would you yield to a question? [LB1009]

SENATOR MURANTE: I would. [LB1009]

SENATOR HILKEMANN: I don't know if you...I mentioned this to you, I don't know if you know the answer to this one, but if we...in those areas of the highway where we move it, we say, well, our studies show that people are driving the 63 to 64, we are going to move it to 65. In two years, do the studies then show that people are driving 68 to 69? [LB1009]

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SENATOR MURANTE: So I can give you...I'll answer that two separate ways, Senator Hilkemann. First, I will give you an anecdote. When South Dakota did this, they did it on the interstate, they raised their speed limit by 5 miles per hour from 75 to 80 miles per hour. They did not see an average speed increase, and they saw a decrease in the number of traffic fatalities, precisely because they had streamlined the speed limit such that they had set it what...at the rates to which people were driving which set a consistent traffic flow. The other is, beyond just an anecdotal example, the experts in the field are crystal clear about this. And I'll restate the engineers from SEH, which is a civil engineering company which works with municipalities which states directly that it is a...I'm sorry, Mr. President...I'm sorry, I thought I heard something...which states directly that it is an inaccurate statement to assume that because speed limits are raised that the average speed on that roadway will increase as a consequence. [LB1009]

SENATOR HILKEMANN: Did you think you were hearing a siren or something? [LB1009]

SENATOR MURANTE: I thought I heard something, Senator Hilkemann, I don't know. [LB1009]

SENATOR HILKEMANN: Well, thank you. That's a concern. An interesting thing, I had my staff do some research on this. As you know, I'm really concerned about our public safety and public health issues in our state, and the first thing I thought about, well, if we increase these speed limits, we are going to have more fatalities and so forth. But I was interested that the studies showed that we're really not very...did not show that much of an increase in that. So I think that's interesting. I really appreciate Senator Smith's amendment to eliminate the 80 mile an hour speed limit. That concerned me. My concern was that we will be soon having traffic going down I-80 at 90 mile an hour. And while they say trucks are governed, we certainly...having ridden that many, many times over the years, we find an awful lot of them are going a whole lot more than 65 mile an hour. [LB1009]

SENATOR LINDSTROM: One minute. [LB1009]

SENATOR HILKEMANN: In fact, you have to work pretty hard to pass them. But, Senator, at this point, I'm going to follow this conversation and we will see where we go from there. Thank you. [LB1009]

SENATOR LINDSTROM: Thank you, Senators Hilkemann and Murante. Senator Krist, you are recognized. [LB1009]

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SENATOR KRIST: Thank you, Mr. President; good evening, colleagues and Nebraska. Would Senator Murante yield to a question, please? [LB1009]

SENATOR LINDSTROM: Senator Murante, would you yield? [LB1009]

SENATOR MURANTE: I would. [LB1009]

SENATOR KRIST: In your opening, you suggested that...and I think I heard this correctly, I haven't been able to find it in the bill, that there would have to be a survey or a sturdy done. Did that only pertain to the interstate system? [LB1009]

SENATOR MURANTE: Yes. [LB1009]

SENATOR KRIST: So we are not expecting transportation to have to survey any other of the categories of roads in the state? [LB1009]

SENATOR MURANTE: They have done already exhaustive studies around the state, which was the genesis of the bill. But the bill does not call or mandate additional studies. There isn't a trigger like there was on the interstate portion of the bill. [LB1009]

SENATOR KRIST: Okay. Thank you, Senator Murante. Senator Friesen yield to a question? [LB1009]

SENATOR LINDSTROM: Senator Friesen, would you yield? [LB1009]

SENATOR FRIESEN: Yes, I would. [LB1009]

SENATOR KRIST: Suppose that any municipality, city of the first class, second class, village, whatever decided that during...in their control of their particular portion of road that they didn't want to raise or adjust, does this state law or does this, basically, force them to do that? [LB1009]

SENATOR FRIESEN: I don't believe it forces the cities...once you enter the municipalities, different speed limits take effect. [LB1009]

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SENATOR KRIST: Okay. And so when a highway would bypass a particular city, we still don't think that there's a jurisdiction problem that would force them to change their speed limit? [LB1009]

SENATOR FRIESEN: If it would bypass the city limits, then it would be different. An example would be Highway 81, I think, going south from York. It bypasses the cities and therefore the speed limit probably would get changed; but right now they have always surveyed the community first, so far. I don't know if they intend to keep doing that, but that's what they have done in the past. They would survey the community first to see what they would like to see the speed limit on the bypass. [LB1009]

SENATOR KRIST: Thank you, Senator Friesen and Senator Murante for yielding to a question. With the inclusion of AM2254, I will support AM1737 and the underlying bill. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senators Krist and Friesen. Senator Williams, you are recognized. [LB1009]

SENATOR WILLIAMS: Thank you, Mr. President; good evening everyone. This will be the shortest testimony that I think I have ever given. Gothenburg is one of those communities along Highway 30 that the speed limit going one way out of town is 60 and the other way out of town is 65. It makes no sense. If you are going to Brady one way or going to Cozad the other, this gives the transportation department the ability to equalize that. The roads are the same, the shoulders are the same. The second thing is, the e-mails that I've received on this issue have all been about the interstate and the speed limit on the interstate, and with the Smith amendment, that's taken care of. So I will be fully supportive of both amendments and the underlying bill. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Williams. Senator Erdman, you are recognized. [LB1009]

SENATOR ERDMAN: Thank you, Mr. President; good evening. I was visiting with Senator Murante and had a couple of questions that probably...say that again. [LB1009]

SENATOR LINDSTROM: Excuse me, Senator, I thought you were asking to have Senator Murante yield to a question. [LB1009]

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SENATOR ERDMAN: No, no. Thank you. But I am going to ask Senator Friesen if he would stand for a question. [LB1009]

SENATOR LINDSTROM: Senator Friesen, would you yield? [LB1009]

SENATOR FRIESEN: Yes, I would. [LB1009]

SENATOR ERDMAN: Senator Friesen, I don't know if you know the answer to this, but on the north side of Lake McConaughy there's a two-lane highway, the highway number is 92. That speed limit on that highway is 55. From about April 15 until the 15th of September, there's a significant amount of boat and RV traffic on that road. Would they be able to take that road to 65? [LB1009]

SENATOR FRIESEN: Is that a state highway system or a county highway? [LB1009]

SENATOR ERDMAN: It's a state highway, 92. But the current speed limit is 55. [LB1009]

SENATOR FRIESEN: It's not mandatory, but I suppose they could. [LB1009]

SENATOR ERDMAN: So then the department, that district will make the decision what the speed limit will be? [LB1009]

SENATOR FRIESEN: I would say the department will look at it and see if it would safely handle a higher speed limit. [LB1009]

SENATOR ERDMAN: Okay. Then there's the expressway that comes from Kimball, it's a four-lane highway, goes to Scottsbluff. That is currently 65, and I see the bill would make that a 70 mile an hour speed limit? [LB1009]

SENATOR FRIESEN: That's correct. [LB1009]

SENATOR ERDMAN: Would that be mandatory or can the department keep it at 65? [LB1009]

SENATOR FRIESEN: I believe all of these are based on safety issues. If they deem a road not safe to have that speed limit, they won't go there. [LB1009]

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SENATOR ERDMAN: Okay. So north of Alliance, if you go 16 miles north of Alliance on Highway 87, when you get 16 miles north, up that first 16 miles is a 65 mile an hour speed limit, and when you go around the corner and you enter Road 87...Highway 87, after you go past the 16 mile corner, it goes to 60. Now the 60 mile an hour road doesn't have paved shoulders, would that be 65? [LB1009]

SENATOR FRIESEN: I believe it would be to the discretion of the Department of Transportation if it was deemed safe to do so. [LB1009]

SENATOR ERDMAN: Okay. And I think you could share with me, and you did off the mike, the reason we can't have an 80 miles an hour speed limit on I-80 west of Lincoln is because the on ramps are not long enough, is that correct? [LB1009]

SENATOR FRIESEN: That was my conversation. When I asked about that, I thought immediately maybe out west the speed limits would...the traffic is not as congested there, and they may raise the speed limits there. And the comment was that they...one of the major factors determining the speed will be the length of the on and the off ramps. And so since those are fairly short ramps, they would not consider that for an upgrade to a speed limit. [LB1009]

SENATOR ERDMAN: So, Senator, when you drive home, you take I-80? [LB1009]

SENATOR FRIESEN: Yes, I do. [LB1009]

SENATOR ERDMAN: Now, this may be self-incriminating, you may not want to answer this, but how fast do you drive? [LB1009]

SENATOR FRIESEN: Just fast enough to get home in an hour. (Laughter) [LB1009]

SENATOR ERDMAN: That's a pretty diplomatic answer. Would that be more than 75? [LB1009]

SENATOR FRIESEN: It could be. [LB1009]

SENATOR ERDMAN: Yes. Yeah, when we drive home, if my wife drives, we get home a half hour sooner. She does a good job. So normal traffic on I-80 out west, and Senator Stinner is probably the only one in here...well, he is the only one in here that drives further than I do, I would suggest or guess that Senator Stinner probably drives 410 miles, is that pretty close? I

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drive about 380, 385, so I-80 is, in my opinion, an 82 mile an hour highway, that's about where I drive, seems to be the speed that is most acceptable to most of the traffic; I get passed quite a bit. [LB1009]

SENATOR LINDSTROM: One minute. [LB1009]

SENATOR ERDMAN: Thank you. But that's what we do there. So I'm disappointed we can't go to 80 out there, but I do understand the reasoning; and I will be in support of LB1009 and the amendment, AM1737. Thank you. [LB1009]

SENATOR LINDSTROM: Thank you, Senators Erdman and Friesen. Senator Albrecht, you are recognized. [LB1009]

SENATOR ALBRECHT: Thank you, President Lindstrom. I rise in opposition of LB1009, AM1737, and AM2254. You know, I appreciate these committee meetings that we have because when people come in support and opposition, I really do weigh in on that. But I'm here thinking about these truckers, whether they're a farmer hauling grain or hauling livestock. And, you know, I was always from Sarpy County for many, many years, but if you haven't gotten off of I-80 and you move on up to northeast Nebraska where you don't all have to come if you don't want to, we like it nice and quiet up there. There's hardly anyone on the road when I hit Highway 9. But I'm here to tell you, if you're on Highway 9 during planting or harvest, or when they're moving cattle, you better be ready because you can fly over a hill going 60 miles an hour and hit the skids because somebody is pulling out with a grain cart, or there's a semi in front of you that...I mean, you have to be on your toes. I can't even imagine that. And I'm going to tell you another little story. Last summer we went up to visit family in South Dakota and I had no idea how fast they were able to go on their interstates. It was during Sturgis and I was absolutely white knuckled until I got to my stepdaughter's home, because the traffic was bumper to bumper, trailers swerving all over the place, and I'm sorry, I might be just getting old, but this to me does not make a lot of sense. And for anyone that gets to go five miles more, you actually get to go ten miles more because everybody always goes at least five miles over. And it's just...I think it's very dangerous, I think it's risky, and in the areas where I live, there's way too many slow-moving vehicles. So I would caution everyone, if you get to your destination two minutes faster, great, if you can get there safely. But I'm not interested in the traffic going faster. Thank you. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Albrecht. Senator Kolterman, you're recognized. [LB1009]

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SENATOR KOLTERMAN: Good evening, colleagues, and thank you, Mr. President. I rise in support of LB1009, as well as both of the amendments. I probably...every e-mail I've received has been in opposition to raising the speed limit on the interstate so I'd like to thank Senator Smith for bringing that. I did have an opportunity to visit with Director Schneweis and he put my fears to bed on the other speed limits, and so I appreciate that. I think this is good legislation now that it's been fixed with the amendments. I'd also say that I did have a chance to visit with two trucking companies that are in my hometown and both of them unanimously told me that they didn't want the interstate raised to the speed limit that was being proposed or could be proposed. So again, thank you for fixing the bill and I will support it all the way. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Kolterman. Senator Groene, you're recognized. [LB1009]

SENATOR GROENE: Thank you, Mr. President. I stand in support of AM2254 because it does fix the biggest complaint I've heard and for myself, too, traveling back and forth to Lincoln, and I stand in support of AM1737 and LB1009. The interstate is a problem with the trucks going 60-65 and the on ramps not being long enough. It's dangerous out there now, 75 is, and everybody knows the average speed is right about 79, and that's bad enough when you come up behind a 60-mile-an-hour truck. But since that's removed, I'm in complete agreement with the rest of the bill. I live in the rural areas. I travel the rural areas. Sixty miles an hour, alternating between 65 and 60 miles an hour between highways is a speed trap. And I'm not accusing the State Patrol of anything. They're pretty generous, but...on what they pick up. But it's a steady 65 would be much better. And quite frankly, out on the rural highways, we have the other problem with trucks. We caught the guys. We call them bull haulers and hay haulers. Let me tell you, their semis are not governed at 60 miles an hour and they got to get from point A to point B and an equal speed of 65 would work very well. And I agree completely with Senator Hughes. It's an economic development tool for rural...for western Nebraska, too, because time is money and getting from point A to point B makes a difference on how much economic activity you can achieve. Believe it or not, it does add up if you use your time wisely. But we have open roads out there and there's no reason to be going 60 miles an hour, not with the equipment and the vehicles we have nowadays. So that's the one I'm after and that's the major one--we all know that--that will be affected is those two-lane highways. The other one is the expressways. There's no reason the road between Kimball and Scottsbluff is not 70 miles an hour. That is built better and wider than parts of the interstate, very little traffic. It's wide open, good shoulders, and we're going 65 miles an hour. They're going to build a new Super 2 between McCook and North Platte on Highway 83. That's a...that can become and will become a major, major traffic way for trucking from Texas and Mexico all the way to Canada. What's holding it back is night travel because of the hills and that Super 2 will make a difference and we need to be able to go 65 for sure or 70 miles an hour once that's done. To me it's all about commerce and managing your time. We need to do this. It will be a good...I talked to the Highway Department out in the lobby. These

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numbers are maximums and not minimums. They still have the ability to do a study and keep speed limit lower, like 55. The big thing is cost, it's redundancy. They're doing these studies. Highways are like...they can overlay them and say this highway is similar to this study we did, the traffic is similar, the road conditions are the same, let's go 65 here. Right now they have to waste a lot of tax dollars and manpower to do another study, every stretch of highway that they try to change to 65. It's efficiency, better use of our tax dollars, our fuel tax dollars, and let's go a little faster... [LB1009]

SENATOR LINDSTROM: One minute. [LB1009]

SENATOR GROENE: ...and let's get more business done out in the rural areas. Thank you. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Groene. Senator Kolowski, you're recognized. [LB1009]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Senator Murante, would you stand for a question, please? [LB1009]

SENATOR LINDSTROM: Senator Murante, would you yield? [LB1009]

SENATOR MURANTE: I would. [LB1009]

SENATOR KOLOWSKI: Thank you. This comes from memories of many discussions with a younger brother who had 20 years in the Illinois State Troopers, and his...one of those questions would come up concerning the amount of revenue. Is there anything in any study to date that shows a reduction or an increase with the speed increasing in the amount of contacts the police would have with speeders and how that would impact a county or the state budget? [LB1009]

SENATOR MURANTE: So, Senator Kolowski, what I can answer there is when speed limits have been increased over the years, the level of enforcement has varied greatly. For example, South Dakota began strict enforcement, but in some...and there are instances in Nebraska where speed limits just go up, and we certainly experienced this in Gretna, where law enforcement did not change their interaction. I can tell you the State Patrol and no law enforcement testified on this bill and I am unaware of any changes that they intend on making as a result of this bill. [LB1009]

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SENATOR KOLOWSKI: So they had no data to look at, or nothing was accumulated as far as total revenue, either from the county or to the state? [LB1009]

SENATOR MURANTE: Well, I think in order to have an estimation of what impact it would have, we don't know exactly what the outcome is going to be because we don't know what, if any, policy changes are going to be made in terms of when they're pulling people over. But I can say that they...it's not that the data doesn't exist, it's that the data is inconsistent because they're...how other jurisdictions in states enforce the new laws after increases go into effect vary widely. [LB1009]

SENATOR KOLOWSKI: Of course it hasn't been done in our state yet, but I was wondering if one of the states that has raised their limits might have some information, but you don't have any information on that at this time. [LB1009]

SENATOR MURANTE: Well, Nebraska has raised its speed limit. I believe Senator Chambers has had a number of different bills to increase the speed limits on our interstate system and our highway system. I'm not aware of any data that deals with sort of local government revenues as a consequence of that, but I can look into that for you, Senator Kolowski. [LB1009]

SENATOR KOLOWSKI: No problem. Thank you. I just wondered if it was something prevalent. Thank you. [LB1009]

SENATOR LINDSTROM: Thank you, Senators Kolowski and Murante. Senator Hilkemann, you are recognized. [LB1009]

SENATOR HILKEMANN: Thank you, Mr. Speaker. I'm wondering if Senator Murante would yield to several questions. [LB1009]

SENATOR LINDSTROM: Senator Murante, would you yield? [LB1009]

SENATOR MURANTE: I will yield to however many questions Senator Hilkemann may have. [LB1009]

SENATOR HILKEMANN: Okay. Well, thank you. Well, as you all know, I...in another life, as soon as we get out of this session, I'll be spending a lot of times riding a bicycle along these roads alone, and I have to say that members of the biking community have reached out to me. They're concerned about this increased speed limit. I think that the 80-mile-an-hour was a big concern to them. But another concern that I have, Senator, is what's going to happen to speed

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limits, let's say you're driving into West Point, Nebraska, and are we going to be changing any of those speed limits within those cities at this point? [LB1009]

SENATOR MURANTE: If I may--and if I need to turn my light on I'd be happy to, to yield it back, because it's not a yes-or-no question--if I may just expand for 30 seconds or so? [LB1009]

SENATOR HILKEMANN: Fine. [LB1009]

SENATOR MURANTE: The process by which the Department of Transportation works with local political subdivisions as speed limits are raised is extremely thorough. I can tell you, as the senator from Gretna, we had our highway system, both 370 east and then Highway 6, north and south, expanded and the highway speed limit raised in the last ten years. And it was a thorough discussion between the State Department of Transportation and our local elected officials within Gretna as to how those speed limits would be set. As you know--I assume you drive through Gretna on most ways...most of your days down to Lincoln--the speed limit progresses from 55 miles an hour down to 45, down to 35 at a point, and that was all part of a facilitated discussion between the Department of Transportation and the local political subdivisions. I asked Director Schneweis, has there ever been a case where the Department of Transportation and the local government has reached a complete impasse where they couldn't agree? The answer was no, because at the end of the day their goal is to reach consensus and both the local government and the Department of Transportation are just trying to do what's safe and right by the citizens of that local government. [LB1009]

SENATOR HILKEMANN: Yeah, thank you very much. In general, bikers, unless there's a really good shoulder on a road, we try not to...your road into Gretna, I used to...20 years ago, I used to ride that quite frequently. Now I wouldn't ride that ride for anything, with all the traffic that's on there and the speed of that traffic, so bikers have to be intelligent about that as well. And while I'm talking about bikers, I just want to say to them that I really appreciate Director Schneweis. We've had some conversations. We've worked on the rumble strips, uniform work with those. Those are a big factor for...obviously they are...they save lots of lives. But when you're riding a bicycle, rumble strips in the bad part of the shoulder are a real...can be a real detriment, can throw a biker down. So I appreciate the department working with this. I also would say to you that I, in my conversations with Director Schneweis, that he is very sensitive to bikers and bike safety. And so as we...so I'm confident that if we do this, that our department will be listening to bikers' concerns and we'll take those into consideration when and if there's any change in these speed limits. Thank you, Senator Murante, for answering those questions. Thank you, Mr. Speaker. [LB1009]

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SENATOR LINDSTROM: Thank you, Senators Murante and Hilkemann. Senator Chambers, you're recognized. [LB1009]

SENATOR CHAMBERS: Mr. President, members of the Legislature, Senator Murante is correct that I have had several bills pass the Legislature which allowed a higher speed limit than what it was before I brought the bill. And one I had, it was called a cushion where if you were exceeding that speed limit by no more than ten miles an hour, the maximum fine was \$10, no points off your license. And I was known as one who facilitated travel and commerce. The interstate was engineered for the speeds that I wanted to be on those signs. The curves are long and wide. And for those who don't drive the highway, you see people get nervous when they come to the curve. But if they follow that yellow line that's on the outside, whatever rate of speed you're going, stay with the line and you won't have a problem. But if you move inside because you think you're safer, that's not going to work that way and then you may lose your way, and I've seen people do that. Now I believe all liars have their part in the lake of fire. I do believe that in some instances. There's nobody who can tell the truth and say that on the interstate highway I ever drove faster than 75 miles an hour when there was glare ice (laughter.) I really don't know how I will vote on this bill. Senator Albrecht made a very telling observation in terms of slow-moving vehicles that in farm country, as you might call it, you could encounter. There are trucks on the interstate in areas where the sign will say "trucks two left lanes" or "left two lanes," and they're in the outside lane and they are not impeding traffic, so not all of those trucks can go only 65 miles an hour or whatever that rate is. On the rural roads, I think the senators and other people might just have to take their chances and if you get a ticket, you get a ticket; drive the rate that you think you need to go. An argument you might try if you have a reasonable judge and a prosecutor: There is the speed limit on the sign, then there's what you might call a common law speed limit. That is the rate of speed at which the traffic ordinarily moves, without any regard to the speed listed on the sign. And if the troopers--or even sheriffs, and they've got other things to do--you're moving with the flow of traffic, they're not going to stop that entire flow. If you're going in and out, then your driving creates the hazard, not your speed, you call attention to yourself, and you're likely to get a ticket. I haven't gotten a speeding ticket in decades probably. During my younger days, I would get a ticket every now and then, but I was conducting a sort of scientific research just to see how things were handled on various stretches of the highway. But for people like Senator Hughes, who will have a very long distance to go...is Senator Hughes here? I'd like to ask him a question. [LB1009]

SENATOR LINDSTROM: Senator Hughes, will you yield? [LB1009]

SENATOR HUGHES: Absolutely. [LB1009]

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SENATOR CHAMBERS: Senator Hughes, how far did you say it is one way from your home to here? [LB1009]

SENATOR HUGHES: Three hundred and fifteen miles. [LB1009]

SENATOR CHAMBERS: Are the roads, in your opinion, able to accommodate... [LB1009]

SENATOR LINDSTROM: One minute. [LB1009]

SENATOR CHAMBERS: ...the speed that is mentioned in this bill? [LB1009]

SENATOR HUGHES: Yes. [LB1009]

SENATOR CHAMBERS: Thank you. I'm inclined to agree to allow changes that benefit the people who are going to be affected by them. I can't say exactly how I will vote right now, but I'm leaning more toward voting yes than no, or being not voting. On the highway, you have to move or get off. I'm not going to get off this highway, but I'm just not sure how fast I'm going to travel. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Chambers. Seeing no one else in the queue, Senator Smith, you're welcome to close on AM2254. [LB1009]

SENATOR SMITH: Thank you, Mr. President. And, colleagues, for those of you participating, thank you very much for paying attention to this discussion. I want to specifically thank our trucking industry and drivers for moving commerce across our great state and across our great country. They do a great service to us every day and we appreciate them operating their vehicles safely and helping to keep business moving. There's an ever-increasing number of commercial trucks that are governed at a speed between 65 and 68 miles per hour. And whenever I say governed, I think there are some folks that don't really understand what we're talking about. The engines in those trucks are limited from exceeding a certain speed limit or a certain speed, and so they cannot move any faster than that 65 to 68 miles per hour. Our trucking industry believes increasing the interstate speed to 80 miles per hour creates a greater difference between passenger vehicles and commercial vehicles that share the road and, thus, creates a greater risk to safety. Please adopt AM2254 and the amended underlying bill, LB1009. This is intended to improve the underlying bill. Senator Murante, thank you, and, Senator Friesen, thank you, for working with me in the adoption of this amendment. Thank you, Mr. President. [LB1009]

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SENATOR LINDSTROM: Thank you, Senator Smith. The question is, shall the amendment, AM2254, be adopted? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB1009]

ASSISTANT CLERK: 34 ayes, 1 nay on the adoption of the Smith amendment. [LB1009]

SENATOR LINDSTROM: Returning back to AM1737, Senator Chambers, you're recognized. [LB1009]

SENATOR CHAMBERS: Thank you. Mr. President, members of the Legislature, I've been thinking about this. I had a conversation with Senator Murante. And since there is to be a determination made by the department as to which sections of these roads will have a higher speed limit, they should be able to take into consideration whether it's an area where slow-moving vehicles are likely to be more in evidence. I think I'm going to test the truth of what Senator Murante told me. There was a song. He didn't sing the song. It said: I feel the earth move under my feet / I feel the sky tumbling down, tumbling down. He said that if I would vote for one of his bills, then there would be a noticeable tremor in the earth. Now that is an offer that's hard to turn away from. I'm going to test and see whether or not Senator Murante is a speaker of truth, which he hasn't showed himself to be up to now, but everybody can change. I'd like to ask Senator Groene a question if he would answer. [LB1009]

SENATOR LINDSTROM: Senator Groene, would you yield? [LB1009]

SENATOR GROENE: Yes. [LB1009]

SENATOR CHAMBERS: Senator Groene, are you confident that--and this is not a joking question--that the department would make a genuine, scientific, or whatever term we would apply to it, reasonable examination of the stretches of roads that would have these higher rates and if a stretch was not suitable they would not raise the rate for such a stretch? [LB1009]

SENATOR GROENE: I'm very confident their number one...they're citizens, too, and their number-one concern is public safety. [LB1009]

SENATOR CHAMBERS: Thank you. You all know that I'm a sucker for the "Bibble," even though the things that you're liable to read there are not necessarily so. And before I take away the suspense, I'm going to give you an example. Gershwin said Noah...or: Jonah, he lived in a whale / Jonah, he lived in a whale / He made his home in that fish's abdomen / Jonah, he lived in a whale. A whale is not a fish, so right there you got something that's not true. But in the mouths

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of these two witnesses, Senator Groene and Senator Murante, somewhere in the middle would be the truth, and I think I'm right midway between the two of them, so what I speak this evening will be true. I am going to show confidence in the department. I do believe people ought to be able to travel at the rate of speed that is reasonable, so I will vote for his bill. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senators Groene and Chambers. Seeing no one else in the queue, Senator Friesen, you're welcome to close. Senator Friesen waives closing. The question is, shall the committee amendment be adopted? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB1009]

ASSISTANT CLERK: 34 ayes, 1 nay on the adoption of the committee amendments. [LB1009]

SENATOR LINDSTROM: Returning back to the underlying bill, Senator Schumacher, you're recognized. [LB1009]

SENATOR SCHUMACHER: Thank you, Mr. President. Would Senator Murante yield to a question? [LB1009]

SENATOR LINDSTROM: Senator Murante, would you yield? [LB1009]

SENATOR MURANTE: I would. [LB1009]

SENATOR SCHUMACHER: Senator Murante, I just have one question for you. Will this get us to the new city faster? (Laughter) [LB1009]

SENATOR MURANTE: I think it will get us there at the safest and most appropriate speed, Senator Schumacher. [LB1009]

SENATOR SCHUMACHER: Thank you, Senator. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Schumacher and Murante. Seeing no one else in the queue, Senator Murante, you're welcome to close on LB1009. [LB1009]

SENATOR MURANTE: Thank you, Mr. President. Members, good evening. I want to thank Senator Friesen for his work on this in the Transportation Committee, Senator Hughes for his prioritization, and Senator Smith for his amendment. I understood Senator Chambers as saying

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that he is supportive of my bill, so I feel a little bit like I did before Y2K. I'm not sure what's going to happen if that light next to Chambers lights up green, but I would just say let's all brace for impact and I appreciate your green vote on LB1009. Thank you, Mr. President. [LB1009]

SENATOR LINDSTROM: Thank you, Senator Murante. The question is the advancement of LB1009 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. Been a request for a record vote. [LB1009]

ASSISTANT CLERK: (Record vote read, Legislative Journal pages 1075-1076.) Vote is 35 ayes, 2 nays, 9 present and not voting, Mr. President. [LB1009]

SENATOR LINDSTROM: The bill passes. Mr. Clerk, items? [LB1009]

ASSISTANT CLERK: Mr. President, thank you. Your committee on Enrollment and Review reports LB1005 to Select File with amendments and LB993A to Select File, as well as LB1090A. Amendment to be printed to LB986 from Senator Hansen. That's all I have. (Legislative Journal pages 1076-1082.) [LB1005 LB993A LB1090A LB986]

SENATOR LINDSTROM: Mr. Clerk, we will proceed to the next bill.

ASSISTANT CLERK: Mr. President, LB1091, introduced by Senator Smith. (Read title.) Bill was introduced on January 18, referred to the Revenue Committee, placed on General File with no committee amendments. [LB1091]

SENATOR LINDSTROM: Senator Smith, you're recognized to open on LB1091. [LB1091]

SENATOR SMITH: Thank you, Mr. President. And again, good evening, colleagues. LB1091 is the Revenue Committee's annual bill to update references and to conform to the Internal Revenue Code, except as specifically provided. If you look at your green copy, this bill changes the effective date and that is the only change to this that this bill provides. Most states with personal and corporate income taxes link their tax codes to federal law, federal tax law in some way, also known as coupling or conforming to the federal code, which helps simplify tax preparation. The most common way of doing so is to begin state income tax calculations with the federal definition of income called adjusted gross income, or AGI. States then apply their own deductions, exemptions, and other adjustments to arrive at taxable income, apply state tax rates to the taxable income amount to determine taxes owed, and, finally, apply any additional credits. Some states conform to federal law even more closely, adopting the federal deduction and exemption amounts and, thus, mirroring the federal calculation all the way to the determination

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of taxable income. Still others calculate their own measure of AGI and taxable income but use federal definitions of the amounts included therein. Nebraska is somewhere in the middle, tipped perhaps slightly towards stronger conformity. That is all there is to this bill. Again, LB1091 is the Revenue Committee's annual bill to update references and to conform to the Internal Revenue Code by changing the effective date. Thank you, Mr. President. [LB1091]

SENATOR LINDSTROM: Thank you, Senator Smith. Senator Albrecht, you are recognized. [LB1091]

SENATOR ALBRECHT: Thank you. I just opened this bill, LB1091, and I don't see a date. It's just etched out, so can I just ask Senator Smith if there's a... [LB1091]

SENATOR LINDSTROM: Senator Smith, would you yield to a question? [LB1091]

SENATOR SMITH: Yes, I will. [LB1091]

SENATOR ALBRECHT: Should there be a date specific (inaudible)? [LB1091]

SENATOR SMITH: Yes, on the reverse side of the green copy. [LB1091]

SENATOR ALBRECHT: And I'm just looking on-line. [LB1091]

SENATOR SMITH: All right. It should be what is...it's the second page, line 10. [LB1091]

SENATOR ALBRECHT: They struck through "May 11, 2017." [LB1091]

SENATOR SMITH: And it underlines the effective date of this act, so it will be the effective date that we pass this. [LB1091]

SENATOR ALBRECHT: So that today...like the date it goes through, in effect, with...after everyone votes? [LB1091]

SENATOR SMITH: To final. [LB1091]

SENATOR ALBRECHT: To final. Thank you. [LB1091]

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SENATOR LINDSTROM: Thank you, Senators Smith and Albrecht. Seeing no one else in the queue, Senator Smith, you're welcome to close on LB1091. Senator Smith waives closing. Question is, shall LB1091 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB1091]

ASSISTANT CLERK: 32 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB1091]

SENATOR LINDSTROM: LB1091 advances. Mr. Clerk, we will proceed to LB865. [LB1091 LB865]

ASSISTANT CLERK: LB865, introduced by Senator Crawford. (Read title.) Bill was introduced on January 5, referred to Urban Affairs Committee, placed on General File with committee amendments. (AM1549, Legislative Journal page 318.) [LB865]

SENATOR LINDSTROM: Senator Crawford, you are recognized to open on LB865. [LB865]

SENATOR CRAWFORD: Thank you, Mr. President, and good evening, colleagues. I'd like to thank Speaker Scheer for selecting LB865 as one of his priorities. LB865 basically requires that in annexation ordinances or ordinances that redraw districts, city councils cannot, by a majority vote, override the requirement that there be three separate readings of the ordinance. These ordinances are critical ordinances and so the importance of LB865 is to make sure that in those important decisions that are made in cities, that all three readings are made and it's possible for them to have a special session, if necessary, if they need a special time to meet, if necessary, to get that done in a timely manner, but that there would be three separate readings in a city when it's an ordinance dealing with annexation or an ordinance dealing with redrawing city council districts. Thank you, Mr. President. [LB865]

SENATOR LINDSTROM: Thank you, Senator Crawford. As the Clerk stated, there are committee amendments. Senator Wayne, as Chair of the committee, you are welcome to open on AM1549. [LB865]

SENATOR WAYNE: Thank you, Mr. President. And, members of the Legislature, this committee amendment, AM1549, makes two technical changes. First, the amendment clarifies that the position...the provisions of the bill dealing with the redrawing of district boundaries only apply to city council or village boards of trustees elections districts or wards. Second, this amendment clarifies Section 1 through 3 of the bill only applies to cities of the metropolitan class, cities of the primary class, and cities of the first class, respectively. It's a really technical

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cleanup and it's really short. I would ask you to vote green and adopt the amendment. Thank you, Mr. President. [LB865]

SENATOR LINDSTROM: Thank you, Senator Wayne. Seeing no one in the queue, Senator Wayne, you're welcome to close. Senator Wayne waives closing. The question is, shall the committee amendments be adopted to LB865? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB865]

ASSISTANT CLERK: 31 ayes, 0 nays on the adoption of committee amendments. [LB865]

SENATOR LINDSTROM: The amendment is adopted. Returning to LB865. Seeing no one in the queue, Senator Crawford, you're welcome to close on LB865. [LB865]

SENATOR CRAWFORD: Vote green! (Laughter) [LB865]

SENATOR LINDSTROM: Thank you, Senator Crawford. The question is, shall LB865 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB865]

ASSISTANT CLERK: 32 ayes, 0 nays on the advancement of the bill. [LB865]

SENATOR LINDSTROM: The bill is advanced. Mr. Clerk, we will now move to LB827. [LB865 LB827]

CLERK: LB827 was introduced by Senator Lowe. (Read title.) Bill was introduced on January 4, referred to the Government, Military and Veterans Affairs Committee, placed on General File with no committee amendments. [LB827]

SENATOR LINDSTROM: Senator Lowe, you're recognized to open on LB827. [LB827]

SENATOR LOWE: Thank you, Mr. President. LB827 was brought to me by the Department of Veterans Affairs as their priority bill this year. It is a cleanup bill that clarifies what the department can do with the money and personal property that is in the hands of the department if someone leaves a state-run veterans home or if an individual passes away at a state-run veterans home. The procedures for how this is handled will remain the same as it was when the Veterans Affairs was a division of the Health and Human Services. This section of the statute was simply not updated the last session, when Veterans Affairs was moved to the division...when the

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Veterans Affairs was moved from a division to a department. The bill had no opposition in committee and made it out with unanimous support. I thank Speaker Scheer for making this one of the priority...one of his priority bills, and I urge you to vote yes on LB827. [LB827]

SENATOR LINDSTROM: Thank you, Senator Lowe. Seeing no one in the queue, Senator Lowe, you're recognized to close on LB827. [LB827]

SENATOR LOWE: Vote green like my shirt. (Laughter) [LB827]

SENATOR LINDSTROM: Thank you, Senator Lowe. The question is, shall LB827 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB827]

ASSISTANT CLERK: 35 ayes, 0 nays on the advancement of the bill. [LB827]

SENATOR LINDSTROM: LB827 advances. Mr. Clerk, we will now move to LB906. [LB827 LB906]

ASSISTANT CLERK: LB906 introduced by Senator Williams. (Read title.) The bill was introduced on January 8, referred to the Judiciary Committee, placed on General File with no committee amendments. [LB906]

SENATOR LINDSTROM: Senator Williams, you're recognized to open on LB906. [LB906]

SENATOR WILLIAMS: Thank you, Mr. President. And good evening, everyone. LB906 was introduced at the request of the Nebraska Pharmacists Association. I would like to thank Speaker Scheer for making this a Speaker priority. The Nebraska Pharmacists Association introduces legislation every few years to update the Nebraska Uniform Controlled Substance Act to mirror the federal law. These updates are particularly important now that Nebraska has a prescription drug monitoring program and tracks all dispensed medications, including controlled substances. LB906 adds language to the Nebraska Controlled Substances Act to allow deference to drug enforcement agencies' exempt products list to recognize controlled substances that are deemed exempt and no longer needed to be listed as a controlled substance. It also adds several substances to the Schedules II, III and IV, and fixes a misspelled word in Schedule I on page 14, line 18 of your green copy. I would ask that no one ask me to pronounce the names of all the drugs listed in LB906. The hearing was held on January 26, 2018, and voted out of committee with no dissenting votes. I would appreciate your green vote to advance LB906 from General File. Thank you, Mr. President. [LB906]

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SENATOR LINDSTROM: Thank you, Senator Williams. Senator Harr, you're recognized.
[LB906]

SENATOR HARR: Thank you, Mr. President. So I have no problem with the underlying bill, but I do want to talk about the Attorney General for a second. So I have...I don't know if anyone knows this, there's this whole "Troopergate" going on, we have no idea why Brad Rice was fired. All we know is he was fired and that he has quietly gone into his long good-bye. What happened? I don't know, we can't find out. Then there is a question of...and I've got to be careful because I don't want to stir up Senator Chambers too much, but I will keep going with this story. So then I introduced a bill that says, hey, when there's a conflict with the Attorney General, within the Attorney General's Office, there should be a way to cure that. Every lawyer knows when they have a conflict they need to work to find a cure of that conflict. Last Friday I made an agreement with one of the Attorney General's, as Senator Chambers would say, coachmen, and with the State Patrol Association. We had an agreement to form, and we were going to go and work on the language. On Tuesday that same individual came back to me and said, that deal that we made, it's off. Why is that? The Attorney General doesn't like it. Folks, when you give your word, your word is your bond. This place will fail to exist and fail to work if your word counts for nothing. And when you send somebody to represent you, guess what? They represent you. Anyone can make a deal. It's easy to make a deal. What's hard to do is to keep that deal and to keep your word. And our Attorney General sent someone in here who I thought was negotiating in good faith because I was negotiating in good faith, and I know the State Patrol was negotiating in good faith. But the Attorney General and his henchmen were not negotiating in good faith. Let me tell you, when I was a prosecutor, if I had done what they did I would be like another one of their assistant "Attorney Generals," who had to leave Douglas County because his word was no good. Your word is your bond. When you make a deal, good, bad, indifferent, you stick to it. And they failed to stick to it and that's wrong. In addition, when they said they didn't like my amendment that I hung on Senator Watermeier's bill, do you think they came and talked to me? No. They didn't have the audacity to come talk to me. What did they do? They ran around like little mice and talked to other individuals, talked to the Governor's Office. Governor doesn't make laws, we make laws. Talked to other senators. Didn't talk to me. I found out about it because other senators came to me. And then I sent them an e-mail, not one e-mail, not two e-mails, but three e-mails. And guess how many responses I got from your Attorney General? None. He refused to respond to my e-mails. It was only when I grabbed one of his assistants in the lobby who was talking on the phone to someone else that I was able to find anything out. And then I talked to him and I said, we've got to work a deal out here. If you don't like it, first of all, be a man. Come talk to me about it. Don't scurry around, be honest. Well, he did, and then we negotiated later on that afternoon. [LB906]

SENATOR LINDSTROM: One minute. [LB906]

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SENATOR HARR: And when we negotiated, it's what happened, it's what I said. This elected official not only refuses to meet with us, not only refuses to return e-mails or talk to us or talk to me, he then went back on his deal. Folks, that's wrong. And then when I said, hey, you had some problems with the language in this bill. Fine, you want to back out of the deal, but can you give me that language that would fix your issue? You know what he did? He told me, no. Took his bat and went home and cried like a little baby. Folks, that's not how things should be done around here. That's not integrity, that's not honesty, that's not looking out for the best interests of Nebraskans. So guess what happens when there's a conflict in the Attorney General's office? That's right. It's like getting a response... [LB906]

SENATOR LINDSTROM: Time, Senator. [LB906]

SENATOR HARR: ...from the Attorney General himself. Nothing, nothing happens. There can be a conflict there... [LB906]

SENATOR LINDSTROM: Time, Senator. [LB906]

SENATOR HARR: Thank you. [LB906]

SENATOR LINDSTROM: Thank you, Senator Harr. Senator Chambers, you're recognized. [LB906]

SENATOR CHAMBERS: Thank you, Mr. President. And I won't follow Senator Harr's lead, because I would be here the rest of the time that we have talking about your Attorney General. I'm going to disregard what Senator Williams requested and ask him a question. [LB906]

SENATOR LINDSTROM: Senator Williams, would you yield? [LB906]

SENATOR WILLIAMS: Yes. [LB906]

SENATOR CHAMBERS: Senator Williams, will you turn to page 4 in the green copy of the bill? [LB906]

SENATOR WILLIAMS: Just a second. [LB906]

SENATOR CHAMBERS: Take your time. [LB906]

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SENATOR WILLIAMS: Senator Harr took most of it. [LB906]

SENATOR CHAMBERS: You're on my time, so take your time, and mine. Do you have it? [LB906]

SENATOR WILLIAMS: Yes, I do. Now I've got it. [LB906]

SENATOR CHAMBERS: Okay. Are you on page 4? [LB906]

SENATOR WILLIAMS: Yes, I am. [LB906]

SENATOR CHAMBERS: Line 13. Would you pronounce the fifth word, please? [LB906]

SENATOR WILLIAMS: And. [LB906]

SENATOR CHAMBERS: Thank you. [LB906]

SENATOR LINDSTROM: Thank you, Senator Chambers and Williams. Senator Harr, you're recognized. [LB906]

SENATOR HARR: Thank you. I'll just be on this rant for a little bit longer. So every other county attorney, every other prosecutor in this state, when they have a conflict, you know what they do? They go to a judge and they say, judge, can you appoint a special county attorney who is independent of my office to address the issue that I have a conflict on? And if the judge thinks there's a conflict, they appoint counsel. The Attorney General, when he has a conflict because of statute, case law office statute, he says I can't do that. And I said, I agree with you, you're right. Why don't we change that statute. And--true story, true story--he said, doesn't change the case law. And I said, you're right, that case law will still be there but it will be moot because there will be a new law. I don't know about that. True story. I couldn't believe it. This guy needs to go back to law school and then our Attorney General needs to go to integrity school. But, folks, that tells you they don't want to find a solution for this. If there's a conflict with the Attorney General's office, they want to be able to say, hey, there's nothing I can do about it, put their hands in their pocket and walk away. That's not being a responsible lawyer. And why don't they want the same powers as every other county attorney in the state? And I can tell you why. Because in their head they think that we might somehow pressure them to appoint Robert Mueller. And they see what Robert Mueller is doing to the President and they're scared that maybe our Governor is doing the same thing. Now that may sound farfetched to you, but it's the only thing that makes sense. And by the way, they did tell me that, we're afraid you would appoint a special prosecutor like Robert

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Mueller. Now either they're covering for the Governor because he's done something crazy, which maybe that's at the bottom of this whole Brad Rice thing, because I have no idea, absolutely none, why this guy got fired. No one has ever answered that for me. We still don't know. If someone has an answer, call me, e-mail me. I don't know why Brad Rice was fired. I know he was fired a week after the Governor said, this is preposterous. Senator Chambers is just crazy. Why is he saying there needs to be an investigation? And then they do two days', maybe three days' investigation and they fire the guy. Don't know why. Still don't know why. And I said, why don't you tell us? That's a personnel issue. No, it's not. When you have public officials that have betrayed your trust and betrayed the trust of the public, we have a right to know. What's the AG doing on this? Nothing. Why? Because he has a conflict. How does he try to solve it? He can't. He can't try to solve it because he has a conflict. If he goes to the county attorney and says, hey, I think you should be prosecuting this, he's violating his duty to his client. Right? And so, therefore, no justice is done. When there's no justice, there's no peace. You have the situation where Paul Douglas, our Attorney General himself, was being prosecuted by the Attorney General. And the courts came in on their own motion and appointed a special assistant Attorney General. So to say you can't do it is absolute hooey. But I said, fine, based on this case law and this old statute, why don't we introduce new statute to clarify what I think you already can do. And, by the way, you also have all the authority of a county attorney and a county attorney can do this, so therefore you have the power to do it. And he said, I don't want to do it. [LB906]

SENATOR LINDSTROM: One minute. [LB906]

SENATOR HARR: I don't think I should have that power. Why? Why? I have asked that to their face directly. And you know what they tell me? Just like everything else, just like an e-mail I sent to them, nothing, no reply. Folks, there's something more going on here. I have no idea what it is. But since I've been in the Legislature--this is my eighth year--I have never witnessed something that smells as bad as this. The fact of how they won't directly talk to me. The fact that when we do make a deal, when I get them cornered, they back away from it. And when I ask them why, I get a shrug of the shoulders, well, the Attorney General doesn't want to do anything. Why? I don't know. This is not how you run government. This is how you run politics. We have an Attorney General who is the lead prosecutor in the state. We should hold that person to the highest standards and they should hold themselves to the highest standard. [LB906]

SENATOR LINDSTROM: Time, Senator. [LB906]

SENATOR HARR: Thank you. [LB906]

SENATOR LINDSTROM: Thank you, Senator Harr. Senator Krist, you're recognized. [LB906]

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SENATOR KRIST: Thank you, Mr. President. Good evening, colleagues, and good evening, Nebraska. You'll notice that I cosponsored this bill and I think I'm awfully glad that my friend and colleague, Senator Williams, will be back for another four years because he has picked up this mantra, this banner, if you will, from previous senators who have worked on this issue. This is a bill and subject matter that needs to be updated frequently. As I say, vote frequently and often or many times. This is one that's just like that, because as they start to modify these drugs and manufacture different kinds of chemical bases, our prosecutors need to understand what that drug should look like and we need to continue to update this. So thank you, Senator Williams, for your work on this. And, again, I hope you'll hand this off to the next generation, after your next four years, to make sure that we continue to do it on a regular basis. I'm not going to pile on to Senator Harr's comments tonight. But if he's still in the Chamber, I would yield him some time. He left? Okay. So that's all I have. Thank you. [LB906]

SENATOR LINDSTROM: Thank you, Senator Krist. Senator Schumacher, you're recognized. [LB906]

SENATOR SCHUMACHER: Thank you, Mr. President, members of the body. I won't take up much time. But Senator Harr, as a former prosecutor, has got a good nose. The probability under what he's described and what we've seen in behavior over the last six months on this thing, the probability is very high that Brad Rice was told, you go away, you get lost, you keep your mouth shut, and we won't chase you. And that was a deal. Now, put your Columbo hat on and ask yourself, what does Brad Rice know that it's worth so much that we not know it? Thank you. [LB906]

SENATOR LINDSTROM: Thank you, Senator Schumacher. Senator Chambers, you're recognized. [LB906]

SENATOR CHAMBERS: Thank you, Mr. President. Senator Harr brought to us a very serious matter, which we as the Legislature should do something about. He can tell Senator Harr...the Attorney General can tell Senator Harr that he's not going to do anything, that he will not do anything no matter what in a situation where something needs to be done. We have the power to correct that situation with legislation. Whatever provision Senator Harr had that would make it clear in the law that a special Attorney General...or assistant Attorney General can be appointed where the Attorney General has a conflict, that is what we need to put into the law. I and others, the last few days, have been talking about the contempt that is shown for this Legislature by the executive branch. And on the Brad Rice matter, the Governor did say that through his spokesperson, my suggestion that Rice needed to be fired was ridiculous. That's the word they used. Less than a week later, he fired Brad Rice. And that created a set of circumstances which needed additional investigation. The Attorney General was not about to do that. And I think that

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whichever bill is carrying Senator Harr's proposal ought to be enacted by this Legislature. And if the Governor vetoes it, then I will refer to both of them as criminals. They have something to hide. And when the Governor controls the Attorney General and there are all kinds of wrongdoing going on around the executive branch of government and we as the Legislature won't do anything, that's when I want to ask, Senator Hilgers...oh, he's not here. Senator Hilgers, you've been talking about everything else, how about this? Oh, or Senator Geist, she does stay here sometimes. She looked at me one time when I said she's not here, so I'm acknowledging she's here. I would want her to take a position on this matter. Senator Groene. I'm not going to call out the names of every member of the Legislature. But we all know that there's a very bad aroma emitted by the Attorney General's Office. I read on this floor what his top prosecutor had done in terms of misconduct that was commented on by the Supreme Court Justices. And it was so bad that this prosecutor self-reported to the Counsel for Discipline, which investigates possible wrongdoing of an ethical nature by somebody holding a law degree. Now, those things...again, you all know about it, but it means nothing to you. I will support what it is that Senator Harr is trying to do in the same way that I wrote the complaint about former Supreme Court Justice or Judge Kelch, the way I filed with Senator Watermeier a challenge to the unlawfulness... [LB906]

SENATOR LINDSTROM: One minute. [LB906]

SENATOR CHAMBERS: ...of the death penalty protocol, the violations of state law and federal law, because nobody else is going to do it. Who will watch the watchers? If you all continue to make it clear you're not going to deal with these issues, I will continue to deal with them. And what I may start doing is reading these things that I've put together into the record so that the public will know not only what I'm doing, but can see how labor intensive these documents are that I put together. It's not just saying he did something wrong and he resigned, but case after case after case, using the Supreme Court rules. And I think that might be what I will do, and maybe your constituents will shame you... [LB906]

SENATOR LINDSTROM: Time, Senator. [LB906]

SENATOR CHAMBERS: ...into doing what you ought to do. Thank you, Mr. President. [LB906]

SENATOR LINDSTROM: Thank you, Senator Chambers. Senator Schumacher, you're recognized. [LB906]

SENATOR SCHUMACHER: Thank you, Mr. President and members of the body. I think Senator Harr is working on something, so while he is in progress, I do want to point out

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something germane to this particular bill. And that is the endless type of activity that we have when it comes to applying the war on drugs. My first or second year down here, Senator McCoy had a bill which was going to be the beginning and end all of a need to add language to this particular bill and these schedules. And Senator McCoy had a long analysis that his 700 different compounds were root compounds, beyond which no one could ever figure out how to make any kind of more drugs and we would not have to do this kind of thing again. And they had a chemist from the Omaha Police Department, I think, testify that she'd figured it all out and this was it. There was nothing that the drug dealers and drug industry could do that could confound them once we pass that law. We passed it. We were back I think the next year passing more laws. And every year we pass more laws, because there is no end to the chemistry that can be done and there's no end to the political mileage you can get by pretending that President Nixon's War on Drugs is winnable after 40 years. And some day we're going to figure out that criminalization to the extent that we've tried to make it work on this type of behavior is not productive. There's some really bad stuff out there that we need to focus on. But among this whole list, there's some stuff that probably you can get at the doctor's office far easier in a legal manner. The doctor doesn't necessarily have to be the most scrupulous person in the world. One of the things probably lower on priority for you in your time here than such things as the budget and taxes is a sane look at what we do with our attempts to control human behavior by the use of the penitentiary system and the felony and the criminal justice system, because it hasn't worked. It's getting more expensive. And while it's so easy to say just criminalize them and lock them up and throw away the key, we've got years and years of experience now that this type of behavior doesn't work. And it can't be controlled by just adding drugs to a list, police to a police force, prosecutors to a prosecuting office, defense attorneys to a defense office, judges, probation officers, parole officers, penitentiary guards, bigger penitentiaries. That has not worked and not been productive. And another thing for you to wrestle with and you probably won't find the answer, we surely didn't, President Nixon surely didn't, and everybody in between surely didn't. It's one of the things I would encourage you to approach with a very open mind. And one of the things that is of critical importance to our society and also they have to deal with the fact that a lot of these things come out of doctors' offices and medical professions under the guise of legal prescriptions. [LB906]

SENATOR LINDSTROM: One minute. [LB906]

SENATOR SCHUMACHER: And that is probably even a more difficult deal because you're then facing an industry. And in the nature of human beings, a small percentage of that industry is probably prone to misbehaving rather severely. Thank you, Mr. President. [LB906]

SENATOR LINDSTROM: Thank you, Senator Schumacher. Senator Kolowski, you are recognized. [LB906]

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SENATOR KOLOWSKI: Thank you, Mr. Chairman. I yield my time to Senator Chambers, please. [LB906]

SENATOR LINDSTROM: Senator Chambers, you are yielded 4:51. [LB906]

SENATOR CHAMBERS: Thank you, Mr. President. Thank you, Senator Kolowski. We're going to be here until 10:00. I'm not going to take all of that time, but things may as well be discussed that have substance. The Attorney General is the highest law enforcement person in this state. When he shows contempt for the law, then he brings the whole law into contempt. There is a very large law firm in this state that hired a former judge of the Nebraska Supreme Court. I filed a complaint against the Attorney General for trying to import illegal drugs, and the Counsel for Discipline thought that there was sufficient information to investigate and take it further. But he did not want to do it himself, because there may have been some kind of conflict. This is the Counsel for Discipline of the Nebraska Supreme Court. They turned the matter over to a Douglas County judge. That judge was going to do the investigating. Then after a couple of weeks or so he announced that he didn't want to do this, so it was turned over to this former judge of the Nebraska Supreme Court. It would not have gotten that far had I not presented enough evidence to show that if what I presented were true, there would have been an ethical violation by the Attorney General. This judge wrote me a letter to that effect. He then misstated the facts that I had presented and said the Attorney General had done nothing wrong and went so far to say that even if he had done what I alleged, namely try to obtain these illegal drugs, there was nothing wrong with it. When a person files a grievance and the respondent who is the one against whom it's filed writes a response, that response is supposed to be sent to the one who filed the complaint. That was never done in this case. Time went by and I was never notified of the final result. I contacted the Counsel for Discipline, and he sent me a letter that obviously had been back dated because weeks had passed. What they don't realize that I know and maybe they don't know is that there's no statute of limitations when it comes to ethical violations by the holder of a law license. I have been busy, but I'm going to write a letter to the Chief Justice and indicate that despite what had been done that I think was inappropriate in exonerating the Attorney General, it is not too late for the court to review this matter. And I'm going to see if the court will do the same thing that this former judge and apparently the Counsel for Discipline went along with. I hope they're paying attention. When I make a promise, sometimes it takes a while... [LB906]

SENATOR LINDSTROM: One minute. [LB906]

SENATOR CHAMBERS: ...for me to be able to carry it out because there are things going on, but I'm not ignoring that issue. I am doing my research. I'm preparing it. And in the same way it took me a while to get my complaint against Judge Kelch written and turned in, it's going to take me a little while on this other thing that I'm mentioning, but I'm serving notice. And this judge

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works for one of the high powered law firms in the state. That's all I'll say at this point. Thank you, Mr. President. [LB906]

SENATOR LINDSTROM: Thank you, Senator Chambers and Kolowski. Senator Schumacher, you're recognized. This is your third time. [LB906]

SENATOR SCHUMACHER: Thank you, Mr. President. Senator Harr is, I think, working on an amendment to this bill at this time and should be done hopefully by the time I'm done speaking here. The prelude to this is there's a rule that lawyers have got to abide by. It's in the ethics books of the lawyers, and it basically says that you cannot represent two different parties which may be adverse to each other. And we had an old law on the books that said the Attorney General Office shall represent patrolmen in some instances. And the Attorney General, as we know, is the chief law enforcement officer in the state and shares the role of chief law enforcing with the various county attorneys in the respective counties. We also had a law on the books that said when a county attorney has a conflict of interest--and most often those things in our law is that the county attorney may have a relative that needs to be prosecuted or may and oftentimes be probating the estate of somebody whose child needs to be prosecuted--that the county attorney can ask the local judge to appoint some other attorney to be the county attorney and perform those functions. By inference, I think, a reasonable inference would be that also means the Attorney General, the same rules would apply. The situation came up this summer where a patrolman was involved and the county attorney had to...or the Attorney General had to defend that particular person and at the same time look into wrong doing associated with that whole incident. Common sense would have said, you know what, it's well established procedure to go to a judge and say, judge, I have a problem here. I have a conflict of interest, please appoint somebody. But common sense was violated and the Attorney General refused at Senator Harr's request to go to a judge and say, judge, appoint somebody, claiming that he had no authority to ask the judge--even ask the judge--to appoint somebody in this particular case. And that seemed really, really, really odd that that position would be so entrenched on a case of this nature in which common sense would say, let's just get somebody in here and get us out of a sticky situation if you were the Attorney General. And so to meet the objection that the Attorney General said that he did not have the authority to ask the judge to appoint an alternative prosecutor, Senator Harr initiated an amendment on another bill that basically said, hey, you got the same ability to ask a judge to appoint in the context of a conflict of interest as does a county attorney. And Senator Harr, then, informed you tonight of the developments there. There is something that an independent pair of prosecutorial eyes needs to look at and give us a straight answer. [LB906]

SENATOR LINDSTROM: One minute. [LB906]

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SENATOR SCHUMACHER: We have an obligation to ferret this out. If there is some deep and dirty, dark secret going on here, it must run pretty deep because the behavior just is not normal. And it is not the thing that one would do in order to effectively carry out your office and your duties as an attorney. So, Mr. President, I conclude my remarks on this particular issue right now. Thank you very much. [LB906]

SPEAKER SCHEER PRESIDING

SPEAKER SCHEER: Thank you, Senator Schumacher. We will pass over LB906 awaiting an amendment and we'll move on to the next item. Mr. Clerk. [LB906]

ASSISTANT CLERK: Mr. President. LB940, introduced by Senator Friesen. (Read title.) The bill was introduced on January 9 of this year, referred to the Urban Affairs Committee, placed on General File with committee amendments. (AM1585, Legislative Journal page 448.) [LB940]

SPEAKER SCHEER: Senator Friesen, you are welcome to open on LB940. [LB940]

SENATOR FRIESEN: Thank you, Mr. Speaker. LB940 seeks to amend the Civic and Community Center Financing Act. This act is administered by the Nebraska Department of Economic Development and provides grants of state aid for the development of civic, community, and recreation centers. This act was originally created in 1999, it was amended in 2011 to change the name of the act, and was amended again in 2013 to allow for recreation centers and planning and technical studies directly related to eligible projects to be eligible for grant funding. LB940 makes the following changes: Section 1 of the bill changes some definitions, including: that of a community center that must be owned by a municipality; it adds historic districts to the definition of historic building; and adds parks to the definition of recreation centers. Section 2 of the bill raises the amount of facility-related grants available to applicants under Section 13-2704.01. The minimum is changed from \$10,000 to \$15,000 and the maximum amounts for the different municipalities it lists the different ones for a city of the primary class and all the different municipalities and I won't read through all those. It just basically increases the main percentage. Grant assistance amounts for the engineering costs under Section 13-2704.02 would change from a range of \$2,000 to \$10,000 and to a range of \$3,000 to \$15,000. LB940 also changes the amount of funds available for grants if the funds exceed or fall below certain amounts. Currently, grant limits may increase if the balance of the fund is \$2,500,000 but not below \$1 million. This range would change to \$3,750,000 but not below \$2,500,000. And so the grant amounts would change again as follows for the different cities of the primary class and then different population levels percentagewise on down. LB940 would also prohibit a city from selling any property that received a grant funding under the Civic and Community Center Financing Act for at least five years and that municipalities that have not

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received grant assistance under this act shall have priority over other cities who have received such funding within the last ten years. LB940 was advanced unanimously from the Urban Affairs Committee with a technical amendment. And I would encourage you to support the committee amendment and LB940. Thank you, Mr. President. [LB940]

SPEAKER SCHEER: Thank you, Senator Friesen. Senator Wayne, you're welcome to introduce the committee amendments from Urban Affairs. [LB940]

SENATOR WAYNE: Thank you, Mr. President and members of the Legislature. This is another great bill from the Urban Affairs Committee. We are doing such a wonderful job, and I wanted to thank the committee for that today. The committee amendment, AM1585 makes a harmonizing change in the section of Civic and Community Center Financing Act that was not included in the green copy. As introduced, the bill changed the definition of historic building to historic building or district. AM1585 simply reflects that the change in the additional section of existing law. I would ask you to vote green and adopt AM1585. Thank you, Mr. President. That sounds so Presidential. [LB940]

SPEAKER SCHEER: Thank you, Senator Wayne. Seeing no one wishing to speak, you're welcome to close. He waives closing. The question before us is adoption of AM1585 to LB940. All those in favor, please vote aye; all those opposed vote nay. Please record. [LB940]

ASSISTANT CLERK: 30 ayes, 0 nays on the adoption of the committee amendment. [LB940]

SPEAKER SCHEER: AM1585 is adopted. Mr. Clerk. [LB940]

ASSISTANT CLERK: Mr. President, Senator Friesen would offer AM1743. (Legislative Journal page 568.) [LB940]

SPEAKER SCHEER: Senator Friesen, you're welcome to open. [LB940]

SENATOR FRIESEN: Thank you, Mr. Speaker. AM1743 adds the emergency clause to LB940. This is necessary in order to get the grant funds out to communities in the current biennium. I would appreciate your support. [LB940]

SPEAKER SCHEER: Thank you, Senator Friesen. Senator Chambers, you're recognized. [LB940]

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SENATOR CHAMBERS: Mr. President, members of the Legislature, since this has become the era of good feeling, I have a small amendment up there that would repeal the black-tailed prairie dog bill and I would like to ask Senator Friesen a question if I may. [LB940]

SPEAKER SCHEER: Senator Friesen, would you please yield? [LB940]

SENATOR FRIESEN: You may. [LB940]

SENATOR CHAMBERS: Senator Friesen, do you mind if that amendment is adopted and your bill moves on, because that's the mood we're in tonight? [LB940]

SENATOR FRIESEN: You know, I don't think it's germane because I don't think there's any prairie dogs underneath these civic centers. [LB940]

SENATOR CHAMBERS: Point well taken. That's all I have. Thank you. I tried. [LB940]

SPEAKER SCHEER: Thank you, Senator Chambers and Senator Friesen. Seeing no one else in the queue, Senator Friesen you're welcome to close. He waives closing. The question before us is AM1743. All those in favor, please vote aye; all those opposed vote nay. Have we all voted that wish to? Please record. [LB940]

ASSISTANT CLERK: 30 ayes, 0 nays, on the adoption of Senator Friesen's amendment. [LB940]

SPEAKER SCHEER: AM1743 is adopted. Going back to LB940 discussion. Seeing no one wishing to speak, Senator Friesen you're welcome to close on LB940. He waives closing. The question before us is adoption of LB940. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB940]

ASSISTANT CLERK: 31 ayes, 0 nays on the advancement of the bill. [LB940]

SPEAKER SCHEER: LB940 does advance. Returning to...excuse me. We will move to LB940A. Senator Friesen. [LB940 LB940A]

ASSISTANT CLERK: Mr. President. LB940A, introduced by Senator Friesen. (Read title.) [LB940A]

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SPEAKER SCHEER: Sorry about that. Thank you, Mr. Clerk. Senator Friesen, you're welcome to open. [LB940A]

SENATOR FRIESEN: Thank you, Mr. Speaker. This would just be the A bill that allows the monies that are collected in the fund to be spent. This is a cash funded operation. As you recall, last year when we...maybe it was two years ago, we changed the area that the turn-back tax was collected from. And so revenue has gone up, and so this gives us the ability to be able to budget for that money and spend it when the communities make their grants. So I urge you to pass LB940A. Thank you, Mr. President. [LB940A]

SPEAKER SCHEER: Thank you, Senator Friesen. Returning to discussion on LB940A. Seeing no one wishing to speak, Senator Friesen is welcome to close and he waives closing. The question before us is adoption of LB940A. All those in favor please vote aye; all those opposed vote nay. Have we all voted who wish to? Please record. [LB940A]

ASSISTANT CLERK: 29 ayes, 0 nays on the advancement of the A bill. [LB940A]

SPEAKER SCHEER: LB940A is advanced. Returning to LB906. Mr. Clerk. I'm sorry. Mr. Clerk, for items. [LB940A LB906]

ASSISTANT CLERK: Thank you, Mr. President. Amendments to LB947 from Senator Harr to be printed in the Journal. That's all I have at this time. (Legislative Journal page 1083.) [LB947]

SPEAKER SCHEER: Next item, Mr. Clerk.

ASSISTANT CLERK: Mr. President, returning to LB906. I now have an amendment from Senator Harr, AM2597. (Legislative Journal page 1084.) [LB906]

SPEAKER SCHEER: Senator Harr, you're welcome to open on AM2597. [LB906]

SENATOR HARR: Thank you, Mr. President. So, folks, all this is, is the amendment that I was talking about earlier. I have a similar amendment on Senator Williams' bill. After reading the case law and looking at the concerns of the AG, there's one change from Senator...what we passed with Senator Watermeier's bill. I'll pull it off of there if we can get it on here. It just says, an attorney appointed under the section "shall" be--not "may"--but "shall" be independent of and not under the direction of the Attorney General. That's the only difference. I would ask for your support on this bill...on this amendment. [LB906]

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SPEAKER SCHEER: Thank you, Senator Harr. Senator Williams, you're recognized. [LB906]

SENATOR WILLIAMS: Would Senator Harr yield to a question? [LB906]

SPEAKER SCHEER: Senator Harr, will you please yield? [LB906]

SENATOR HARR: Yes. [LB906]

SENATOR WILLIAMS: Thank you, Senator Harr. Can you tell me why this amendment has any relevance to the action that we're trying to take under LB906 to normalize the Nebraska controlled substance law with the federal law? [LB906]

SENATOR HARR: Yep. So this fits under the same chapter and has to do with the prosecution of crimes. [LB906]

SENATOR WILLIAMS: That's not what I asked. I asked why does this amendment need to be on my bill to help my bill? [LB906]

SENATOR HARR: Why does any amendment need to be anywhere? So the idea here... [LB906]

SENATOR WILLIAMS: That's exactly right. [LB906]

SENATOR HARR: Yeah. And I apologize, I thought I told you...I thought you were okay with it. But this is...I don't think this is a noncontroversial or I think this is a noncontroversial amendment insofar as this is what we do in 93 counties. And so all we're doing is giving the Attorney General the same powers that we give county attorneys, which I would argue they already have because the Attorney General has all the authority of an Attorney General. [LB906]

SENATOR WILLIAMS: Thank you. Colleagues, Senator Harr did tell me he was going to put an amendment on this bill. I had no idea what the amendment is. I do not know what this amendment does fully. I don't know that any of you do also. Use your own judgment as to whether you want to advance this amendment onto what is a clean piece of legislation that was advanced with no dissenting votes out of the Judiciary Committee that had testimony and is being brought by the Nebraska Pharmaceutical Association, which I don't think has anything to do with what Senator Harr's amendment. So I will not be voting for the amendment, but you use your own judgment on that. Thank you, Mr. President. [LB906]

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SPEAKER SCHEER: Thank you, Senator Williams and Senator Harr. Senator Hilgers, you're recognized. [LB906]

SENATOR HILGERS: Thank you, Mr. President. I was wondering if Senator Harr might yield to a question. [LB906]

SPEAKER SCHEER: Senator Harr, would you please yield? [LB906]

SENATOR HARR: Of course. [LB906]

SENATOR HILGERS: Senator Harr, I've just started to look at the language here, and so I understand. Can you describe a little bit of what this amendment would do? [LB906]

SENATOR HARR: So, yeah. And, I'm sorry. We talked about this earlier when we were talking about the underlying bill. So this is the exact language that county attorneys have when they have a conflict other than that one sentence that I stated on line 9: an attorney appointed under this section shall be independent of and not under the direction of the Attorney General. Other than that, it's verbatim of what the powers the county attorneys have when they have a conflict and they're the prosecutor. [LB906]

SENATOR HILGERS: Oh, sorry. Thank you, Senator Harr. I understand that you introduced a bill similar to this already this session? [LB906]

SENATOR HARR: Similar, yes. Not the same, though. [LB906]

SENATOR HILGERS: Okay. And then I also understand and I think I've had a conversation with you afterward. I know you had an amendment on, I believe, Senator Watermeier's bill--I can't remember the number--a couple of days back. And that...what was the...I can't remember the bill number, but that also had to do with appointing independent prosecutors into the conflict, is that right? [LB906]

SENATOR HARR: Yes. Well, with the Attorney General's Office, yes. [LB906]

SENATOR HILGERS: Are those the same amendments? Is that the same amendment that was... [LB906]

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SENATOR HARR: No. It differs because of...the concern after speaking with the Attorney General's Office about the independence of that individual, so I just wanted to clarify it. And that's that line that I talked about here on line 9 through 10. [LB906]

SENATOR HILGERS: And what was...I guess I don't see Senator Watermeier here on floor at the moment, but what was the current...I think it was LB861. What's the status of that bill? [LB906 LB861]

SENATOR HARR: It's on Select File. [LB906]

SENATOR HILGERS: Is it going to come up back on the schedule, do you know? I understood that there maybe was some resistance to putting it back on in light of the amendment that was placed on it. [LB906]

SENATOR HARR: Well, okay. So we were...I talked about this earlier and I don't want to use all your time. There is...and I don't want to...and if Senator Williams takes great offense at this, I apologize. And I'm not going to try...I'm not trying to kill his bill. What I'm trying to do is to give the Attorney General the same powers that every county attorney already has. And so there is...I don't know if resistance is the right word. That's your word. I wouldn't say there's resistance, no. [LB906]

SENATOR HILGERS: Okay. Thank you. How much time do I have left, Mr. President? [LB906]

SPEAKER SCHEER: 2:30. [LB906]

SENATOR HILGERS: Thank you, Mr. President. Thank you, Senator Harr, for the questions. I do not support AM2597. I voted against the amendment or the similar form. I haven't looked at it. I take Senator Harr's comment that it's a little different from the amendment on Senator Watermeier's bill. I don't think it's germane to LB906. I think it's...I don't think...you know, it's 9:30 on a Wednesday evening, to put this amendment which is substantially similar to a bill that was put forward a committee, it was an attempt to do an amendment on and was amended on Senator Watermeier's bill which posed challenges after that occurred. I think this is the third time and I oppose it. I don't know if Senator Williams will oppose it. It sounds like this was not...I don't want to put words in Senator Williams' mouth, it certainly sounded like maybe it's a hostile amendment or certainly not requested amendment or certainly not a friendly amendment. So I'd urge the body to vote red on AM2597. Thank you, Mr. President. [LB906]

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SPEAKER SCHEER: Thank you, Senator Hilgers and Senator Harr. Senator Harr, you are recognized. [LB906]

SENATOR HARR: Thank you. So, folks, I think this is sound and fury signifying nothing again, because you haven't had a chance to read one sentence. Read the sentence. Read the bill. It's pretty simple. The whole amendment is 15 lines long, 14.5 to be exact. It's not complicated. It just says: Due to the absence, sickness, disability, or conflict of interest of the Attorney General and his or her assistants or upon request of the Attorney General for a good cause, the Supreme Court, the Court of Appeals, or any district court, separate juvenile court, or county court before which the cause may be heard, may appoint an attorney to act as an Attorney General or an assistant Attorney General in investigation, appearance, or trial by an order entered upon the minutes of the court. An attorney appointed under this section shall be independent of and not under the direction of the Attorney General. Such attorney shall be allowed compensation for such services as the court determines to be paid by the Department of Administrative Services upon the presentation of the department the certificate of the judge before whom the cause was tried certifying the services rendered by such attorney and the amount of compensation. That's it. Right? So if you have a conflict, you are...as Attorney General you now have a way of curing that conflict without putting your client at a disadvantage and asking a county attorney to prosecute it. You can go to a judge and say, judge, I have a conflict. I'm not sure what I can do about it, but I have a conflict. Can you appoint outside counsel? Conflict counsel? They then say, looking at it, yes or no, and if they do they appoint another attorney and that attorney acting independently of the Attorney General may then prosecute the case or may decide not to prosecute the case, may conduct an investigation. It's that simple. Again, 93 counties in this great state of Nebraska already have this authority. All we are doing is giving the Attorney General, the supreme prosecutor in this state, that authority, which I would contend he or she already has because again a prosecutor may act as a county attorney. And so, therefore, I think they can do it. I don't think this is a highjack of a bill. This is the ability to determine how are we going to go forward if there is a conflict? What does the AG think we should do? I don't know. I've asked him numerous times. I have been refused an answer. No one has given me an answer. And so I think maybe if we get this on here, we can...maybe the Attorney General will find a solution for this. Thank you. [LB906]

SPEAKER HARR: Thank you, Senator Harr. Senator Ebke, you are recognized. [LB906]

SENATOR EBKE: Thank you, Mr. Speaker. I am, quite frankly, agnostic about this amendment, but I certainly thank Senator Harr for bringing it. I thought I might provide a little bit of history into this. This past summer, as many of you know and Senator Harr discussed a little while ago, there were the issues with respect to the State Patrol and Colonel Rice and some of the other issues out there. And the question was raised, as Senator Harr mentioned, about what could the Attorney General do, given the obligation to represent the state and the State Patrol. And so

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Senator Harr and Senator Schumacher sent letters to my office as committee Chair and requested that we conduct an investigation of sorts. What we ended up doing was sending out, through my office, a number of records requests. We sent out records requests to the State Patrol, to the Attorney General's office, to the Governor's Office, and I think human resource office, and there might have been another one, I'm not sure. And we received a pretty significant volume of information back. And as we reviewed that information, one of the things that stood out in comments that were made, e-mails that were exchanged and so forth was that the Attorney General felt that they had a problem when it came to the State Patrol and prosecuting or potentially prosecuting somebody, that there was a conflict of interest. And that, I think, is what Senator Harr is trying to get to. He's trying to get to curing the conflict. I'm not an attorney, nor do I play one on TV, but I am a member of a family of lawyers. And I know as well as anybody that lawyers have an ethical responsibility to cure their conflict if they have a conflict of interest when it comes to clients. So that's, I think, where Senator Harr's amendment came from. We had discussions with him. There was at one point discussion of me introducing a bill that would do essentially this. And then the Governor's Office came to me and asked me to carry some legislation on their behalf that would deal with State Patrol issues. We thought that it was going to address some of the conflict issues. They didn't. Senator Harr introduced his bill, and I don't remember what the bill number was right off, but that's sort of the genesis of all this. And I think it's important for us as policymakers to consider whether or not we want our chief law enforcement official, our Attorney General, to be able to cure their conflicts if they've got it because if they can't cure the conflicts, then the potential exists it seems to me for somebody to get away with something. For somebody who should be prosecuted for something not being prosecuted for something if there's a need for that. So with that, I will yield any time that I have remaining to Senator Harr if he would like to use it. But I guess he... [LB906]

SPEAKER SCHEER: Senator Harr, would you please yield? [LB906]

SENATOR HARR: Yes, I will. [LB906]

SPEAKER SCHEER: 1:20. [LB906]

SENATOR HARR: Thank you. Thank you, Senator Ebke, for the time. So, you know, my mamma always told me, nothing good happens after 9:00 at night. Maybe she was right because we went until about 10:00 last night and we've been going hard all day. We had some fun with the budget. And gosh, I thought I was cute, but I wasn't, because what I forgot is that there's amendment to a Speaker priority bill that bill does not advance. [LB906]

SPEAKER SCHEER: One minute. [LB906]

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SENATOR HARR: And, of course, I don't want to kill Senator Williams underlying bill, so I will go ahead and pull AM2597 and apologize for taking so much time. Thank you, Mr. Speaker. [LB906]

SPEAKER SCHEER: Without objection, so ordered. Thank you, Senator Harr. Thank you, Senator Ebke. Senator Williams, you're recognized. [LB906]

SENATOR WILLIAMS: Thank you. If there's no one else in the queue, Mr. President, can I use this as my close? [LB906]

SPEAKER SCHEER: There is not now, so this is your close. [LB906]

SENATOR WILLIAMS: Thank you very much. First of all, I would like to thank the Speaker for making this a Speaker priority. And I appreciate the fact that the rule stands that an amendment could kill the bill. I would like to thank all of those that have had an opportunity to use this vehicle to vent their frustration about other issues, Senator Chambers, Senator Schumacher, Senator Krist, and in particular, my good friend Senator Harr. This bill, LB906, is a simple bill that harmonizes the federal controlled substance law with the Nebraska controlled substance law. I would appreciate your green vote. Thank you, Mr. Speaker. [LB906]

SPEAKER SCHEER: Thank you, Senator Williams. The question before us is the adoption of LB906 to E&R Initial. All those in favor please vote aye; all those opposed vote nay. Please record. [LB906]

CLERK: 38 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB906]

SPEAKER SCHEER: LB906 is advanced. Next item, Mr. Clerk. [LB906]

CLERK: LB1081 is a bill by Senator...or by the Education Committee, excuse me. (Read title.) Introduced on January 17, referred to Education, advanced to General File, no committee amendments. I do have an amendment to the bill, Mr. President. (AM2593, Legislative Journal pages 1084-1087.) [LB1081]

SPEAKER SCHEER: Senator Groene, you're welcome to open on LB1081. [LB1081]

SENATOR GROENE: Thank you, Mr. President. This is the committee priority bill. It advanced from committee with an 8-0 vote. LB1081 was introduced at the request of Nebraska

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Department of Education and is often referred to as the annual cleanup bill or technical bill. LB1081 would have the fiscal impact of eliminating a \$75,000 earmark, if passed, and the savings that results would be accounted for under the recommended 2 percent budget reduction for NDE. LB1081 would make the following changes. There are 21 different subsections. I will give you the headers on them. If you want me to go deeper into it, you can ask me about them unless you want to be here later. Section 1 requires the Learning Community Coordinating Council to file an annual financial report--an AFR--with the NDE as is currently required of public school districts and ESUs. It fixes the oversight. When school districts and ESUs had to file an AFR but the Learning Community didn't, the Learning Community willingly agreed to do it. Section 2 amends 79-262 to require that all school boards, in collaboration with the county attorney in which their principal office is located, review the rules and standards for student conduct adopted by the school board which would require the school to contact law enforcement if a student were to display such conduct. Section 3 amends 79-293 changing the reference from 79-267 to 79-262, as such section requires school principals to contact law enforcement in certain instances. Section 4 amends 79-2,136 to provide that districts, under this section, can enroll non-residents students as allowed under 79-215, which provides for students' admission and tuition. It's a cooperation between private schools, the home schoolers and public schools to offer certain classes. Amend...Section 5 amends 79-408, providing that a territory within a city of a primary or metropolitan class that is not a part of a learning community shall constitute a Class IV school district. Right now state statute says any metropolitan class school district has to have a learning community. This will change the laws because LPS is rapidly heading that direction and it exempts them in the future here from creating a learning community. Section 5...unless they choose to do so, but it doesn't force them. Section 5 also repeals obsolete language that permitted a Class V district to adopt or amend their own retirement plans and annuities. The retirement duties that are being removed into this bill are now handled by the Public Employees Retirement Board, PERB. Section 6 amends 79-528, no longer requiring Nebraska Department of Education to file the following four reports with the Learning Community Coordinating Council: census count of 5- to 18-year-olds in the Learning Community; end of the school year annual statistical summary; the annual financial report--AFR--for the Learning Community Coordinating Council; the fall Learning Community membership report. The Learning Community Coordinating Council will still retain access to the information in these reports but they would get the information directly from the member school districts as they comply with rules and regulations for the community achievement plan. It just eliminates redundancy that the Department of Education had to do. Section 6 also changes the reporting date on the fall school district membership report from the last Friday in September to October 1 of a given year. This aligns the data report for state and federal purposes. Section 7 amends 79-529 making a technical change by striking a reference to subdivision (3)(a) and replacing it with "subsection (3)." Section 8 amends 79-760.06, changing the current provision that no more than three schools may be designated priority schools to now provide that no less than three schools may be designated priority schools. Section 9 amends 79-760.07, changing

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five to three, the number of years a school can be designated a priority school before the State Board shall reevaluate the progress plan to determine if significant revision to the plan, a new plan, or alternative administrator structure is necessary. Section 10 amends Section 79-870, clarifying that a subpoena issued by the commissioner is to be used for investigatory purposes to carry out duties assigned in Section 79-866 and mirrors language used by Legislature for other agencies for investigatory subpoenas. Section 11 amends 79-1003, subsection 34, to change the date under the qualified early childhood education fall membership, defining from the last Friday in September to October 1. Section 12-19, poverty plans and limited English proficiency plans, changes...Section 12-19 are included as a result of the elimination of the requirement that school districts submit to NDE poverty plans and limited English proficiency plans under Section 21 of this act. Outright repeals...Section 21 outright repeals Section 71-1013 poverty plans and 79-1014 limited English proficiency plan. These sections were first enacted in 2006 as a response to lawsuits filed regarding poverty funding and funding for limited English proficiency components in the old TEEOSA act. Completion of the plans by school districts and the review by NDE of the Learning Community were designed to determine how school districts were addressing the needs of poverty students and students with limited English proficiency with school funding and to determine best practices. According to NDE, since 2006, all reviews to date have shown school districts are utilizing best practice for these students and the plans no longer serve a purpose that is not already demonstrated with federal plans and school improvement plans required for accreditation. This is a duplication of efforts at a time when we have been reducing the budget of NDE. It just makes sense to reduce the fiscal cost based solely on the duplication of reporting requirements. This is what LB1081 would do. I ask for your support and for the advancement of LB1081. If you have any questions, I would be more than happy to get you an answer. Thank you. [LB1081]

SPEAKER SCHEER: Thank you, Senator Groene. Mr. Clerk. [LB1081]

CLERK: Senator Linehan would move to amend, AM2593. (Legislative Journal pages 1084-1087.) [LB1081]

SPEAKER SCHEER: Senator Linehan, you're welcome to open on AM2593. [LB1081]

SENATOR LINEHAN: Thank you, Mr. President. Good evening, colleagues. AM2593 is the third grade reading bill which I think you're all familiar with. We've been working, you with me and with many schools that Senator Pansing Brooks and I have visited over the last year, to include Columbus, Doniphan, Elkhorn, Gothenburg, Grand Island, Hastings, Lexington, Lincoln, Norfolk, Norris, Omaha, Westside, and York. I want to especially thank Mary Schlieder from Norris who sent me several e-mails and got me focused. The NSEA has been particularly

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support...helpful and supportive, Nebraska Department of Ed, and, of course, Senator Pansing Brooks. So I would ask for your green light on AM2593. Thank you. [LB1081]

SPEAKER SCHEER: Thank you, Senator Linehan. Moving to discussion, Senator Pansing Brooks, you're recognized. [LB1081]

SENATOR PANSING BROOKS: Thank you, Mr. Speaker. I just wanted to stand up for a minute and just get on the record the work some of...some information about the work that Senator Linehan and I did on our reading tour across the state. We visited nine cities, including Lexington, Gothenburg, Grand Island, Hastings, Doniphan, York, Columbus, Omaha, and Lincoln. We went to 15 different schools. And the reading tour across the state I think really showed that most teachers are doing a fantastic job and we do have some students that are getting left behind for various reasons. We saw examples of phonics versus whole language being taught. There are still places where whole language is being taught, and that's very difficult for dyslexic readers and others. We...the dyslexic readers and the methods that are being used by some of the most proficient schools are methods that incorporate audio, visual, tactile, and the various forms of reading. We saw that there was a gap in what we saw in dyslexia because most teachers reported that they didn't have any training on dyslexia. It varied by teacher colleges across the state. It was very interesting to us because in some places the teachers were calling it a myth but other places wholeheartedly embrace the various interventions necessary. But generally across the state we had incredible teachers doing incredible things and I really appreciate the fact that Senator Linehan has worked so hard to change her bill from last year. She has been willing to compromise even farther than I would at some times and has been really very steadfast in her efforts to help the kids in Nebraska. It's been...it was interesting because at times I ended up playing the bad cop and she was the good cop in our interactions across the state. Sometimes I'd say, why didn't you say something? And she's like, well, they're already half mad at me about some of this and so I thought you could just be the one this time. So I'm proud to have worked with Senator Linehan to forge and create a compromise on the Reading Improvement Act. I believe that retention was not the correct approach and I think Senator Linehan came to also agree that that wasn't the perfect approach as we were looking at the numbers of kids that needed support and help. And I can't tell you how much work was done with the NSEA, with the school administrators, with the various schools across the state. [LB1081]

SPEAKER SCHEER: One minute. [LB1081]

SENATOR PANSING BROOKS: And I'm just so proud. This is what I would consider part of what we should do in this body is working together, trying to forge the best legislation that we can. And, you know, I think that this is going to achieve some wonderful things. Does it solve everything in reading? Does it solve everything in our schools? No. But we have found some

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incredible common ground. We are going to make improvements. We are going to support the schools in these improvements. And I want to thank Senator Linehan for the work that we've been able to do together and I've come to admire her greatly on this portion of what we're doing. Thank you, Mr. Speaker. [LB1081]

SPEAKER SCHEER: Thank you, Senator Pansing Brooks. Senator Kolterman, you're recognized. [LB1081]

SENATOR KOLTERMAN: Thank you very much, Mr. President. Good evening, colleagues. I was wondering if Senator Groene would yield to a question or two. [LB1081]

SPEAKER SCHEER: Senator Groene, would you please yield? [LB1081]

SENATOR GROENE: Yes. [LB1081]

SENATOR KOLTERMAN: Senator Groene, you were talking when you had your opening. In Section 5 there's some language in there that talks about retirement plans and annuities. Are you trying to get into my committee's assignment? [LB1081]

SENATOR GROENE: I am on your committee. [LB1081]

SENATOR KOLTERMAN: (Laugh) Can you tell me what that's about? [LB1081]

SENATOR GROENE: Section 5, did you read it? [LB1081]

SENATOR KOLTERMAN: Yeah. Yeah. Just curious. [LB1081]

SENATOR GROENE: According to the Department of Education, this is their bill. It was under their purvey and not yours. Do you disagree with that, Senator Kolterman? [LB1081]

SENATOR KOLTERMAN: No, I don't. I'm just asking if you know it's in there. [LB1081]

SENATOR GROENE: I know it's in there. I read it to you that it was in there. [LB1081]

SENATOR KOLTERMAN: All right. Thank you very much. [LB1081]

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SPEAKER SCHEER: Thank you, Senator Kolterman and Senator Groene. Senator Baker, you're recognized. [LB1081]

SENATOR BAKER: Thank you, Mr. Speaker. I have to admit I have some mixed feelings about the amendment. You know, as far as the content of what is in here, you know, I know Senator Linehan has worked very, very hard to understand really what's going to work in reading programs, and I did that myself many, many years ago. It is just...the conclusion she reached was the same one I did long ago, but I have a little bit of a problem. I don't...I was not a fan of whole language either. You know, that was a plan I replaced while I was superintendent at Norris. But again, we took a process; we brought people along. You know, in order to do that, to make a major change like that, you know, the person leading it has to have the trust of the people working with them, they have to have credibility. I could not have just gone in and dropped a paper on and say this is what's going to be from now on in this school district. It would have been a tough implementation. So I feel a little bad about some of those schools who are still teaching reading in some other manner. Whole language, you know, apparently some of that is still there. I don't think that's the way to go. But to drop this on a staff, it's not going to be easy for that school to make a transition. You know, you can do this and you can force compliance. But you can't enforce commitment, and commitment... [LB1081]

SPEAKER SCHEER: One minute. [LB1081]

SENATOR BAKER: ...is what is really needed to make a substantive change in something as important as a reading program. So I'm...I admit to mixed feelings on this. I think the content is right. You know, it's the process that I'm having difficulty with. And don't know that I'm going to filibuster it, but I think it's a mistake, you know, to get into this level of specificity in state law. I mean, my thinking is the Education Committee should have been working closely with State Board of Education. That's another group that's got a big interest in education programs in schools and, you know, if they would have been involved I would have felt a whole lot better about this, but I don't think there was much conferring with State Board members. And, you know, had the State Board come to the same conclusion jointly with Education Committee, you know, perhaps it could have gone into Rule 10. As times change, you know, we may find something better in 10 years or in 15 years, an even better approach... [LB1081]

SPEAKER SCHEER: Time, Senator. [LB1081]

SENATOR BAKER: ...than the best one that I know, and the... [LB1081]

SPEAKER SCHEER: Time, Senator. [LB1081]

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SENATOR BAKER: Thank you. [LB1081]

SPEAKER SCHEER: Thank you, Senator Baker. Senator Harr, you're recognized. [LB1081]

SENATOR HARR: Thank you. So taking on what I heard earlier tonight, we can't pass this tonight, folks. I haven't had a chance to read it, maybe more than 15 lines, but I haven't had a chance to read it. Would Senator Linehan yield to a question? [LB1081]

SPEAKER SCHEER: Senator Linehan, would you please yield? [LB1081]

SENATOR HARR: So, Senator Linehan, I always hear we over-test our kids, we over-test our kids, we over-test our kids. It's kind of like we have too many regs, we have too many regs, we have too many regs. I'm looking at this bill and I'm going to want to have to go home to my wife tonight and she is going to ask me, did you pass another test for my kids to have to take? Is that it? Did I? Are we? [LB1081]

SENATOR LINEHAN: And you can tell her no because she, I think, is a principal at Westside, and I'm pretty sure Westside, where I also visited this summer, uses DIBELS and MAPP, which are assessments, not tests. [LB1081]

SENATOR HARR: Is this...and what is this? [LB1081]

SENATOR LINEHAN: This is assessments. [LB1081]

SENATOR HARR: See, again, I hadn't had a chance to read it. Thank you. So will there be an additional assessment that will have to be done? [LB1081]

SENATOR LINEHAN: There...Westside will not be doing any additional assessments. [LB1081]

SENATOR HARR: Okay. That's good. So I can go home to my wife. [LB1081]

SENATOR LINEHAN: She'll be happy. [LB1081]

SENATOR HARR: Now I have two little kiddos, three little kiddos but two in school who are third grade or under. Are they going to have an additional assessment because they go to OPS? [LB1081]

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SENATOR LINEHAN: It would depend on what school in OPS they're in. OPS uses different assessments in different schools. I have not been to the school where your children go, so I am not exactly sure what they do there. [LB1081]

SENATOR HARR: Okay, so maybe I'm okay... [LB1081]

SENATOR LINEHAN: But it's most likely they're doing one of about five or six nationally recognized assessment programs. [LB1081]

SENATOR HARR: Okay. Okay. And that's what we'll use in this...under this bill as well? [LB1081]

SENATOR LINEHAN: Right. The Department of Ed, who I worked with closely on this bill. Both Matt Blomstedt, Deb Friesen (phonetic), and Brian Halstead were in my office and we went through it line by line. [LB1081]

SENATOR HARR: Yeah. [LB1081]

SENATOR LINEHAN: And there was a discussion about what assessments to use and we agreed since many schools are already using certain assessments, they should have a chance to use a different variety as long as the Department of Ed could sign off that they were standard best-practices assessments. [LB1081]

SENATOR HARR: Gosh, thank you. Isn't it wonderful when you work with an executive branch and they work back with you? [LB1081]

SENATOR LINEHAN: It's been...this has been a long process. [LB1081]

SENATOR HARR: Yeah. [LB1081]

SENATOR LINEHAN: It wasn't friendly early on as it got to be later on. [LB1081]

SENATOR HARR: Yeah. I know how you feel on that. I haven't gotten to the friendly point yet on some other issues, but thank you. And thanks for the questions. Like I said, I didn't really get a chance to read this and...but you know, I trust Senator Linehan and I trust the Department of Education. If they've signed off on it, I think I'm okay with it. And we always have Select File. Thank you. [LB1081]

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SPEAKER SCHEER: Thank you, Senator Harr and Senator Linehan. Seeing no one else wishing to speak, Senator Linehan, you're welcome to close an AM2593. Senator Linehan waives closing. The question before us is adoption of AM2593. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB1081]

ASSISTANT CLERK: 33 ayes, 0 nays on the adoption of Senator Linehan's amendment. [LB1081]

SPEAKER SCHEER: AM2593 is adopted. Seeing no one wishing to speak, Senator Groene, you're welcome to close on LB1081. [LB1081]

SENATOR GROENE: Thank you, Mr. President. Normally I wouldn't agree to an amendment on a committee clean-up bill because I don't believe that's the proper thing to do, but Senator Linehan said she had no opposition and she was right. There was no vote against it so...and she said she worked with the Department of Education. So if we can help kids read and it's not controversial until tomorrow, when the people see we voted it out, I'm ready to go home. Thank you. [LB1081]

SPEAKER SCHEER: Thank you, Senator Groene. The question before us is adoption of LB1081. All those in favor please vote aye; all those opposed vote nay. Have all voted that wish to? Please record. [LB1081]

ASSISTANT CLERK: 37 ayes, 0 nays on the motion to advance the bill. [LB1081]

SPEAKER SCHEER: LB1081 is advanced. Colleagues, our last item for the day is LB1081A. [LB1081 LB1081A]

CLERK: Mr. President, LB1081A, introduced by Senator Groene. (Read title.) [LB1081A]

SPEAKER SCHEER: Senator Groene, you are welcome to open. He waives opening. (Laughter) Seeing no discussion, is there a close for LB1081A? He waives closing. All those in favor please vote aye...all those in favor please vote aye; all those opposed vote nay. Please record. [LB1081A]

ASSISTANT CLERK: 38 ayes, 0 nays on the motion to advance the A bill. [LB1081A]

SPEAKER SCHEER: LB1081A is adopted. Mr. Clerk. [LB1081A]

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ASSISTANT CLERK: Mr. President, a priority motion, Senator Bostelman would move to adjourn until Thursday, March 22, at 9:00 a.m.

SPEAKER SCHEER: Colleagues, you've heard the motion. All those in favor please say aye. Any opposed say nay. We are adjourned.