

your presence, please. Thank you. Senator Labedz, would you record your presence, please. Senator Robak, record your presence, please. Senator Bernard-Stevens. Senator Chambers, would you record your presence, please. Thanks. We're looking for Senator Lynch, Senator Owen Elmer, Senator Peterson, Senator Pirsch. Senator Kristensen, record your presence, please. Thank you. Okay, we're looking for Senator Bernard-Stevens is all. Senator McFarland, shall we go ahead with your roll call vote?

SENATOR MCFARLAND: That would be fine.

PRESIDENT: All right. The question is the advancement of the bill. Mr. Clerk, please.

CLERK: (Roll call vote taken. See page 297 of the Legislative Journal.) 21 ayes, 25 nays, Mr. President, on the advancement.

PRESIDENT: LB 180 fails to advance. Mr. Clerk, do you have anything for the record, please?

CLERK: Yes, Mr. President, I do.

PRESIDENT: The call is raised.

CLERK: Mr. President, new bills. (Read by title for the first time LBs 600-647. See pages 298-308 of the Legislative Journal.)

Mr. President, in addition to those items, I have hearing notice from the Natural Resources Committee, signed by Senator Schmit. Notice of hearing from the Revenue Committee. That is signed by Senator Hall. Notice of hearing from the Government Committee. That's signed by Senator Baack.

Mr. President, that's all that I have at this time.

PRESIDENT: We will progress on to LB 190.

CLERK: Mr. President, LB 190 was a bill that was introduced Senator Withem. (Read title.) The bill was introduced on January 9, referred to Education, advanced to General File. I have no amendments to the bill, Mr. President.

PRESIDENT: (Gavel.) Senator Withem, just a moment, maybe we

February 21, 1989 LB 43, 75, 80, 82, 106, 113, 166
171, 172, 194, 196, 200, 296, 321
322, 353, 546, 635, 639, 752

PRESIDENT NICHOL PRESIDING

PRESIDENT: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber. We have with us this morning as our chaplain of the day, Dr. Al Norden who is pastor emeritus of the University Lutheran Chapel at Lincoln. He has served there for 30 years. Would you please rise for the invocation.

DR. NORDEN: (Prayer offered.)

PRESIDENT: Thank you, Dr. Norden. We appreciate your coming and doing this for us. Roll call, please. Record, Mr. Clerk, please.

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

PRESIDENT: Thank you. Do you have any corrections to the Journal today?

CLERK: I have no corrections, Mr. President.

PRESIDENT: Very good. Any messages, reports or announcements?

CLERK: Mr. President, a communication from the Governor to the Clerk. (Read communication. Re: LB 43, LB 80, LB 82, LB 106, LB 113, LB 166, LB 171, LB 172, LB 194, LB 200, LB 296, LB 321, LB 322 and LB 353, signed by Governor. See page 793 of the Legislative Journal.)

Mr. President, your Committee on Government, Military and Veterans Affairs whose Chair is Senator Baack to whom was referred LB 546 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File; LB 639 General File, LB 76 General File with amendments, LB 196 indefinitely postponed, LB 635 indefinitely postponed, LB 752 indefinitely postponed, those signed by Senator Baack as Chair of the committee. (See page 793 of the Legislative Journal.)

Received a report from the Department of Roads, quarterly report from the State Highway Commission, and a report from the Equal Opportunity Commission, Mr. President. Those will be on file in my office. And that is all that I have, Mr. President.

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LB 303, 639, 640, 767, 813, 814
LR 105, 106

Senator McFarland. We're voting on the adoption of the Chambers amendment. Call in votes were authorized. Senator Labedz, would you check in please. Senator Warner, record your presence, please. Thank you.

CLERK: Senator Hefner voting no.

PRESIDENT: We're looking for Senator Nelson and Senator Ashford.

CLERK: Senator Lowell Johnson voting no. Senator WeiHING voting yes.

PRESIDENT: Okay, a roll call vote has been requested. Are we all here, Mr. Clerk?

CLERK: No, sir.

PRESIDENT: Who are we looking for now?

CLERK: Senator Ashford.

PRESIDENT: Senator Ashford. Is that the only one? Okay. Shall we wait for Senator Ashford, Senator Chambers? All right. Okay, the question is the adoption of the Chambers amendment. A roll call vote has been requested. Please return to your seats so we may begin. (Gavel.) Mr. Clerk.

CLERK: (Read roll call vote. See pages 2053-54 of the Legislative Journal.) 22 ayes, 8 nays, Mr. President.

PRESIDENT: The motion fails. Do you have anything for the record, Mr. Clerk?

CLERK: Yes, Mr. President, I do. Mr. President, a resolution by Senator Baack. (Read brief explanations of LR 105 and LR 106. See pages 2054-55 of the Legislative Journal.)

Senator Baack has amendments to LB 639, to LB 640; Senator Schmit to LB 814; Senator Baack to LB 303; Senator Hefner to LB 767. (See pages 2055-64 of the Legislative Journal.)

Mr. President, Senator Landis would like to have an Executive Session of the Banking Committee today at two o'clock in the Senate Lounge, Banking Committee in the Senate Lounge at two

May 4, 1989

LB 639, 813

we open it wide open and create a few more offices. I certainly can tell you that I don't think anyone from Butler County is going to drive to Beatrice. They would be much better served...

PRESIDENT: One minute.

SENATOR SCHMIT: ...just stopping in Lincoln and be served by the office in Lincoln than to drive another 50 miles down to the City of Beatrice, although Senator Byars would probably welcome the traffic in that town. Thank you.

PRESIDENT: Thank you. Senator Baack, please.

SENATOR BAACK: Yes, Mr. President and members, I...on this specific amendment to the amendment I'm not sure what I'm going to do yet. I think it's a step in the right direction. I think it just doesn't go far enough. I think all four of the offices ought to have to be in towns of 5,000 or less. From what I've seen the Department of Economic Development doing in the past, I don't think they understand what goes on in small towns and the activity that I've seen from the Department of Economic Development out of their regional offices I think has been totally ineffective in the small town areas. I think that...I know, and hopefully we will get to this, hopefully we'll get to LB 639 which is a bill dealing with the...with some changes within the Department of Economic Development. I have an amendment to that bill. It's on page 2055 of the Journal if you want to look at it. What this amendment does is it would take these same dollars that we're talking about and establishing four offices. It would take those same dollars and it would take those dollars and say we're going to establish a grant fund and what we're going to do is we're going to support local entities that are already out there or support groups of 10 or more governmental entities that want to get together and do some regional strategic planning and some economic development in their area. I think this would be a much, much better use of the money than adding these people to the Department of Economic Development. I don't think we get at the crux of the matter by just simply putting another bureaucrat out in a larger metropolitan...larger city and put them out there and say, okay, you go to work and you tell these people what they need to do for economic development. I think we get to the crux of the matter when we're able to put those dollars into the local communities where the people understand what needs to be done there, understand the people that exist there and understand

what people's philosophies are there and can take those dollars and put them to the best use. I think that's the best use we get out of the money. I think in the New Horizons project we...one of the eight things that they mentioned is long-term strategies. One of those is to more and more involve local government in economic development, and I think that is absolutely necessary. When we get to the state level, we're talking about another bureaucrat who simply goes out and in some cases I think hinders the local economic regional planning agencies that we already have out there. So I don't think that this is the thing to do with the money. I think it would be much better used if we would put it into something like the amendment of LB 639 which we should get to. That's on the top of the list of the committee priority bills. We should have a chance to get to that yet this session. With that, I would...I guess I would urge you to adopt Senator Haberman's amendment. At least it goes a little ways to doing what we want to do. I think that may be followed by another amendment that says all the offices would have to be located in a town of 5,000 or less which I definitely would support. With that, I would like to give the rest of my time to Senator Smith.

PRESIDENT: You have two minutes.

SENATOR SMITH: Thank you, Mr. President, and thank you, Senator Baack. I rise to support the Haberman amendment and I will support the amendment which will follow from Senator Scofield I believe, because I agree totally in the fact that, yes, we do need grant writing assistance out there. We need information about how to facilitate funds and there are a lot of programs out there and there is not a lot of coordination. I happen to work with one of those programs and one of the things that I can tell you is that, for instance, more than the help that they receive from anyone else, communities are now realizing for themselves, as Senator Baack said, what they need, and that is a regional kind of concept. I could give you an example of one in my own area which is, I guess, a hallmark for the state and for the nation in some ways. It's sort of a pilot project where three of my communities, little towns which were dying, drying up, decided to form what they call the Greater Silver Lake Community Development Association. What they're doing is they are deciding among themselves, they're putting some goals down, they're working together and what they're doing is trying to start a few small businesses without duplicating each other. I gave them some information about where they could look for some

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LB 308, 639, 769, 813, 814, 817

motion.

SPEAKER BARRETT: Motion fails. Senator Landis, for what purpose do you rise?

SENATOR LANDIS: I move we recess until one-thirty this afternoon.

SPEAKER BARRETT: Motion to recess until one-thirty. Mr. Clerk, for the record.

CLERK: Mr. President, one item. I have amendments to be printed to LB 813 by Senators Lynch, Crosby, Chizek and Hall. That's all that I have. (See pages 2300-01 of the Legislative Journal.)

SPEAKER BARRETT: Thank you. The question is recessing until one-thirty. All in favor say aye. Opposed no. Ayes have it, motion carried, we are recessed.

RECESS

SPEAKER BARRETT PRESIDING

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

SPEAKER BARRETT: Thank you. Anything for the record?

CLERK: Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 817 and find the same correctly engrossed. Enrollment and Review also reports LB 814, and LB 308 to Select File, Mr. President, with E & R amendments. (See pages 2302-03 of the Legislative Journal.) That is all that I have.

SPEAKER BARRETT: Thank you. Proceeding then to General File, committee priority bills, LB 639.

CLERK: Mr. President, LB 639 was a bill that was originally introduced by the Government, Military, and Veterans Affairs Committee. It is signed by its members. (Read title.) The bill was introduced on January 19, referred to Government Committee. The bill was advanced to General File. Senator, do

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LB 639

you want to take up your amendment now or do you want to go through the bill first?

SENATOR BAACK: Let's go to the bill first, and then we will do the amendment in just a little bit.

SPEAKER BARRETT: Chairman Baack, to introduce the bill.

SENATOR BAACK: Mr. Speaker and colleagues, LB 639 is a bill that deals with the Nebraska Department of Economic Development. I know you may find this a little strange after some of the discussions that we had last week and some of the department bashing, I guess, that we did on the floor of the Legislature talking about how they have handled the rural economic development, and now I am, just a few days later, standing up saying this is a bill that gives more flexibility to the Department of Economic Development. It gives them a little bit more leeway in the way that they do things. It may seem a little strange, it may seem inconsistent. I am going to try and make it look consistent even though it may not be. This bill came out of a study that has been ongoing for about...it was ongoing for about 18 months, and what happened was is a committee, a review committee was set up, and this review committee was made up of Stan Matzke, who is a former Director of the Department of Economic Development, and also the current Vice-President of the Nebraska Bankers Association, and also on this was Lyn Wallen Ziegenbein who is Executive Director for the Peter Kiewit Foundation, Cynthia Van Ackeren, the Organizational Effectiveness Consultant for U S West, and, finally, Miles Friedman, the Executive Director of the National Association of State Development Agencies. These people did a review of the Department of Economic Development and found that there needed to be certain changes in the way the department was set up for them to function properly. And I know that the body, we made a decision last week that we want to add some field offices to the Department of Economic Development. That was a decision that the body made. I think it makes very good sense to now go ahead and do 639 because this is going to allow them some flexibility, and gives them a little bit more flexibility in the way that they do things within the department, and I think will allow them to do the things, with the field offices, some of the things that I would like to see them do. I think that we...one thing I am want to make very clear is I am going to be watching the department very, very carefully as we proceed with these field offices, as we proceed with 639, and make sure that they

are following the guidelines, that we want to make sure they are doing the kind of things that we want done in the Department of Economic Development, so we are going to watch them very carefully as they do this. The changes that are made in the department, a number of years ago, LB 965 was passed, and in 965 there were a number of things that were mandated to the Department of Economic Development. First, within the department, there were several divisions mandated, and the divisions that were mandated were the Small Business Division, the Recruitment Division, Travel and Tourism, Telecommunications and the Information, and Community Development, and they also have the Community Development Block Grant Program, and all these things were mandated in LB 965. Under 639, we are going to change that mandated structure and we are going to make some of the divisions that would be...they would simply be permitted to be established, and the divisions that would be established at this point would be the existing Business Assistance to help those businesses that are already in Nebraska and help them, the improvements that they desire to make. I think this is a move in the right direction because we have talked a number of times on the floor, we are always worried about bringing new businesses in the state, now we are telling the Department of Economic Development, let's work, specifically have a division that works with the existing businesses that are already here, and I think that is a very positive move. The other divisions would be the Business Recruitment, Travel and Tourism, Community and Rural Development, and also would still contain the Community Development Block Grant Program. Under the bill, the divisions that would be eliminated, that we would not be mandating anymore are the Small Business Division, and the Telecommunications and the Information Division. These were all recommendations that were made by this task force that was studying the department. One of my concerns when the department brought the bill to me was the idea that we were getting rid of the Small Business Division because, I said, that is kind of the backbone of Nebraska's economy are the small businesses. So at that point, I said I would like some language in the bill that specifically talks about small businesses, and so included in the bill is some language that says that the department will work very carefully at meeting the unique needs of the small businesses throughout the State of Nebraska. So we are still putting some emphasis on the small businesses, which I think is a very positive thing to do. Specific types of assistance that are mentioned in the bill, that are in the intent language of the bill, not things that are mandated, these are simply

guidelines to guide the Department of Economic Development, the types of assistance, they would include, but not be limited to, financial packaging, technical assistance, job training, export technical assistance, and also assistance in gaining access to new markets. And then we would also change the primary responsibility of the Business Recruitment Division, which is currently the Recruitment Division, and this would be, right now they are in the process of assisting and encouraging the location, expansion of new and existing enterprises. They would now switch to the creation of jobs to the attraction of business. They would be looking more...we would be looking at the jobs market more carefully and they would be trying to create more jobs with the businesses that were brought in because that is something that is very important in this state is the creation of new jobs. I think with that I would simply try to answer any questions that anyone might have. I think the bill makes very good sense, and I have had some discussions with the Governor. The Governor has a number of things that she would like to do with the Department of Economic Development, feels that the passage of 639 will give her an opportunity to make some of these changes to do some of the kind of things that she thinks needs to be done within the Department of Economic Development. I think there are some changes need to be made. I think by giving them this flexibility, by keeping a close eye on them for the next year or so, that we can see these kind of things happen. I think one thing we need to make very clear is that we are going to be watching very closely, we do expect some results from these things. We do expect some results from these field offices that we have set up, and we also expect some results from the flexibility that we are providing to that department. If we don't see that, then I would probably be one of the first ones to come back in and put some mandated language in that says, you will direct your efforts in this direction. So with that, I would just be happy to answer any questions that anyone might have. Thank you.

SPEAKER BARRETT: Thank you, sir. Discussion? Senator Scofield, followed by Senator Korshoj.

SENATOR SCOFIELD: Thank you, Mr. President and members. I am going to support Senator Baack on this and I was one of the people that beat up on that department pretty good last week, and I still have concerns about the Department of Economic Development. The Governor and I had discussed this at her request sometime ago and I am convinced that she was concerned

then and that she is, I have not talked to her lately, but I have visited with Dennis Baack about the conversations they have had, and I am willing to give the Governor a chance to make this department serve rural Nebraska better. This has, as he indicated, come about as a recommendation of some groups, and I have to express some level of skepticism here because it has been some time here that since I have been in here that it seems like we kind of come back again and again and again and rehash some of these issues without any noticeable progress, particularly in the area of rural development. Part of that may be because it is very difficult to do. There aren't any real good models out there that we can just go adopt, but there has to be a commitment to want to do that, too. And so I am going to support this and assist Senator Baack as far as keeping an eye on the department's attempts. In fact, I am willing to say I will even try to help you folks, this goes to the department, if you want to come and ask me, are we doing better in rural areas. I would much rather work with you on that basis than to have to come in here and bash you on the floor to get your attention. So I want to support the Governor's commitments that she has apparently made to Senator Baack to try to make those field offices work. My preference, frankly, still is one of a philosophical difference about how you do rural development. But you have made the decision, as a body, this year anyway that you want to do field offices, and that is fine. I respect that. And so let's try to make that system work and let's assist the Governor in what I believe is a genuine interest in trying to want to make this department work. So I am going to support the bill and work with anybody else interested this year and next year, not only to try to make that department perform effectively in rural development initiatives, but will bring you back more initiatives yet again next year that I think again will perhaps help us do the difficult task of rural development. Thank you.

SPEAKER BARRETT: Thank you. Senator Korshoj.

SENATOR KORSHOJ: Mr. Speaker and members, I am also going to support this bill, and I would like to get a message to Roger Christianson, and I am all for him, I am all behind him. I like his Danish heritage, et cetera, but I want him to keep close tabs on them field offices and get some action out of them. We will give you all the support we can give you, and I know that if we do that, why you will produce. So I am supporting the bill as I stated earlier. Thank you.

SPEAKER BARRETT: Thank you. Senator Dierks.

SENATOR DIERKS: I would like to ask Senator Baack a question, Mr. Speaker.

SPEAKER BARRETT: Senator Baack, would you respond, please.

SENATOR BAACK: Yes, I will.

SENATOR DIERKS: Senator Baack, as I understand it, we are going to, with the new language, eliminate the Telecommunications and the Small Business part of it, do we abandon any ongoing programs with that?

SENATOR BAACK: No, we do not because all of those things can be picked up by the other divisions and I think that one of the things that I talked about in my opening was Small Business Division kind of bothered me, that we were going to drop that division, so there is some language in the bill that directs one of the divisions to address the unique needs of small business because it does identify those as the backbone of, you know, of our business economy because small the businesses are Nebraska. So that was a concern to me. We do address that in the bill. I think it is addressed fairly well.

SENATOR DIERKS: What about the telecommunications?

SENATOR BAACK: Those operations will just be taken over by the existing ones. The problem with that is why should we have a separate division for one specific industry, and that was the problem with that. It didn't provide the kind of flexibility. We had to have a division head for that one specific industry and we don't need that. That industry can be...we can encourage those kind of industries to come in through the other divisions that are in the Department of Economic Development.

SENATOR DIERKS: Okay, and do I read the fiscal note right that there is no fiscal impact with this legislation, that the...

SENATOR BAACK: That is correct.

SENATOR DIERKS: Thank you. I plan to support the legislation, too. Thank you, Mr. Speaker.

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LB 639

SPEAKER BARRETT: Thank you. Senator Kristensen is announcing some guests under our north balcony from Minden, Nebraska, Chris, Claire and Audy Jensen. Would you folks please stand and be welcomed. Thank you. We are glad to have you. And Senator Nelson is announcing in our north balcony 31 fourth graders from Seedling Mile School in Grand Island with their teacher. Would you people please stand and be recognized. We are pleased you could be with us. Thank you. An amendment on the desk, Mr. Clerk.

CLERK: Mr. President, Senator Baack would move to amend the bill.

SPEAKER BARRETT: Senator Baack, please.

SENATOR BAACK: Yes, Mr. Speaker and colleagues, this is an amendment that I had submitted earlier and we had a lot of discussion of this when we were discussing the field offices last week. This was a proposal that I think would have moved the Department of Economic Development in the direction towards better rural economic development. We talked about this. This would have put some grant monies out there for existing development of regions and also encouraging local governmental entities to form regional groups to apply for these funds to promote economic development within their region. I think it reached to the real crux of the matter for rural economic development in saying local support and local grass-roots kind of support is the thing that is really crucial to rural economic development. We have seen...the study for the National Governors Conference shows that some of the criteria for economic development that has really been very positive and worked over the years has been the kind that has had local and grass-roots kind of support. That was what I was shooting for in that amendment. The body made the decision that day that we were going to support the field offices, rather than go this direction. I will honor that request. I think that next year I might be back, though, after we have watched and see what these field offices do. If they are not doing the kind of things I think need to be done, I may be back in with a similar kind of legislation directing them more towards the rural economic development kind of issues that I think need to be done. With that, I would just ask to withdraw the amendment.

SPEAKER BARRETT: Thank you. It is withdrawn. Mr. Clerk.

CLERK: Mr. President, Senator Rod Johnson would move to amend, but he would move to suspend the germaneness rule so as to permit consideration of the amendment, Mr. President.

SPEAKER BARRETT: Senator Rod Johnson.

SENATOR R. JOHNSON: Mr. President and members, I would ask for your indulgence for just a moment and I hope that you will pay attention to what I am saying because I am asking the body to consider suspending rules for the purposes of, basically, taking a bill and putting it into this bill. I introduced the bill, LB 163, that dealt with solid waste management. It creates a Solid Waste Management Fund which would be supported by a couple of different funding sources. I have spoken with Senator Baack. He seems to have a loss of memory on when, in fact, whether he consented or not to allow me to do this, but anyway he says he has no objection to me at least trying because there is no question there is a germaneness question here. I think the better part of valor is to go ahead and ask for the suspension of the rules rather than to ask the Speaker to rule on the germaneness of this amendment. Let me...I passed around, on your desk there is a copy of a cover letter from me that explains the bill or the amendment and the contents of the amendment. I will quickly go through that for you. First of all, the amendment would...there is some intent language that starts off basically talking about why we need to establish a program such as this. Secondly, it talks about the state providing purchase preference for recyclable products in the state; provides an exemption in cases where those purchases would be more expensive than buying, or inadequate quality. It creates the fund, as I talked about, the Waste Reduction Recycling Incentive Fund where the money that is collected would go into it. The funding sources of the program would be the sale by the state of recyclable and reusable products, materials and supplies. A fee that would be imposed upon every new tire sold in this state, that would constitute about \$2 million. It also asks for an annual fee to be imposed upon businesses, I believe 25 and 50 dollars depending on the size of the business, and that is in Section 12 of the bill, and then it goes into how the funds might be used, how to apply for the grants, the application procedures, the application information that is necessary, the responsibilities and the direction that the Director of the Department of Environmental Control must follow. As I said again, it goes into the intent of the distribution of the dollars and the agreements that will be reached upon these

projects, the specifics of the agreements, and then goes into discussion of the fee on the tires. It will be a \$1 fee on every new tire sold in the state, and a fee of \$1 would be imposed on every tire on a new motor vehicle. The changes in what this amendment compared to LB 163 that introduced are four basic areas. One, of course, we deleted one funding source which was a fee on newsprint. It was not a sizeable money or revenue generator to begin with, and there was some objection from the Nebraska Press Association that it might not be constitutional to impose this fee. So the committee, in fact, chose to strike that and we do as well in this amendment. There are three changes in the amendment from the original bill. We delete all references to grants to private entities. There was some concern about the bill being challenged as a violation of lending the credit of the state, so we deleted all those references to private groups. It changes the collection procedure on tire fee for motor vehicles. This was brought to us by the New Car and Truck Dealers Association. They felt it might be easier if the fee was collected at the time that the automobile was registered, and that way could be collected by the county treasurer, which we have implemented those changes in this amendment and, third, it adds additional language authorizing the use of the fund for administrative costs for the Department of Revenue in implementing collection of the two fees. And that is the amendment, per se. This is a very important issue to the State of Nebraska. We have some very serious solid waste management problems in our state. It does not ask to repeal the Whitney amendment which has been very controversial for many years, but it does, I think, provide an incentive funding program for many of our small communities across the state to move in a direction of either recycling or moving toward regionalization of their landfill problems. There are a number of organizations that are supporting 163, the League of Municipalities, the City of Omaha, the Nebraska Recyclers Association, the Nebraska Coalition of Hazardous Waste, the Audubon Society, Sierra Club, the T.O. Haas Tire Company, the Kiwanis Club, and I can go on and on, but there is support for this concept, and I think it would be a step in the right direction. A few years ago this body did pass a bill that would provide for an assessment and classification of the solid waste problems we have in the state. That assessment and classification process has been completed. We have had a report back. It has told us we have some very serious problems with solid waste management, and it is time the State of Nebraska dealt with the problem. This is one way, it is not the only

way, and it is not the last that you will probably hear from me or others, on how to deal with the solid waste problem. I know that Senator Elmer, I don't know if he is on the floor at the time, but has been discussing whether the Natural Resources Committee, which I also am a member of, should be doing some in depth study of how we deal with the whole issue of management of waste in this state, and I agree with him in that regard. So I think you are going to be hearing more about this subject, but as I said, this is the first step hopefully down the right path of how we might be able to provide some financial incentives to communities across this state to do a better job of handling their solid waste problems that they have now. So, Mr. President, I would ask the body to suspend the rules to allow the consideration of this amendment.

SPEAKER BARRETT: Thank you, Magic. Discussion on the motion offered by Senator Johnson, Senator Goodrich, Senator Moore on deck.

SENATOR GOODRICH: Mr. President and members of the body, you may want to take a look at this. Would Senator Johnson yield to a couple of questions, please.

SPEAKER BARRETT: Senator Johnson, please, would you yield?

SENATOR R. JOHNSON: Yes.

SENATOR GOODRICH: Senator Johnson, on your actual amendment, itself, page 6, bottom line there, you know, this is a lot of reading for us to have to buzz through real quick, but what it appears to be is that you have a council created in this, and the director, for example, for the department will wind up having complete say, and it says the council shall act in accordance with the director's recommendation unless action to the contrary is approved by each council member eligible to vote on the specific recommendations under consideration. In other words, this director can do whatever he darn well pleases as long as he gets any one council member to disagree. So in other words, if he doesn't get...if you don't have 100 percent of your council approving something, then the director gets his way completely, am I interpreting it correctly?

SENATOR R. JOHNSON: You are reading it correctly. It is basically a similar statute or requirement that currently is implemented by the NRC. We do not create a new council. The

Environmental Control Council is already in effect and has been since the creation of the Department of Environmental Control. So that we are using an existing council that is already there, and we are also using, basically, existing procedures that...

SENATOR GOODRICH: I would suggest that just because the NRC does something, that doesn't make it 100 percent correct, because we are spending millions and millions of dollars because of their lack of reasonableness in some of their decision making. Now, also on page 8, you are imposing, as you indicated, \$1 per every tire sold, and this includes any tire that is sold with a new piece of equipment, like a car or a truck or something like that, that is even the spare tire. You have to put \$5 extra down on the car when you buy it just to pay the tire cost, the tire fee, rather, and then you are also providing on page 9, \$25 annual fee for any business that has a sales volume of 30,000 to 199,000 dollars, annual sales volume, and then anything over \$199,000 shall pay an annual fee of \$50, am I reading that correctly?

SENATOR R. JOHNSON: That is correct. Yes, you are reading that correctly.

SENATOR GOODRICH: Now, down on the page 9, Section 13 of the bill, starting in line 17 there, the commissioner shall deduct and withhold the fees collected pursuant to Sections 11 through 12, that is all these fees up above, of this act, a fee sufficient to reimburse himself or herself for the cost of collecting and administering such fees, and it shall deposit, et cetera. In other words, there is no limit on the amount of administrative fees that he shall be limited to. He can say this cost me whatever he decides he wants in his own budget to run his department, administer these programs. In other words, he can set his own budget on this and we have already set up the cost, the money coming in, the sources of revenue for him, we have earmarked it for him, we have given him complete dictatorship...

SPEAKER BARRETT: One minute.

SENATOR GOODRICH: ...of what he can do. I would strongly recommend that the body look this one over before they adopt it. Thank you.

SPEAKER BARRETT: Senator Moore.

SENATOR MOORE: Yes, Mr. Speaker and members. It is that time of year when we start placing the balls on the Christmas tree, I guess, and next week we will see even more of this. I really don't think I have any big problem with Senator Rod Johnson's amendment or bill, it is LB 163. I hope everybody in the body realizes, and I want Senator Johnson to respond to this. Now oftentimes, I remember last year I think one of the big ones last year was a little increase in fee we gave to the ham radio licensed operators. It was one of those things where you didn't think much of it. It came back to haunt us. And I guess, Senator Johnson, the way I understand it, this will be \$1 on every new tire sold. Are you projecting \$2 million, is that correct, Senator Johnson?

SENATOR R. JOHNSON: Yes, that is what we have been told from Revenue.

SENATOR MOORE: Is this one of those bills that I vote for that I am going to regret come enactment date in August?

SENATOR R. JOHNSON: That is up to you, Senator. I can't answer your own question.

SENATOR MOORE: Well, I mean I guess I am asking...I mean is it something that everybody is aware of. I see there was a line, a long line of people supporting the bill. Now I am assuming, there is someone in there that sells tires that has given the blessing to this bill, is that correct?

SENATOR R. JOHNSON: That is correct. We have been working with Mr. T.O. Haas, who is the owner and operator of T.O. Haas Tire Company here in Lincoln, and several other folks, but, yes, they see a very serious problem with the disposal of tires in the state. There are, quite frankly, a couple of different options that I can think of for funding sources. One, of course, would be something close to you and that is the General Fund support, which we have not been able to secure funding from that. So we wanted a separate, independent revenue source that was sustainable and could be counted on from year to year, so that is why we selected this route.

SENATOR MOORE: But the fee is on tires and everything, but the tire fee is going to make up the bulk of what goes into this fund, is that correct?

SENATOR R. JOHNSON: That is right. Yes, it is.

SENATOR MOORE: But it will be the results of this fund, however, depending on what the fund actually does, the fund will be funding projects that deal with all levels of waste disposal, correct?

SENATOR R. JOHNSON: That is correct, yes.

SENATOR MOORE: Not just tires, but tires are a particular problem, am I correct?

SENATOR R. JOHNSON: That is right.

SENATOR MOORE: And I guess now as far as, and along the vein of what Senator Goodrich was asking, as far as actual application to this fund, is there any...as I am reading through this, who, exactly, would apply for the fund, municipalities and counties?

SENATOR R. JOHNSON: Yes.

SENATOR MOORE: Is there a cap on the amount they can receive from that fund?

SENATOR R. JOHNSON: There is no cap.

SENATOR MOORE: There is no cap, and so...now do you...

SENATOR R. JOHNSON: It could be, I assume that the Department of Environmental Control could put a cap on in order not to deplete this fund in one project but that could be done with rules and regs, but...

SENATOR MOORE: Okay, I am going to ask my next question within the realm of possibility, only that, you know, the landfill they are talking about here in Lincoln, would that type of a landfill, is that the type of thing we are talking about here and could conceivably, could that whole landfill sop up all this money in one fell swoop?

SENATOR R. JOHNSON: Well, it is conceivable, it could happen that way, yes. We hope that better judgment would be used that they can't...wouldn't use it all up in one project, but we try and recommend in the bill on page 7 that the department consider

awarding grants, or the council, on the basis of all geographic areas in the state, all sizes and classes of communities, and all manner and scale of programs and projects, and also, the programs that would employ disabled or handicapped persons, for in many cases, recycling groups use an awful lot of handicapped people for employment.

SENATOR MOORE: Senator Johnson, in your own mind, is there a cap that you could think of here or whether you would suggest when they draw up rules and regs to put on this?

SENATOR R. JOHNSON: Without further thought, I can't answer that, Senator. I don't know what a conceivable cap would be.

SENATOR MOORE: Okay, one, well, two last questions. I notice that the only opponent to this bill in committee was the Nebraska Press Association.

SPEAKER BARRETT: One minute.

SENATOR MOORE: And you took the press folks out of the bill, do you have any idea what sort of impact that was in a dollar amount?

SENATOR R. JOHNSON: It was about \$40,000.

SENATOR MOORE: Forty thousand, but that was their opposition was the fact that they would have to pay that?

SENATOR R. JOHNSON: Yeah, it was a \$10 fee per ton on...oh, I am sorry, \$1 per ton. They figured there was about 40,000 tons of paper being used in the state, so...

SENATOR MOORE: Okay...

SENATOR R. JOHNSON: ...they questioned the fee on the basis of constitutionality and rather than (interruption)...

SENATOR MOORE: Okay, thank you, Senator Johnson. I only asked these questions because it is one of these bills in this time of year when we start doing some things that that need to be looked at closely. We are talking about this bill, we are talking about creating a two to three million dollar fund. We are talking about \$1 per tire increase in tax, and those type of things that eventually come back to haunt us in later months of

the calendar year when we pass these things. I probably could support Senator Johnson's amendment because I think I know this is a necessary thing that we need to do, but I would be anxious to hear from a few of the people that opposed 163...

SPEAKER BARRETT: Time.

SENATOR MOORE: ...in committee to hear what they have to say.

SPEAKER BARRETT: Thank you. Senator Haberman, would you care to discuss the motion to suspend? Senator Wehrbein.

SENATOR WEHRBEIN: Yes, Mr. Speaker, members, I don't know whether it is proper to ask questions or wait until the suspending of the rules at this time, but I guess I'd ask Senator Johnson a couple of questions on this, if it is proper. The definition of businesses in this case, on page 9, where businesses under a certain gross and over a certain gross, how broad is that? Is that every business in the State of Nebraska as defined by what or...?

SENATOR R. JOHNSON: It is my understanding that the only qualifier is sales, so that would be both retail and wholesale businesses across the state, all of those. And only those above \$30,000 in sales would be impacted either by a \$25 fee annually, or depending on if you did over \$199,000 worth of sales in a given year, you would have a \$50 fee imposed. So, I can't give you any more definition as far as what business would be beyond that, Senator.

SENATOR WEHRBEIN: I guess I might want to look at that more carefully in time, if this moves along, because I don't know who is to administer that, the DEC or is that the Department of Revenue? That is an administrative...

SENATOR R. JOHNSON: The Department of Revenue.

SENATOR WEHRBEIN: ...almost a nightmare. The other issue, is this considered a carrot and stick approach since you said you are not going to repeal the other one on 5,000 population and less, that particular...

SENATOR R. JOHNSON: Yes, yes, there has been a lot of complaints registered with the Natural Resources Committee and, formerly, the Ag and Environment Committee when I was chairman

of that committee that the hardships that would be imposed upon in those cases small communities that currently operate unlicensed landfills would be such that it would be a tremendous problem for a lot of our smaller communities. So this is sort of a carrot that we are putting out for those communities to consider changing their manage...their waste management practices or closing their current landfill and looking at going to a regional landfill process. But, no, we are not asking to repeal the Whitney amendment. I perceive that eventually we will get to that point, but as the League of Municipalities told me, they see this year as being a window of opportunity to deal with some of the solid waste concerns we have and this amendment to LB 639 would help them, probably encourage many of the smaller communities to work toward looking at maybe closing or licensing those landfills that are currently not licensed.

SENATOR WEHRBEIN: I guess I would offer...I volunteer that I would have endorsed this at this time but I guess I would see this as only a prelude to what I think we are going to have to do, and it probably would be in this body, is to move along more rapidly in the State of Nebraska about doing something about our solid waste, encouraging recycling, and the things I am sure that this bill has been designed to do, but I think that it ought to be impressed upon all Nebraskans and communities, in particular, and counties that we are going to have to move faster and more actively on the solid waste disposal problem in Nebraska.

SPEAKER BARRETT: Thank you. Senator Moore is announcing the presence of 11 fourth, fifth, and sixth graders from St. John's in Waco, Nebraska with their teacher. Would you folks please wave and be recognized. Thank you. Glad you could be with us. Senator Schmit, further discussion, Senator Baack on deck.

SENATOR SCHMIT: Mr. President and members, Senator Johnson and I are really not that far apart on this idea, but I have to rise in opposition to the motion to suspend the rules for a variety of reasons, one, of which, is, of course, this bill will require a dollar per tire tax. And there was a time a few years ago when we attempted that and motor vehicles assured us that we couldn't do it that way, that it was not a sales tax, it was not collectible as such, and that we would have difficulty trying...they would have difficulty trying to administer the bill. We do have another bill, 764 and 527. LB 764 is a broad ranged bill which addresses really more of the issues of the

solid waste issue. I think it is a preferable way to go. LB 527 is a bill which places a dollar assessment on the title and on the subsequent renewal, raises a similar amount of money but it is done in a manner which we believe is enforceable and which we think will probably do the job which both Senator Johnson and I want to do. We recognize that tires in landfills are a problem and there ought to be something done about it, but with Senator Johnson's bill, if I could be a little bit critical of it, it places virtually all of the burden on the recycling area on the tire industry. I don't believe that is quite equitable. I guess that I thought we had made some progress trying to resolve this issue both in committee and since that time, but I might have been wrong. I would hope that we would not suspend the rules. I think that to amend 639 with this proposal would certainly not be a smooth way to address the issue which we would like to address. I believe that the issue is more broad than what we have...would be able to accomplish under this instance and I think it would be a mistake. I think that oftentimes in the crush of the final debate, we try to accomplish that which we really have our heart set on. Sometimes we do it, and sometimes we don't do it, but frequently if we try to stampede an issue, we probably will live to regret it, have to come back and redo it. I have no particular pride of authorship but I think that just have to remind you that LB 527 was on consent calendar, and I happen to think it is a preferable bill. Senator Johnson did cooperate with other legislators and pull that bill from consent calendar. It came to the floor without a dissenting vote and I believe would have been the preferable way to address the issue. I am concerned that issues, such as this, should not be dealt with piecemeal, and it is easy to bring a bill to the floor. It is easy to tack it on another bill, but frequently we find ourselves complicating the issue rather than resolving it. I don't think that is a good way to legislate. The solid waste issue is one which is going to be with us for a long time. It has been with us for a long time. I do not believe it is necessary for us to try to resolve it within the last ten days of the session. I believe that we have several vehicles, I have no particular concern with allowing Senator Johnson to use his bill as a vehicle in another session as opposed to a committee bill or my own bill, but I do think it is necessary that it be a different type of bill, that we should not just single out one...

SPEAKER BARRETT: One minute.

SENATOR SCHMIT: ...particular area, that of tires, for the full tax. I don't think that is really good. So I would ask you not to suspend the rules at this time.

SPEAKER BARRETT: Senator Baack, followed by Senators Coordsen and Elmer.

SENATOR BAACK: Yes, Mr. Speaker, I would like to yield my time to Senator Rod Johnson, please.

SPEAKER BARRETT: Senator Johnson.

SENATOR R. JOHNSON: Mr. President, members, this was just a preview of I think what is going to come, maybe later this session yet, or more than likely next year, but we hope that this discussion will continue. I'm going to tell the body I am going to withdraw the motion and the amendment because there has been some concern by Senator Baack and others that we may have constitutional problems putting a second subject matter into his bill. So we hope to find a particular bill that might serve as a vehicle later that we can strike the contents of that bill and put something similar to this in an appropriate bill. But, Senator Schmit is right, it has been a problem that has been around a long time and it is going to take a long time to correct, and the sooner we get at it the better. Simply ignoring the problem will not make the problem go away, and I think when you take a look at the numbers and you take a look at the information that was compiled by the Department of Environmental Control on the classification and assessment, this state has got some very serious problems with solid waste management. It dwarfs the low-level nuclear waste issue and I think it is about time that whether we use Senator Schmit's bills that he just mentioned or this bill or this amendment, I guess, we are discussing, that is fine with me, but it is just a matter, I think, that we have waited to do something, we have got the attention of the League of Municipalities. They are willing to start moving in a direction that will correct some of the problems out there, and I think the time has come for us to get something passed, and this year I think would be an opportune time to do something. So I am asking, Mr. Speaker, that the motion be withdrawn and the amendment be withdrawn and I will try and bring this issue back at a later date. Thank you.

SPEAKER BARRETT: Thank you. They are withdrawn.

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

SPEAKER BARRETT: Thank you. Back to a discussion of the bill itself. I have a few lights on yet. Senator Moore, would you care to discuss the bill? Senator Kristensen. Senator Schmit, anything further? Thank you. Senator Byars, it won't be necessary. Thank you, yours was the last light. Senator Baack, do you have anything further on the advancement?

SENATOR BAACK: Yes, Mr. Speaker and colleagues, just a short closing. Some of the confusion with Senator Johnson's amendment was not that I have anything against the bill, itself, because I think that it does make...start to making some moves in the right direction. It just might have caused some problems with this bill as far as constitutionality because of having a couple of subjects in it. I think what he is dealing with in that bill is something that we are going to definitely have to deal with in the next few years, so I think we will see that issue back up in front of us and we will have to go ahead and deal with it. I think that there hasn't been a whole lot of discussion on the bill, itself. I think it is pretty straightforward. It just gives the Department of Economic Development a little bit of flexibility in the way that they run their operation over there. We are going to be watching them very closely as they get this flexibility. We are going to try and make sure that they do the kinds of things that we want them to do with their field offices, the new field office they add, and the field offices they already have, and within the department, itself. I think that rural economic development is something that is extremely important to this state right now and it is going to take some very good understanding of some people that work in that department. I hope we have some people in that department that are very understanding of how small towns work and what they need for rural economic development out in the small towns. With that, I would simply urge the body to advance the bill. Thank you.

SPEAKER BARRETT: Thank you. The question is the advancement of LB 639 to E & R Initial. Those in favor vote aye, opposed nay. Record, please.

CLERK: 29 ayes, 0 nays, Mr. President, on the motion to advance LB 639.

SPEAKER BARRETT: LB 639 is advanced. LB 272.

CLERK: LB 272, Mr. President, was a bill introduced by the Speaker. (Read title.) The bill was introduced on January 9, referred to Banking, Commerce, and Insurance for public hearing, advanced to General File. I have committee amendments pending by the Banking Committee, Mr. President. (See page 1315 of the Legislative Journal.)

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, let me just ask the Clerk, we have committee amendments offered, Mr. Clerk, are there any other amendments that are on the desk?

CLERK: Yes, sir, there are. I have two sets, both from yourself, Senator.

SENATOR LANDIS: All right. I think I wish to with...oh, perhaps, we will have to accept the committee amendments, but I...

CLERK: Well,...

SENATOR LANDIS: Can you tell me what the pages are for the last one?

CLERK: The last one is 1645, and I might add, Senator, the lead in on it says "Strike the Standing Committee amendments and insert the following new sections."

SENATOR LANDIS: Thank you. Let's do this in that case, colleagues. This bill has undergone a change based on a negotiation with the Mortgage Bankers Association and the bill is agreed to by all parties. The bill originally meant to get the attention of the mortgage bankers. It did so. The committee made a good deal of effort to negotiate both in the presence of the Banking Department and the mortgage bankers. We have done that but the language that we want to go with is the last amendment that the Clerk has on his desk. Let's adopt the committee amendments, and if we could proceed through to that amendment, I would then explain to you what this registration of mortgage bankers bill is all about.

SPEAKER BARRETT: Senator Landis, perhaps you could repeat that

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LB 84, 137, 211, 215, 272, 377, 487
639, 813, 816
LR 211

SPEAKER BARRETT: Any discussion? If not, those in favor vote aye, opposed nay. Record.

CLERK: 27 ayes, no nays, Mr. President, on adoption of the amendment.

SPEAKER BARRETT: The amendment is adopted. Senator Lamb.

SENATOR LAMB: I'd move to readvance the bill, Mr. President.

SPEAKER BARRETT: Question is the readvancement of the bill. Those in favor say aye. Opposed no. Carried. The bill is readvanced. While the Legislature is in session and capable of transacting business, I propose to sign and I do sign Legislative Resolution 211. Senator Baack, for what purpose do you rise?

SENATOR BAACK: Mr. Speaker, I move that we recess till 1:30.

SPEAKER BARRETT: Mr. Clerk, anything for the record?

CLERK: Mr. President, amendments to be printed to LB 816 by Senator Haberman, Senator Landis and Scofield, LB 813; notice of confirmation hearing by the General Affairs Committee. Enrollment and Review reports LB 211, LB 639, LB 272, LB 137, LB 215, and LB 377 to Select File.

Mr. President, Senator Abboud asked unanimous consent to add his name to LB 84 as co-introducer. That's all that I had, Mr. President.

SPEAKER BARRETT: Thank you, and the question is recessing until 1:30. All in favor say aye. Opposed no. Carried. We are recessed. (Gavel.)

RECESS

SPEAKER BARRETT PRESIDING

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

SPEAKER BARRETT: Thank you. Anything for the record?

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LB 289A, 639

advanced.

SPEAKER BARRETT: Shall LB 289A be advanced? Those in favor say aye. Opposed no. Carried. The bill is advanced. To LB 639.

CLERK: Mr. President, the next bill, 689, the first item I have, LB 639, Mr. President, E & R amendments, first of all, Senator.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move the adoption of the E & R amendments to LB 639.

SPEAKER BARRETT: Shall the E & R amendments to 639 be adopted? All in favor say aye. Opposed no. Carried. They are adopted.

CLERK: Mr. President, the next motion I have is one to indefinitely postpone the bill. It is offered by Senator Wesely.

SPEAKER BARRETT: Senator Wesely, please.

SENATOR WESELY: Thank you. Mr. Speaker, members, I am going to review for you historically the situation with the Department of Economic Development and cite to you example after example of why I think we are opening up, again, flexibility is what we are calling for under this bill, the flexibility to a department that has ignored the will of the Legislature. I think it has flaunted its executive power too often for us to allow this sort of flexibility to be allowed under the law. I want to start back with the passage of LB 965, which is what is being amended here today. That was passed in 1986. Now 1986 is a mere three years ago, but as I counted, there are 20 of you that weren't here at that time, 20 new senators that have come onto the Legislature in 78, 79...I mean '87, '88, and '89. So there are 20 of you that aren't around and don't have the history involved, and I would like to give you a little bit of that institutional memory so you understand a little bit of why this is an important issue. Back in 1986, we followed up on a 1985 ad hoc committee on economic development which I chaired trying to look at problems that were identified with the Department of Economic Development. Now this was back at a time when we had...

SPEAKER BARRETT: Senator Wesely, please. (Gavel.) The house is not in order, please.

SENATOR WESELY: Thank you, Mr. Speaker. I understand the sentiment of the body. I am merely for the record trying to outline why we are here today and why I hope we can at least consider the fact that there is good reason not to change the statute. Anyway, in 1985 we had a series of problems in the Department of Economic Development. That was at a time when Governor Kerrey was in office and many of you who suspect that partisanship on my part when I have attacked the Department of Economic Development over the last couple of years, and I can assure you that my displeasure with that department goes far beyond partisanship and is based and rooted in policy and concerns I have with the policy of that department, and in 1985, that department went almost a year without a director. It took CDBG block grants and ignored prioritizations, instead went on a first come, first serve basis, contrary to what had been identified to the communities. It ended up diverting funds and utilizing a number of different flexibilities in their department that infuriated the members of this Legislature. And we said it is obvious the Department of Economic Development is out of control and needs to be looked at, and so we formed an ad hoc special committee on economic development. We looked and worked with the Chambers of Commerce and different interested parties and we came back with a bill, LB 965, as a bill introduced by not only myself, but Senator Landis, and Senator Smith, and Senator Hefner, and Senator Nelson, and Senator Schmit, and Senator Chronister, and Senator Rod Johnson, Senator Beutler, Senator Abboud, Senator Conway, Senator Hoagland, and Senator Withem, and all of us were working together trying to find a way to get some control over the department that had lost its way. And this bill was supported by the business interest of the state because they agreed to us that the department had lost its way, and so we came in to try and identify what are the divisions of the department, what are the goals of the department, how are we going to function so that we don't have these problems repeat itself. So we set up a number of statutory guidelines, signposts, so that the department would not repeat the problems of 1985, and I think we succeeded to some degree to at least provide some structure, some accountability. At the same time, Senator Hannibal and Senator Scofield and other members of the Appropriations Committee divided down the Department of Economic Development budget into those same divisions, so that in the statute we have the

divisions, in the budget we have the divisions. So they couldn't play around with the budget as they had been doing. We were trying to bring accountability to this Legislature and to the public. But we passed that piece of legislation, and some changes did occur back in 1986, but 1987 came and the new director came on board with the new Governor, and we saw that perhaps some things change and then some things don't. One of the first things that happened in 1987 was that I discovered in the summer of 1987 that money that we had appropriated specifically for the Telecommunications Division of the Department of Economic Development had been diverted to a western Governor's Office that had supposedly been funded out of the Governor's Office. This was a diversion of funds not allowed under the statute or under the budgetary process, and I called the department to task for that. There was quite an exchange between myself and the department, names were called in my direction, which seems to be frequently the case lately, but that started back in 1987, and eventually the Attorney General stepped in and the Governor backed off and we saw a change in how the funding of that western Governor's Office occurred. But, nevertheless, since that time, the telecommunications office, that was in early '87 and then in the summer and fall of '87 when we got into the western Governor's Office fight, has never been filled in terms of staffing, and I have challenged and tried to get something happening on that all this time. Two years have passed. I did it, not so much, you know, I work for a telephone company, you think, well, maybe this guy is out to help the telecommunications industry because of that. Well, frankly, that has not anything to do with it because the telephone industry wasn't all that hot for that office to begin with. In fact, they had their reservations about it. The reason I felt all along the Telecommunications Division needed to be funded and staffed and proceed as it was intended to was that I feel responsible for having brought them through LB 965 under the Department of Economic Development. They were created in 1984 under Governor Kerrey's initiative as an independent center under the Department of Administrative Services and located in the Nebraska Educational Television Building. So they were out there on their own doing their thing and doing quite well, and we said, that is wrong, that we ought to bring them in a coordinated fashion under the Department of Economic Development, and I was told by supporters of that office, well, Wesely, you are going to cause us trouble; you are going to bring us under the Department of Economic Development; they are going to ignore that, and we are going to end up not having

anything. And I said, no, no, trust me, we will bring them under there, and they said they are willing to work with you and we are going to see that this office continues. And so those of us that co-sponsored the bill, we introduced the bill, we passed the bill, and there the telecommunications office came under the Department of Economic Development. Well, it, of course, infuriated me to no end that a year later exactly what those people said would happen happened, and so I fought so hard, I want it in the record, I fought so hard to try to keep telecommunications going because I had made a promise to those people that wanted to see that happen, and that promise and I have tried to fulfill, but the Department of Economic Development has ignored it. So in 1987, we started in on the whole issue of what is happening with telecommunications, we had a bill last year that was before the Government Committee. It was in 1988 and I quote Roger Christianson. He said at that time, "We have had 61 applications. This is for the director of the division. We have been screening those. We hope to get those down to five, and within the next three weeks to hire a division director, and then we will, subsequently, let the division director fill the other positions that are currently vacant." That was in February of 1988. It is now May of 1989, obviously, they did not hire a division director. They did not fulfill the promises that they made and onward they went ignoring the will of the Legislature that had been created in 1984, and then redirected into the department in 1986. Also in 1988 all this controversy came to light in a hearing that Senator Moore and Senator Hannibal and Senator Scofield and other members of the Appropriations Committee held on the telecommunications office in the Department of Economic Development, and again I quote. I quote Scott Moore, he says dealing with Telecommunications Division, "'It was Rod Bates' child,' said Senator Scott Moore, referring to the previous DED Director. Senator Gary Hannibal of Omaha said, 'Obviously, it isn't Mr. Christianson's child.' Picking up on that, Mr. Christianson responded by saying, 'I have adopted the child, Senator.' Moore replied, 'And you will raise and nurture it as if like it were your very own.'" Well, Senator Moore hoped that telecommunications would be raised and nurtured as one of Roger Christianson's own children but, heaven forbid, if Roger raises his own children the way he has taken care of the Telecommunications Division because it is dead. Under this bill, it is dead. We are here to bury the Telecommunications Division. That is what LB 639 would do. It would eliminate that division. Well, it has really been eliminated for two

years. It has been eliminated without the will of the Legislature. It has been eliminated not recognizing that appropriations have occurred, and it is just an example, it is not the only example, of where the Legislature has given intent, funding, and direction, and the Department of Economic Development over the last years has ignored the will of this Legislature and gone off on its own, and I simply think that some accountability and some accounting for that has to occur. The easy thing to do would be to follow along the line and just ease up again with this department and give them back the flexibility that they want. But, frankly, they have, every time we have done that,...

SPEAKER BARRETT: One minute.

SENATOR WESELY: ...even when we haven't allowed for it, they have still come back and done whatever their desires call for. One of the things we did in this was call for strategies to be developed by the divisions in the department. We called for, also, an annual report to be submitted in the fall and these things, that I know of, have not occurred, even though they were mandated under the bill. In addition, and when we get back to it, I would like to talk more about some problems and inconsistencies with the legislation as it is drafted right now. I am simply sharing my frustration having been involved with this now for a number of years and, again, those of you who see this as purely partisan don't understand my longstanding interest in this. I believe that anytime any department decides to flaunt the will of the Legislature, there is some accounting that needs to occur, and that is simply what I am trying to do with this discussion at this point in time.

SPEAKER BARRETT: Thank you. Discussion on the indefinitely...the motion to indefinitely postpone the bill. Senator Baack, would you care to discuss it?

SENATOR BAACK: Yes, Mr. Speaker and colleagues. I rise in opposition to the motion to indefinitely postpone, and I think that, you know, Senator Wesely has done a very good job of reiterating some of the history behind the department, and I can assure you that this isn't just partisanship because I have had some real frustrations with the department myself, and I think just a couple of weeks ago, I expressed those frustrations here on the floor, and I hit the department pretty hard in some of the areas where I feel they have failed, especially in the rural

areas and in rural economic development, where I don't think they have done a very good job. But the body made the decision a couple of weeks ago to say that now we are going to open four more field offices. We are going to give them some more money to do that. We are going to put them out in the rural areas trying to get them to do some things in rural economic development. I think there were better ways of using that money, but the body has made that decision. I am willing to go along with that decision. I think if they are going to do those kind of things, we also need to provide the framework for them to do it in, and I think that 639 moves towards that framework. It does say that we are not going to mandate the different divisions within the Department of Economic Development anymore. They are going to be permitted to have certain divisions within the Department of Economic Development. They are not going to be mandated, which I think is a good move. I think they need to have some flexibility to do the kinds of things that they want to do. I have had a number of discussions with the Governor and she feels that she can do some things with the department if there is some flexibility allowed there, and I think that we need to do that. It is kind of ironic to get up, you know, two weeks ago and bash the department, say they are not doing the right things and then turn right around and give them the flexibility, but I think it can be fairly consistent because we gave them the money. We have done that now. That is in place. We are going to add those field offices. Now we need to provide the framework for them to properly use those field offices. I think I mentioned in the first round on 639, on General File, that we are going to be watching them very, very closely, and it is not going to be on a partisan basis, because I am going to be watching them just as closely as Senator Wesely is because I, and I have had a number of discussions with Roger Christianson saying, okay, we will give you this, and we will work with you on this, but you had better perform after this. You had better hire the kinds of people who can deal with rural economic development, not the same kinds of people that you have had in the past that only want to live in the population centers and don't understand what it is like to live in the small town of Nebraska, don't understand what it is like to be in a very small rural area, and what kind of economic development they are screaming for out there. I think that is what we have got to watch over the next few years. I think with that I would just urge the body to reject the motion to indefinitely postpone, and then from there, we will proceed to advance the bill to Final Reading. Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you. Senator Bernard-Stevens. Thank you. Senator Abboud. Senator Abboud. Senator Wesely, there are no other lights on, would you care to close?

SENATOR WESELY: Thank you, Mr. Speaker, members. You know, I really don't enjoy having to oppose some of these pieces of legislation but there is a certain responsibility we all have as we have been involved in issues and we see things happen, and to share with you the history involved with them. I think any of you that have passed legislation and then seen it ignored would understand how I feel. Any of you that have worked with the department and had them give you their word that they were going to do something, and have them break their promises, ignore the programs that they said they would work on, would feel just as I do, frustrated and angry, outraged at the sort of flaunting of executive power that we have seen with this department. Maybe you have had that experience, maybe you haven't. I have passed a lot of bills, I have worked on a lot of programs. I have never had the experiences I have had in this area like I have had in the Department of Economic Development. I don't know what it is over there. I don't know why they feel they can do this, but to have them time and again promise they are going to do something, and then turn around and absolutely not do it, and then come in with a bill now to eliminate a program that they promised time and again they were going to pursue, I just can't stand by and let that happen. I handed out for you the child was born...this child is a victim of neglect. It is a form of child abuse and it is about to die, and it may have been a child that people didn't care about. It is the one that I cared about and I certainly simply feel that to allow it to happen without some objection is wrong, and it is more than that. This bill would also eliminate the advisory committee that we set up for community development block grants. Why did we set up an advisory committee for community development block grants and give them the authority to make the decisions in that area? Because when we didn't have that, the department came in, changed the program in the middle of the stream, didn't really let people know about it, and all over the state towns were upset because the rules had been changed on them in the middle of the ball game, and they came down here and all of us that were concerned tried to do something about it, and we decided we are not going to let that happen again, we are going to have citizens on an advisory committee making sure that that doesn't happen. You are going to eliminate that oversight and I think

you are going to end up regretting it sometime again. In addition, the bill talks about setting up an Existing Business Assistance Division. Then it goes on to talk about one of the responsibilities of the Existing Business Assistance Division is, the division, "Such assistance shall encourage the start-up of new businesses..." Okay, Existing Business Assistance Division is to help start up new businesses. You know, and the thing, it is obviously inconsistent, and in addition, the other elements that were in the original version of the bill called for a number of different things to assist in new businesses, and entrepreneurs and all of that is taken out under this legislation, and they talk about providing assistance for new businesses, but they call it the Existing Business Assistance Division, so, obviously, the Department of Economic Development is not really interested in entrepreneurial assistance and helping new ideas take form into new businesses. Their whole focus has been recruitment, business recruitment. That is the people that they have in charge. That is what they like. That is what they do best, and when they take off in a different direction, this Legislature is the one that sets policy, not the Department of Economic Development. Just like what Senator Bernard-Stevens talks about how we have got to let them do what they want to do, it is the Legislature that sets policy in this state, whether it be in health care or education or economic development or any other field. It is this Legislature representing the different areas of the state that is to determine how money is spent and how policy is to be initiated through statute and budget. And when we do that and we have it ignored, I simply think we have to stand up and say, no, we are not going to allow that to happen. Unfortunately, too often this body stands up and says, well, okay, I guess you can. But that is not what I want to do, and so I am telling you once again there are a litany of horror stories involved with the Department of Economic Development. We corrected some of them with legislation in 1986. We are about to go back to the sort of flexibility that got us into trouble in the first place, and I don't know how long it will be, but I think with the attitude over there in that department, it will be back again and then we will wish we hadn't made the changes we are about to make. With that, I will withdraw my motion to indefinitely postpone.

SPEAKER BARRETT: Thank you. It is withdrawn. The Chair is pleased to note that Senator Dierks has 28 K through 8th graders from Boone, Nebraska, District 74, in our north balcony with their teacher. Would you people please stand and be recognized

by the Legislature. Thank you. We are glad you can spend some time with us today. Mr. Clerk, LB 272. Excuse me, the motion is...the question is the advancement of the bill. Senator Lindsay, are you available?

SENATOR LINDSAY: I move the advancement of LB 639 to E & R for Engrossment.

SPEAKER BARRETT: Thank you. A machine vote has been requested. Shall LB 2...excuse me, 639 be advanced to E & R Engrossing? All in favor vote aye, opposed nay. It is, of course. Senator Wesely.

SENATOR WESELY: I have already given my two speeches but I just, if you could have had your chance to have worked through this, I wish, you know, I wish there were more of you that had been through this, frankly. Only 29 of you were around when we went through this in 1986. Twenty of you weren't even around. You don't even have any understanding of the background on the issue. This has been a longstanding problem. This session, time and again, whenever the department has come in and asked for anything, you have given it to them. You have been, I think, very generous to the department this year, whether it be field offices, or other changes in the Appropriations Committee, and I know how frustrated they have been because they have been trying to keep a handle on this whole operation. But if this Legislature doesn't stick together and understand our role as the third branch of government and a co-equal branch of government, setting policy, setting budgets, setting oversight, so that we see that our policies and our laws that we pass are enacted the way we want to see them happen, we have chaos, chaos along the lines we have seen too many times over in the Department of Economic Development. I am sorry it has come to that. I am sorry that we are having continuing problems over there, but I am not sorry to say that I think we need to oppose this bill and try and maintain what controls we have. So I'd again urge you to vote against the advancement of the bill, hold the bill, and I would be willing to work on it further, if we are able to hold the bill, to see if we can make some positive changes, but this simply opens up the door of the department way too far.

SPEAKER BARRETT: Thank you. Discussion, Senator Hannibal.

SENATOR HANNIBAL: Yes, Mr. Speaker, I am not going to take too

long because as Senator Chambers says a lot of times you are just speaking to the wind. I am going to vote against the advancement of the bill, and Senator Wesely has pointed out some of the things that we, in the Appropriations Committee, have gone through in the last five years that I have been on it, and he is absolutely right. Whether we do things for economic development, we do things in the name of economic development, obviously, because it is a very noble goal, it is a very great buzzword, and we all want to try to stimulate and promote economic growth and development in the State of Nebraska. So it is very difficult to say it is a bad goal, bad idea. I don't see, however, any reason why we have to pass this bill to promote and establish those goals. I see more reason, based on what we did two years ago with the passage of LB 965, to leave the divisions in place. There has been a litany of problems from an accounting, from a management, from a communications, from a strategy, planning type of thing, to a turnover in directors, to changes of philosophies within the department, there has been a litany of problems within that department. Now I have suggested to Senator Wesely what we probably ought to do is take the 3 million odd dollars in General Funds in Economic Development and move it over to Policy Research and let's truly make it a tool to be at the bidding of the Governor because it is a good tool, and it should be used as a tool to help the state. But if we are not going to do that, and I didn't vote to kill the bill because I don't want to slap the department in the face, but I don't see any advantage of advancing this bill. To keep the divisions where they are, to allow us as a committee to keep a little better handle on the divisions and try to keep them accountable is not anything different than we ask of any other agency in government. I don't know how many programs we go through but I will bet 90 percent of the agencies that we have have more than one program, more than two, and in some cases, five, ten, fifteen programs. To ask the Department of Economic Development to keep five basic divisions is not unreasonable. They have operated under this thing for not even two full years, three years now, and we have seen problems with it. We have seen some things that border on not real cricket things. The only place, the only agency of government that we allow the kind of flexibility that you are asking for this department is one, and we are standing in it right here, and if it weren't for us, we wouldn't give ourselves the flexibility, you can't imagine the flexibility we have as a group, but we are the only one that we give that flexibility to because we are good stewards of our own funds. Nobody else has it. It is not

unreasonable to hold this bill, to not advance it. There is nothing that is going to hurt their efforts. All it does by creating the divisions and keeping them is strictly a little more accountability and, frankly, I think they deserve that, not saying anything against the current director, but there has been three, four or five directors in the last five years, and I am not saying anything against the department. But, obviously, when you have that kind of turnover, there is going to be changes and such. It is an indication maybe next year another director will come in and have a whole different litany of things they want to do. I don't see the advantage of this. I am not against economic development, and I am not against economic growth. I am not against the director. I am not against their goals. I don't see this as an advantage. I would hope that we would just hold off on it.

SPEAKER BARRETT: Senator Crosby, further discussion.

SENATOR CROSBY: Thank you, Mr. Speaker. I knew that was going to happen sooner or later. I lost one of the books. Maybe it is just as well. Thank you, Mr. Speaker and members. I am going to vote for this bill and I understand we are to have a machine vote. I resent Senator Wesely's statement, and I get this from other people, too, that just because I haven't been in the Legislature that I don't know what is going on in the world. I do know. I have paid attention to all those directors. It is not Roger Christianson's fault. I don't even know Roger Christianson really. It is not his fault that we have had such a turnover in the Department of Economic Development. Way back when we had a movie being made here in Lincoln we had to have a film office right away in the State of Nebraska. We have had one big film, another one down in Tecumseh or wherever. What has that office been doing? That started back in ancient history. You keep quoting all these things that happened a long time ago, and I have been reading them and keeping track of them. There is a lot of people out there, constituents, who are reading and keeping track and understanding what is going on. I am weary of this constant barrage of insults and whatever you want to call them, these statements, against the Department of Economic Development. Why don't you give them a chance? Maybe we should ask Senator Wesely to resign from the Legislature and we'd appoint him director, and see what he could do. That...it seems to me everybody that is running for some other office constantly finds something wrong with the person who is in charge, and I do think it is political. Don't ever say it isn't

political. Everything we do in this room is political and don't try to deny that because it is true. So I am going to vote for LB 639, and I hope, and I am going to tell you one more thing. I know of two people, one in my own family, who went to the Department of Economic Development within the last two months to get help because this one person...both of them were starting new businesses. The staff, whomever they talked to, I don't even know, couldn't have been more cooperative, more helpful. These were not big businesses. They gave them all kinds of information and help so they could get started in a new business. So, for that reason and for several others, I am going to vote for the advancement of the bill. Thank you.

SPEAKER BARRETT: Thank you. Senator Baack.

SENATOR BAACK: Yes, Mr. Speaker and colleagues, just very briefly, I am not going to disagree with a lot of the history that Senator Wesely and Senator Hannibal have given. There have been problems over there. I will be the first to admit that. I was around in '86 when we worked on that department, and I understand some of the frustrations with some of the things that have gone on in that department. The changes that we are suggesting in 639 are not changes that they just picked out of the air. There was a review committee that was formed. This review committee went through a process of looking at the Department of Economic Development, brought in some national expertise to look at how the department could operate in a much more aggressive, much better fashion. They did that, and these are some of the recommendations they came back with. The department is strapped by some of the things the Legislature has done. I will be just as frustrated as anybody else if we don't see some improvement there, and I can guarantee you that I will be back in to try and put them back under it if that is what it takes to do, but I don't know if that is what it takes. I am willing to take this risk this time, and it is a risk. We are going to take a risk with this. We are going to risk saying let's give them some flexibility. Let's see if they can perform. And so that is something that we are going to have to do this time, but I think the changes that we are making are ones that are going to provide the proper kind of framework. They are not just changes that we were brought out of the air. There was a study done. The changes were recommended. These changes were reflected in LB 639, and I would urge the body to advance 639. Thank you, Mr. Speaker.

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LB 272, 340, 639

SPEAKER BARRETT: Thank you. Senator Bernard-Stevens.

SENATOR BERNARD-STEVENS: Question.

SPEAKER BARRETT: Question has been called. Do I see five? I do. Shall debate cease? Those in favor vote aye, opposed nay. Record.

CLERK: 27 ayes, 0 nays to cease debate, Mr. President.

SPEAKER BARRETT: Debate ceases. Senator Baack, anything? Thank you. The question then is the advancement of the bill to E & R Engrossing. All in favor vote aye, opposed nay. Voting on the advancement of LB 639. Record, please.

CLERK: 26 ayes, 8 nays, Mr. President, on the advancement of LB 639.

SPEAKER BARRETT: The bill is advanced. For the record, Mr. Clerk.

CLERK: Mr. President, I have amendments to be printed to LB 340 by Senator Wehrbein and Rod Johnson. (See page 2527 of the Legislative Journal.)

Mr. President, I have confirmation report from the Revenue Committee. That is signed by Senator Hall. That's all that I have, Mr. President.

SPEAKER BARRETT: Thank you. LB 272, Mr. Clerk.

CLERK: Mr. President, LB 272, the first item I have are Enrollment and Review amendments, Senator.

SPEAKER BARRETT: Senator Lindsay.

SENATOR LINDSAY: Mr. President, I move the adoption of the E & R amendments to LB 272.

SPEAKER BARRETT: The question is the adoption of the E & R amendments to the bill. All in favor say aye. Opposed no. Carried, they are adopted.

CLERK: Mr. President, Senator Ashford would move to amend the bill.

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LB 89, 137, 137A, 211, 215, 228, 279
289, 289A, 352, 639, 651, 651A, 761A
762A, 815A, 817A

Teachers buy books. Teachers buy supplies for kids that don't have them. They take money right out of their own pockets and give it to kids. And so it's...I guess that's one of the reasons why I feel very strongly about giving the money directly to teachers. Senator Warner's remarks struck a chord with me and reminded me of all the contributions that I know that individual teachers make to kids. And so I would urge us to get on with it. Let's pass this bill. It's time we did something for teachers.

SPEAKER BARRETT: Senator Schellpeper.

SENATOR SCHELLPEPER: I will give my time to Senator Moore.

SPEAKER BARRETT: Senator Moore.

SENATOR MOORE: Yes, Mr. Speaker. just to say I guess it's time to withdraw this. I apologize to the...to the original supporters of this bill, at least, because I think some of them wanted to read it tonight and because if my amendment was adopted, they couldn't, but I think it makes it a better bill, obviously, a bill that I can now support and I think there has been some fights among some varying entities on this bill. I think now we've got a bill that really does help education in the state. And, with that, I withdraw the amendment. The last things I will say on LB...the last things that all of us will say on LB 89 and come Monday we'll pass the bill over to the Governor.

SPEAKER BARRETT: Thank you. It is withdrawn. Anything further, Mr. Clerk?

CLERK: Nothing further on that bill, Mr. President.

SPEAKER BARRETT: Yes, for the record.

CLERK: Mr. President, amendments to be printed, Senator Scofield to LB 761A; Senator Chizek to LB 279. (See pages 2546-47 of the Legislative Journal.)

Mr. President, your Committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 137, LB 137A, LB 211, LB 215, LB 228, LB 289, LB 289A, LB 352, LB 639, LB 651, LB 651A, LB 761A, LB 762A, LB 815A and LB 817A, Mr. President. (See pages 2548-50 of the Legislative

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LB 137A, 137, 211, 215, 228, 352, 639
761, 762, 780, 815, 815A, 817, 817A

voting, Mr. President.

PRESIDENT: LB 780 passes. We'll move on to LB 13....Oh, Senator Barrett, please.

SENATOR BARRETT: Thank you, Mr. President. I would move to suspend the rules in order to read the bills that were shared with the body just before lunch today. I believe the Clerk has the motion.

PRESIDENT: Mr. Clerk.

CLERK: Well, Mr. President, Senator Barrett would move to suspend Rule 6, Section 7(b) to permit consideration of LB 137, LB 137A, LB 211, LB 215, LB 228, LB 352, LB 639, LB 761, LB 762, LB 815, LB 815A, LB 817, and LB 817A on Final Reading today.

PRESIDENT: You've heard the motion. All in favor say aye...or vote aye. All in favor vote aye, opposed nay. Record, Mr. Clerk, please.

CLERK: 36 ayes, 0 nays, Mr. President, on the motion to suspend the rules.

PRESIDENT: The rules are suspended and we'll go to LB 137 with the emergency clause attached.

CLERK: (Read LB 137 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 137 pass with the emergency clause attached? All in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

CLERK: (Read record vote as found on pages 2664-65 of the Legislative Journal.) 46 ayes, 0 nays, 3 present and not voting, Mr. President.

PRESIDENT: LB 137 passes with the emergency clause attached. LB 137A with the emergency clause attached.

CLERK: (Read LB 137A on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 137A pass with the

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LB 228, 352, 639

PRESIDENT: LB 228 passes. LB 352 with the emergency clause attached.

ASSISTANT CLERK: (Read LB 352 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 352 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Record, please.

ASSISTANT CLERK: (Read record vote as found on pages 2668-69 of the Legislative Journal.) The vote is 49 ayes, 0 nays, Mr. President.

PRESIDENT: LB 352 passes with the emergency clause attached. LB 639, please.

ASSISTANT CLERK: Mr. President, I have a motion on the desk. Senator Wesely would move to return the bill to Select File for a specific amendment to strike the enacting clause.

PRESIDENT: Senator Wesely, please.

SENATOR WESELY: Thank you. Mr. President and members, my intent is to just take a couple of minutes here and go through some personal feelings and then give whatever time remains to Senator Baack and then withdraw this motion. You know, we discussed LB 639 earlier a couple of times. I only talked about it on Select File and I expressed in rather heated terms my dissatisfaction with the Department of Economic Development. People, obviously, have strong feelings about that and they shared them in addition to myself. But I think it's kind of important to talk about the Legislature, the institution and the branches of government and kind of how we see things, just for a couple of seconds. You know, the really hot button that gets me going, whether it be talking about the Department of Economic Development or talking about the tax issue we did just a little bit ago, is the concept of making promises and then keeping promises. And in this particular bill let me relate my concerns. We moved the Telecommunications Division over to the Department of Economic Development, not under their wishes but at the wish of myself trying to bring a greater coordination to economic development programs. And I did it being warned that if I did that, that Telecommunications would die on the vine but I was assured it wouldn't. And so I made a promise that I would

do everything I could to try and see that not happen. Well, shortly after that action was taken change in administration occurred and a new Director came on board at Economic Development and I like Roger Christenson and I respect him and have known him a long time but he came into the situation and made promises for the last two years that the Telecommunications Division would eventually get the staffing and the action that the Legislature had thought it had directed to be taken on that. If you recall the handout I had about the adopted child, the Appropriations Committee talked about telecommunications as a child and Roger Christenson said he had adopted the child and promised to raise and nurture it. That was a year ago. For two years we went in that division without staffing, two years. If any of you have had a program that you wanted to see action on and went two years with funding made available, a mandate made in law and had no staffing or action taken on it, I think you would have the right to be angry about that. I think I have the right to be angry about that as well. And, in addition, besides not staffing that activity, money that was saved by not staffing was then diverted to cover the western Governor's office, a diversion that I understand in private was warned that there would be trouble with the Legislature, that the Legislature would not like that, that we had had trouble with the department before and we would be watching the department and when we found that they had done that we wouldn't be happy about it. And what I understand in private was said was, so what. So what. And it's that that really bothers me that there were public promises made and then private disregard for the Legislature in our oversight role. And I don't care whether you're talking about this bill or this issue or any issue but I think this Legislature has to be willing to stand up and fight when our policies and our priorities are ignored by the executive branch. I don't care who you are or what your efforts have been but I think, as a Legislature, we've got to kind of stick together on these things. And that's the reason I rise once again that it's not because of issues four and five years ago that continue to bother me, it's issues of last year and the year before that continue to bother me. And I'm afraid as we pass this bill...and I anticipate that we will, that again the message will be sent that if the Legislature says we want to see something happen, it isn't necessarily that we really mean it. And I don't think that's good for this Legislature and I don't think it's good for state government. And nobody's perfect. We all make mistakes. There are times we make promises we simply can't keep and we understand that. But I think when you assign

a responsibility and the Legislature assigns a responsibility and somebody promises time and again to fulfill that responsibility and then that responsibility is ignored, I simply believe there needs to be an accountability. Now you know we went through and discussed the same type of thing on the tax issue and it's the same situation. I...you know, I think that when the Governor ran for office and she talked about not raising taxes and attacked Helen Boosalis because she would raise taxes and got elected based on that difference and then raised taxes and then when we said there was a tax increase, tried to say there wasn't a tax increase, that really bothers me a lot. It bothers me a lot because I think being honest with people is what we, in public office, have to be first and foremost. And I'm being honest with you right now for both that last piece of legislation we debated and this one. That's really the root of it that I think when I make a promise I hope I can keep it and there are times maybe I'm not able to, but at least I will try and be honest about that. And it's in this bill and this issue and that point that I again would rise and ask you to vote against this legislation because I think a promise was made to do something that wasn't fulfilled and we would be wrong to let it go unanswered. With that, I got it off my chest and I would like to give the rest of my time to Senator Baack and then I would have the motion withdrawn.

PRESIDENT: Thank you. Senator Baack, please.

SENATOR BAACK: Yes, how much time do I have, Mr. President?

PRESIDENT: Four and a half minutes on this and five minutes of your own.

SENATOR BAACK: That's fine, four and a half will be plenty. Mr. President and colleagues, I will respond to a couple of things that Senator Wesely said. I think that, you know, one of the things that we do in this bill is we do change the structure of the department. We do give them some more flexibility and we do provide for that. We have...in this bill we do say that there is no need for a separate Telecommunications Department. We are saying that they don't need to treat that one industry separately from all of the rest. They don't...that isn't saying that they're not going to deal with the telecommunications industry, we're simply not going to have a separate department for that. Another thing that the body decided a number of...a while back and then we passed in the budget was to add some

field offices for rural economic development. We're going to put some...four additional field offices out there. That was over my objection. I didn't think we ought to do that but we did do that. So now I think that we need to provide them with the framework to be able to do what they need to do. And the things that we do in this bill are not something that we just thought up out of the air. There was a study done and it was looked at very carefully. There was some...there was some consultation with some national people on how the Department of Economic Development was put together and they said these are some changes you need to make to make your department more effective. We are going to try and make those changes with 639. We are going to try and provide them with the proper framework and we're going to watch them very closely. And, hopefully, they will make the changes and do the kinds of things that we think need to be done within the department. And I am going to be watching them especially closely in rural economic development and, hopefully, this flexibility will give them the capability of hiring the kinds of people that understand rural economic development and are able to do the kinds of thing that the small towns out there need from an economic development office. And, hopefully, we'll get those kinds of people in those field offices. With that, I would simply urge the body to pass this bill because I think we're providing the proper kind of a framework. We're going to still be watching them closely but I think we can provide them with the framework and the flexibility to do their job properly. Thank you, Mr. President.

PRESIDENT: Thank you. Senator Wesely.

SENATOR WESELY: I just would appreciate Senator Baack's cooperation. I do expect Senator Baack to watch them and I do anticipate that if, once again, we don't see that promises are kept that we will be back in here to discuss that. But we have gone through it before. We tightened down the flexibility in that department for a specific reason. As Senator Hannibal talked about, we do it for all the other departments, trying to give some direction and some guidance from this Legislature. I just think we open it up too far to allow us to continue with the passage of this bill and I would ask you to vote against it. But appreciate very much the sincerity of Senator Baack and those that support the bill and I hope we won't have the problems that I anticipate might occur from the passage of the bill if it does pass. With that, I would withdraw my motion.

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LB 137A, 137, 639, 739A, 744, 761, 762
767, 767A, 780

PRESIDENT: It is withdrawn. Please read the bill.

CLERK: (Read LB 639 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 639 pass? All those in favor vote aye, opposed nay. Have you all voted? Have you all voted? Record, Mr. Clerk, please.

CLERK: (Record vote read. See pages 2669-70 of the Legislative Journal.) 36 ayes, 8 nays, 5 present and not voting, Mr. President.

PRESIDENT: LB 639 passes. LB 761 with the emergency clause attached.

CLERK: (Read LB 761 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 761 pass with the emergency clause attached? All those in favor vote aye, opposed nay. Have you all voted? Have you all voted? Record, Mr. Clerk, please.

CLERK: (Read record vote as found on page 2671 of the Legislative Journal.) 46 ayes, 0 nays, 3 present and not voting, Mr. President.

PRESIDENT: LB 761 passes with the emergency clause attached. LB 762, please.

ASSISTANT CLERK: (Read LB 762 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 762 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read. See pages 2671-72 of the Legislative Journal.) The vote is 48 ayes, 0 nays, 1 present and not voting, Mr. President.

PRESIDENT: LB 762 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do sign LB 767, LB 137A, LB 137, LB 780, LB 767A, LB 744, LB 739A,

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LB 211, 215, 228, 352, 639, 739, 761
762A, 815, 815A, 817

LB 739, LB 211, LB 215, LB 228, LB 352, LB 639, LB 761. Move on to LB 762A.

ASSISTANT CLERK: (Read LB 762A on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 762A pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read. See pages 2672-73 of the Legislative Journal.) The vote is 48 ayes, 0 nays, 1 present and not voting, Mr. President.

PRESIDENT: LB 762A passes. LB 815, please.

ASSISTANT CLERK: (Read LB 815 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 815 pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read. See pages 2673-74 of the Legislative Journal.) The vote is 48 ayes, 0 nays, 1 present and not voting, Mr. President.

PRESIDENT: LB 815 passes. LB 815A.

ASSISTANT CLERK: (Read LB 815A on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having been complied with, the question is, shall LB 815A pass? All those in favor vote aye, opposed nay. Have you all voted? Record, Mr. Clerk, please.

ASSISTANT CLERK: (Record vote read. See page 2674 of the Legislative Journal.) The vote is 48 ayes, 0 nays, 1 present and not voting, Mr. President.

PRESIDENT: LB 815A passes. LB 817, please.

ASSISTANT CLERK: (Read LB 817 on Final Reading.)

PRESIDENT: All provisions of law relative to procedure having

May 23, 1989

LB 137, 137A, 211, 215, 228, 352, 639
739, 739A, 744, 761, 762, 762A, 767
767A, 780, 815, 815A, 817
LR 115

PRESIDENT NICHOL PRESIDING

PRESIDENT: (Microphone not activated immediately) ...W. Norris Legislative Chamber. We have with us this morning, as our Chaplain of the Day, Reverend Homer Clements of Saint Luke's United Methodist Church in Lincoln. Would you please rise for the invocation.

REVEREND CLEMENTS: (Prayer offered.)

PRESIDENT: (Gavel.) Thank you, Reverend Clements. We appreciate it. Roll call, please.

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

PRESIDENT: Thank you. Any corrections to the Journal today?

CLERK: I have no corrections, Mr. President.

PRESIDENT: Good. Any messages, reports or announcements?

CLERK: Mr. President, just one item and that is a...your Enrolling Clerk did present to the Governor the last few bills read on Final Reading last evening, and that's all that I had, Mr. President. (See bills presented to the Governor regarding LB 767, LB 767A, LB 137, LB 137A, LB 744, LB 780, LB 739, LB 739A, LB 211, LB 215, LB 228, LB 352, LB 639, LB 761, LB 762, LB 762A, LB 815, LB 815A, and LB 817 as found on page 2677 of the Legislative Journal.)

PRESIDENT: Good. We'll move on to Legislative Resolution, LR 115.

CLERK: Mr. President, LR 115 is offered by Senator Baack. It's found on page 2092. It asks the Legislature to acknowledge the centennial celebration of Cheyenne County...Banner County. Banner County, excuse me, Senator.

PRESIDENT: Senator Baack, please.

SENATOR BAACK: They're fairly close together, I guess. Banner County at one time was a part of Cheyenne County, but is now a Banner County. Mr. President and colleagues, this is a resolution honoring Banner County for their 100th birthday that will take place this summer. Banner County was the first county