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Appropriations Committee
February 23, 2009

[LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318 LB456]

The Committee on Appropriations met at 1:30 p.m. on Monday, February 23, 2009, in Room 1004 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LB311, LB312, LB313, LB314, LB315, LB316, LB317, LB318, and LB456. Senators present: Lavon Heidemann, Chairperson; John Harms, Vice Chairperson; Tony Fulton; Tom Hansen; Heath Mello; John Nelson; Jeremy Nordquist; and John Wightman. Senators absent: Danielle Nantkes.

SENATOR HEIDEMANN: Before we get into that discussion, I think we're going to go ahead and get started today. (Laugh) Welcome to the Appropriations Committee. We're going to start with some introductions and then go into a little bit of housekeeping. To my right starting down at the end is Senator Jeremy Nordquist of Omaha, District 7; sitting next to him to his left would be Senator Tom Hansen from North Platte, District 42; Senator Danielle Nantkes is introducing a bill, sitting next to Senator Hansen's left. She will be coming in later. She's from Lincoln, District 46. Sitting next to her left if she would be here is Senator John Wightman from Lexington, District 36. This is Anne Fargen, she's the committee clerk. My name is Senator Lavon Heidemann. I'm from Elk Creek, District 1. Mike Calvert has joined us today. He's the fiscal analyst, actually fiscal director I believe would be a better title. Sitting next to his left is Senator John Harms from Scottsbluff, District 48; sitting next to his left is Senator John Nelson from Omaha, District 6; sitting next to his left is Senator Tony Fulton from Lincoln, District 29; sitting next to his left is Senator Heath Mello from Omaha, District 5. Our page for the day I believe is Andy. At this time we ask that if you have cell phones that you would either shut them off or put them on silent or the vibrating mode. We'd like to remind you that testifiers sheets are on the table or near the back doors. We ask that you'd please fill them out completely and put them in the box when you testify. You do not have to fill out this form if you aren't publicly testifying. At the beginning of the testimony, please state and spell your name for the transcribers that will follow. Nontestifier sheets are near the back doors if you do not want to testify but would like to record your support or opposition, only fill out if you will not be publicly testifying. If you have printed materials to distribute, please give them to the page at the beginning of the testimony. We need 12 copies. We ask that you please keep your testimony concise and on topic, under five minutes would be appreciated, but we will take almost anything to a point. So with that, we're going to open up the public hearing. We do a little bit different today than we normally do it. We're going to hear more bills at one time. All of Speaker Flood's, the Governor's bills, what we would call them. We'll start at LB311. We will do LB311, LB312, LB313, LB314, LB315, LB316, LB317, and LB318, all at the same time. So we'll open up the public hearing on that, and I believe Gerry is with us to share. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: (Exhibits 1-2) Okay. I've got copies of my testimony. Good afternoon, Senator Heidemann and members of the Appropriations Committee. For the

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record, my name is Gerry Oligmueller. My name is spelled G-e-r-r-y O-l-i-g-m-u-e-l-l-e-r. I am the state budget administrator and administrator of the Department of Administrative Services budget division. I'm appearing here today on behalf of Governor Heineman in support of LB311 through LB318 which constitute the major portion of the Governor's budget package. The funding for the operations of state government, state aid to individuals, and other governments and capital construction are contained in these legislative bills. The contents of this legislation have been summarized and presented to you in a printed publication entitled Executive Budget in Brief 2009-2011 Biennium, and dated January 15, 2009. I've provided a copy of that printed publication along with my prepared remarks to the committee clerk for your record. In addition, we have posted a more comprehensive publication entitled Executive Budget 2009 through 2011 Biennium, dated January 15 as well, along with a complete copy of the individual state agency board and commissions biennial budget requests on the state budget divisional Web site. Two other legislative bills, LB319 and LB320, which were introduced at the request of the Governor as part of his specific budget recommendations have been heard or are scheduled to be heard in other committees. The Governor's recommendations for adjustments to the current fiscal year 2008-2009 appropriations are contained in LB311 and represent a net reduction of \$65.9 million in current General Fund appropriations. The Governor's recommendations for 2009-2011 biennial appropriations are contained in LB312 through LB318, along with LB319 and LB320. These recommendations provide for a two-year average increase in General Fund appropriations of 1.8 percent. LB316 and LB317 contain specific provisions related to various funds and transfers necessary to administer and account for budget recommendations made by the Governor for the upcoming biennium. LB318 suspends a so-called "LB1100 depreciation charges" for fiscal years 2009-10 and for 2010-11. I know that the provisions of all of this legislation have been the subject of your committee working sessions these past five weeks. In addition to today's formal hearing of these legislative bills, the agency requests, Governor's recommendations, and committee's preliminary recommendations will be the subject of your committee's hearings for the next four weeks. Out of respect for the many hours of review you've already undertaken and recognizing the time committed in the weeks ahead to hearings on specific budget issues, I will not today make an effort to belabor the specific elements of the Governor's budget package. Agency directors will be prepared to discuss specific recommendations related to their agencies during their budget hearings. In addition, the Governor's budget staff and I will remain available, as necessary, to assist the committee and legislative Fiscal Office staff as you prepare your final recommendations to the Legislature. While your formal report of preliminary recommendations has not been issued, it is apparent from informal reporting that the committee's recommendations similar to those of the Governor call for considerable restraint and certain reductions in state government spending. On behalf of Governor Heineman I do want to share how much we appreciate the hard work of the Appropriations Committee. We also recognize that upcoming state tax receipt forecast revisions and the implications of the federal American Recovery and Reinvestment Act

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will both be a cause for additional significant budget consideration and deliberation prior to the development of your final recommendations. Again, the Governor, his staff, and representatives from state agencies under the Governor's control will continue to be available to you as you work over the next several weeks to finalize your recommendations for the 2009-2011 biennium. Do you have any questions you would like to ask today on LB311 through LB318? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: The depreciation surcharge, can you explain that just a little bit, maybe not only for my own, but for the whole committee? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Okay. LB1100, which enacted the surcharges enacted it essentially a 2 percent surcharge on new construction and some major renovation that occurs throughout state government, state colleges, university system, and state agencies, in particular the Department of Corrections. And current law provides that that assessment be 1 percent. It started originally as 2 and has continued at a 1 percent rate as a consequence of some prior budget considerations by the Legislature. This legislation would suspend the imposition of that assessment for the two fiscal years of the upcoming biennium. In our recommendations we did not reduce the appropriations to the university and state colleges, for example. They simply will not be assessed those assessments. So they gain the flexibility of the absence of the assessment to manage the, you know, restricted appropriation with that additional flexibility. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: So there's certain entities then that don't have to do this for two years, and you're going to allow them to use this money as they wish. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Correct. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: So when you say that it's like the college system gets a percent increase underneath your budget, it actually could be considered maybe a little bit more? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: A little bit more, correct. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Okay. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: It's a bill or an assessment they, in effect, will not receive if

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this legislation is enacted. Otherwise they'll receive the assessment and be required to pay it from that 1 percent adjustment. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Nordquist. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NORDQUIST: Thank you. Gerry, I see on the salary and health insurance overall, I don't know if you looked at our preliminary, we're about \$7.5 million over the Governor's budget. Can you explain the difference in the calculations used to...maybe explain what you guys used to do the salary and health insurance increase? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Okay. You know, I haven't seen specifically what you used to arrive at those calculations, but we essentially worked from a current record in the NIS system of employees within the effective agencies, and then apply the percentage increase to that. I suspect you may have a different basis or base from which the Fiscal Office calculates the same adjustments that are negotiated for state employees. So our starting point is at a point in time the most current record we can access regarding individual state employee salaries within state government. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NORDQUIST: So you take a one-day snapshot. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: A payroll, an actual payroll. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NORDQUIST: Okay. One payroll. Okay, okay. And is there any concern that, you know, that doesn't spread out throughout the whole year and... [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Well, it may not recognize a vacancy that maybe exist at that point in time, so that incremental increase related to that vacancy may not be recognized in our recommendation. Just the same, at any point in time in a future year there's likely to be vacancies existing within that payroll. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NORDQUIST: Okay. Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Any other questions? Senator Mello. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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SENATOR MELLO: Mr. Oligmueller, when devising a budget, did your officer or the Governor's office at all gather any kind of widespread public input or citizen input in regards to what Nebraskans might want as the priorities of their state government? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Well, we did some things different this year with regards to how we made the information available to the public. This September we, for the first time, posted the complete budget submission of every agency submitted on that date throughout state government in its entirety, which was a consequence of implementing a new budget request and reporting system that is web enabled. So we made a point to publicize that change in process and the availability of that information to the public. And we didn't hold hearings subsequent to that to solicit input, but that information was available to the public and the public's input is entertained throughout the fall as the Governor works on preparations of his recommendations. So that input comes in a variety of ways, some of it directly to the Governor, some of it through his travels and interaction with the public. But we don't have a formal process of hearings, if you will, similar to the Legislature. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: In that same vein, I guess, when devising a budget or at least helping to devise a budget for code agencies, was there any performance measurements put in place or used at all by various agencies to help kind of guide where funds should go? To say more, I guess, of looking to more results-based initiatives instead of just giving an increase to an agency because they want it. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: Well, the instructions are designed and call for a strategic approach to the preparation of biennial budget requests. And the expectation is that that information will be communicated as part of that request. And that occurs in varying degrees from agency to agency. We aren't resourced, if I could characterize it that way, to direct a lot of training in that regard. But that is an expectation process. It's designed into the material. It's part of what gets submitted and posted to the Web. And then its use, you know, is totally dependent upon the consumer at that point, both on our end and on the legislative end. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Are there any other questions of Gerry? Seeing none, will you be around to close? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

GERRY OLIGMUELLER: I'd be glad to waive closing if that's permissible. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: I think you could probably do that. Thank you for coming in today. Is there anyone else wishing to testify as a proponent to the bills before us,

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LB311 through LB318? Come on up. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: Thank you, Chairman Heidemann and members of the Appropriations Committee. I realize it's a little unusual to have a senator come in and testify, but I do have a few comments and I'll keep brief. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: If you could identify yourself and spell your name for us... [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: Sure. Senator Colby Coash, C-o-a-s-h, and I represent District 27. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: And I am here to talk a little bit about LB317 which is an appropriation, as I understand, for the National Special Olympics. And I'm sure that at some point today you're going to hear some testifiers about the economic benefits that the National Special Olympics is going to bring to our state. There's also going to be testimony on the obvious benefits to the athletes who participate. My career has given me opportunities to support these athletes, and I can speak firsthand about the increased skill, self-esteem and, above all, fun that is had by those who participate. But I'm here to give you another perspective on to why Nebraska as a state should wholeheartedly support this appropriation. What do Nebraskans think of now when they think of how people with disabilities are treated in our state? This is...unfortunately we've lost some of our good reputation over the last couple years, and I believe that these games are coming to Nebraska at this time for a reason. We've got a big opportunity here to start changing the message of how Nebraska approaches people with disability and how we're seen by the citizens with disabilities in our state. We have an opportunity to begin to send a different message than our state has sent in the past few years. So I'm here to ask for your support to let these games be a touchstone for a change in how we approach and we embrace our fellow citizens with disability. That's all I have for you. Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Thank you. Is there any questions? Senator Mello. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: Senator Coash, do you think as a new senator yourself, do you think right now the state is fully meeting its needs beyond just the Special Olympics organization that is going to be coming to hold this even, that the state is fulfilling its need to the disabled community in this state? [LB311 LB312 LB313 LB314 LB315

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SENATOR COASH: No. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: Okay. Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: We have a waiting list. We have people who need services who aren't able to get them. We have obviously the problems with BSDC are well documented, so. We can do better. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: And this is a small step, but I'd be supportive because I think this will send a different message how we approach that. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Wightman. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR WIGHTMAN: Senator Coash, this isn't the full source of funding for the Special Olympics. The city of Lincoln is raising money, is that correct, in multiple places? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR COASH: That's correct. The city of Lincoln has raised money, has appropriated money. In addition, there is a large private sector part that's going into this and companies and individuals across the state have stepped up and really found this to be something we can all get behind. This is just a part...the state appropriations is just part of it. You'll see documentation. We're going to have during the course of these games, in addition to the athletes, you've got the volunteers, the family members, and as you read in the paper, Duncan Aviation is preparing for chartered flights to be coming in there, dozens per hour. So that, I believe, any amount of money that we can appropriate I would really look at it as an investment because we're going to get that back. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR WIGHTMAN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Does anyone have any other questions? Seeing none, thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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SENATOR COASH: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Welcome. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Mr. Chairman. It seems a little peculiar to be sitting down here (laughter). [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

ROGER WEHRBEIN: Now you know how I feel. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yeah. Well, good afternoon to the committee, and my name is Chris Beutler, for the record, B-e-u-t-l-e-r, and I'm here today as Mayor of Lincoln to speak in favor of LB317 in particular, that particular provision of it that deals with the Special Olympics. As some of you know, I've spent many, many hours in this very room and I'm glad you haven't given into modern tastes and ideas, Senator, and that you maintain this cozy little room here. (Laugh) But I do remember how difficult a job you have and I would just like to say at the beginning I appreciate the time that you all spend with your efforts. Obviously, I know about how much time that is. But I am here to talk about the Special Olympics. We, in Lincoln, we're already pitching in and going the extra mile for the Special Olympics. In fact, last Saturday we took the polar plunge here in Lincoln, diving into the icy waters of Holmes Lake. And I'm hoping to have a warmer experience here, Mr. Chairman, (laughter) than that particular experience. But I would like to say that I was actually joining five of the Lincoln senators, Senator Fulton was leading the charge. And the senators all conducted themselves very honorably, charged that water courageously and with resolve. We have a good time. As you may know, the state of Nebraska will be hosting the USA National Olympics in July of 2010. Many of the activities associated with the games will take place here in the capitol city. Lincoln is both honored and pleased to have such an important role in these games. Sarah Leeth, director of marketing for the 2010 games will testify in a few minutes and tell you about the scope of the event. And several others are here to put a more personal face on the Special Olympics efforts. To start out the hearing, I'd like to focus on the economic impact that the 2010 games will have both on the city of Lincoln and on the state of Nebraska. In July of 2010, thousands of athletes, literally thousands of athletes and coaches and family members and friends and fans and volunteers and media from across the country will arrive in Nebraska. Throughout the week of the games, they will be tourists in our state, eating in our restaurants, sleeping in our hotels, shopping in the local stores, and enjoying all that Nebraska has to offer. Based on the experience of Ames, Iowa, which hosted the first USA National Olympic games three years ago, the Special Olympics folks anticipate that the 2010 games will generate approximately \$40 million in economic activity across the state, \$40 million. We believe this will result in approximately \$5 million in additional state and local sales tax revenues. That figure is

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based on the tax revenues generated at the world winter games which were held in Boise, Idaho, earlier this month. This economic boost is particularly important now, obviously, given the challenging budgets that we now face at both the state and local level. And of course it is our hope that we are not a one-time stop for our new visitors. We want to do all we can to ensure that the next time these folks plan a vacation they think about Nebraska, that they think favorable about Nebraska. The games also offer us the opportunity to showcase our state in the Capitol city on a national stage. We all know that Nebraska is special, and the 2010 USA National Games Selection Committee knew it, too. Now is our chance to make sure that the entire country knows it. Now is our chance to show that we can attract and stage large national events. And now is our chance to offer these athletes and their families and their friends the kind of experience that they deserve. The economic impact is significant, but these games are about more than that. These games leave a legacy. Thirty-five hundred special Olympic athletes include athletes from every county in Nebraska. They, along with all of Nebraska, will benefit from the awareness, the education, and the empowerment that is so much a part of this event. As we prepare for the games in the coming months, you will see the progressiveness, the humanitarianism, and the upstanding character of our communities and our citizens, and I think it'll be a truly great period of time to be Nebraskans. Opportunities like this obviously do not come around very often and I think that we simply cannot afford to let it pass by without maximizing our efforts. And that is why I am personally committed to the games and to the success. This funding request is a priority of the city of Lincoln. I do want to thank the Governor for including a million dollars for the games in his budget, and I would respectfully request that the committee consider favorably forwarding a favorable recommendation. So with that, I'll stop, Mr. Chairman, and let others answer some of your questions, and I'd be glad to field whatever questions I might. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Thank you for coming before the Appropriations Committee. Very fond memories of when you sat over here and asked questions actually, so, few years back. I think we probably got some TV screens in here since you... [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: You do. I thought maybe that was to keep an eye on you all. (Laughter) [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: If we could go on real time with that, I'm thinking everyone should just have a green and red button and we could vote almost immediately. That probably wouldn't go so well though, so. Senator Harms. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: Could you tell me...first of all, thank you for coming, appreciate it. Could you tell me what the total cost of this project is? That means, the preferred bottom dollar or the bottom line of this entire project. [LB311 LB312 LB313 LB314

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CHRIS BEUTLER: Yeah. Let me give you just the vague outlines. And, again, Sarah Leeth will be able to give you more details, but the overall project is scaled at about \$9 million. We're hopeful to get about \$6 million from the federal government, but that's not assured at this point in time. The city of Lincoln through private fund-raising has already raised \$1.2 million. So if we can raise \$2 million in private funds, if we can get \$6 million from the federal government, if we can get \$1 million from the state, that will bring us to \$9 million. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: If you are unable to raise the money in the community because of the financial conditions of our city, do you have a plan B? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Well, I don't think we have gone to a plan B yet because the fund-raising has gone so exceedingly well at the very beginning. As I indicated to you, \$1.2 million has been raised already, and one way or another, Senator, we will get there. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: I'm sure you will. Could you tell me what the economic actual benefit, what's your projections of the actual revenue that will come in for our city here? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: There is a big impact. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: Because that is a big impact. Do you have any numbers on that as a projection? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yeah. If I'm understanding you correctly, the overall economic impact is calculated by the Special Olympics people based on their experiences in Ames and in Boise, Idaho, to generate about \$40 million of economic activity in the state of Nebraska. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Just so that I get the numbers, and then we'll go to Senator Hansen, you're trying to get a million from the state, \$6 from the federal government, and you're trying to get \$2 million of private money that you fund-raised? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yes. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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SENATOR HEIDEMANN: Is the city of Lincoln, besides the efforts that...I mean...
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CHRIS BEUTLER: The city of Lincoln is also a contributor. It's actually public/private to a certain extent. The city of Lincoln has contributed I think \$25,000 at this particular point in time, plus we've committed huge amounts of city time, plus developing a volunteer network, too, so. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: In kind contribution. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yes. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Hansen. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: In time, in kind contribution. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Mayor Beutler, it's good to see you here. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: In 2010, my wife and I will be here for the Special Olympics for sure. And also in 2010 about a month after this event is over, we're going to have an event further west from here, the first ever state fair held in Grand Island. And we'd like to invite you out there for that, too. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: I will surely come. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: That would mean a lot to a lot of people. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Okay. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Fulton. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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SENATOR FULTON: Thank you for being here. Glad that you haven't developed a cold or other malady as a result of activities this weekend. Could you repeat...there's I think the number that we're probably after at least mathematically for the committee is that figure of an estimate of state and local taxes that could be derived as a result of the Special Olympics. And I think you mentioned it, but could you repeat it? Was \$5 million that number? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Five million is what the Special Olympics people have estimated. Right. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR FULTON: Mathematically I've talked individually with colleagues here. But for the record, those who may look back or, you know, look forward with regard to what we do here, a \$1 million cash reserve transfer actually finds its way back just in state sales taxes that will be collected, it pays back. There is also this provisions which I found interesting, the amount of private jets. Can you touch on that a little bit? That there will be private jets coming in here, some of whom will be purchasing fuel, which will pay a gas tax which also comes to the state. Could you comment on the immensity of that...on that endeavor? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yeah. You know, that's one of the fun facts about what occurs. Apparently the Special Olympics have engaged the private corporations around the nation to use their corporate jets, and there is an actual airlift of the athletes into the Lincoln Airport. And as it's described to me, a private jet lands with athletes and their families once every three or four minutes for two days running or something like that. Did I get it close to right? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: Every 96 seconds for 12 hours. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Every 96 seconds for 12 hours. Okay. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Mello. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: I'd like to thank you as well, Mayor Beutler, for attending today's hearing. I guess my question doesn't directly involve LB318, but I'm sure it'll shed some light in some bigger picture issues. You recently...the city of Lincoln, if I wasn't mistaken, in the JournalStar, the city of Lincoln is dealing with some budget deficits similar to how the state is. And you recently instituted a budgeting for outcomes or budgeting for results initiative in the city of Lincoln that really opened up your budget process and gained a lot of citizen input. As far as I've been able to tell its the only budget of its kind actually in the state. And I was hopeful that you could explain maybe a little bit more

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how you went about it from the city level and maybe explain it to the Appropriations Committee a little bit better about it. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Well, I'm sure I wouldn't be explaining anything to the committee staff because they are very familiar with the process, but essentially it's an effort to avoid the siloing of goals and efforts. In other words, we're trying to get all our departments to look across departments and to work together for a greater efficiencies or with greater cognizance of what each other are doing. And as part of that process, we set out to define the goals of city government, and we actually divided city government into eight or nine basic overarching goals. One of those goals, for example, was defined as safety and security. And then under that goal we further broke down the things that we would try to do within safety and security to assure the public that they were getting what they wanted. For example, EMS services. We define the fact that we want EMS services at a particular level. And then we'd go below that and start identifying indicators of whether or not that service had been provided at the level that the citizenry wanted. In that regard, for example, with the EMS service we talked about getting to the scene of an incident within a certain period of time 90 percent of the time. We tried to set up specific standards that we would use with the public, once we can get them used to it, to define whether how high of standard they wanted in the first place and whether or not we had met it in the second place. So that each year, year in and year out, using the same indicator we could determine whether we're doing better or we're not doing as well. And then for purposes of our budgeting process, we also took every program of city government, every one of them and we had a discussion involving private citizens and department heads, and we talked about the program and the relative importance of the program as it related to one of our goals. If the goal was safety and security, we would talk about the alarm system, response of the police with relationship to how important that was to the safety and security that the citizens really wanted. And by that means we prioritized all of our programs with the hope that as we face this next year...and this next year will be a situation where we'll need to do additional cutting of one type or another. So we think we have identified already a number of programs that are in the bottom tier as far as our citizens are concerned. And by the way, we had a very elaborate exposure period or publicity picture participation period for the citizens. We called it "priority Lincoln." We also did surveys, scientific surveys, too, to determine what people's priorities were in the first instance. So it's not nearly perfect yet, Senator, but we have come a long, long ways. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR MELLO: Well, it sounds like a very innovative approach to do budgeting in very difficult times, and I'd like to commend your leadership of stepping outside of the box to try to find some solutions that have really...tough situations particularly in the economic crisis we're in, so thank you, Mayor. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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CHRIS BEUTLER: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Nelson. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NELSON: Thank you for coming, Mayor Beutler. Of the \$9 million that you're hoping to raise, do you know what part would be allocated to promotion of the event and what part to support of the event? How that's going to go? And if you don't, maybe someone else can. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: You know, Senator, I'm sorry. I really can't give you much details on that, but I assume... [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NELSON: Maybe later on, maybe later testimony we can get that. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Yeah. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR NELSON: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Any other questions? If not, thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

CHRIS BEUTLER: Mr. Chairman, thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: (Exhibit 3) I have some information to distribute. Thank you. Mr. Chairman, members of the committee, my name is Sarah Leeth, that's S-a-r-a-h L-e-e-t-h. I'm here on behalf of our president and CEO, also our board chair who unfortunately are out of town at a Special Olympics international meeting today. But it's my pleasure to be here. Within these packets you'll be receiving, I'd like to submit letters in support of LB317 from the Lincoln Chamber of Commerce, the Lincoln Conventions and Visitors Bureau, Special Olympics International from Tim Shriver, Omaha Mayor Mike Fahey, and also Special Olympics Nebraska. Thank you for allowing me this opportunity to testify today, and please bear with me. It's my first time. We are very excited that Nebraska will be hosting the 2010 USA National Games that will be here July 18 through the 23 of 2010. This will be the largest event in the history of Nebraska and also one of the largest sporting competitions in the nation during 2010. We are going to bring in 3,000 athletes that will compete from across the country, and with them it brings 1,000 coaches and an anticipated 15,000 family and friends that will come to

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watch the games. Athletes will compete in 13 Olympic-style competitions, including bocce, basketball, aquatics, just to name a few. And they'll be here all week long doing those events. And while we're an organization rooted in sports, I'd like to mention that we are so much more than that. We've partnered with the Gallop organization to offer a leadership training and also public speaking. And all 3,000 athletes and any athletes in the surrounding communities that come in for the event are offered free health screenings. Those include vision, dental, hearing, and nutritional information, all free of cost to the athletes. Those are just a few of the many events happening throughout the week all throughout our community. Just to further expand on the size and scope of the 2010 USA National Games, I would like to reference the Cessna Airlift, which is the largest civilian air lift in the country, actually in the world. And that will be taking place here locally at Duncan Aviation. I mentioned that planes takes off and land every 90 seconds for 12 hours straight, and that is privately donated by Cessna. In fact, Harrison Ford is the official chairman of the air lift and will personally deliver the first load of athletes on his plane, Dove One. (Cough) Excuse me. Also, prior to the games is the week long final leg of the law enforcement torch run. We're going to have 200 police officers from throughout the nation running through 100 Nebraska communities. Really make this...it is a statewide event that just go locally as well. I would like to note that this is a one-time opportunity for the state of Nebraska, for the Special Olympic athletes, and their families. And since it's a national event, it brings families obviously from every state of our nation to Nebraska. Athletes, coaches, families will be here all week long and not only participating in the games, but will be tourists while they're here. In fact, athletes compete for about an hour to three hours a day, so the rest of the time they are out in the community. Along with our athletes and their families, the event attracts a number of celebrities including the Special Olympics founder, Eunice Kennedy Shriver and many of the Shriver family members, Arnold Schwarzenegger, and a number of former Olympians, including Bart Connor and Nadia Comaneci and Scott Hamilton. In fact, we were just out in Boise for the world winter games and we were very lucky to have Joe Biden make an appearance, Vice President Joe Biden. Obviously with the national attention and the celebrities that come in, there's prospects of national media and we're currently in negotiations with the TODAY show and other movie outlets. As referenced in Mayor Beutler's testimony, our total budget for the games in \$9 million. The federal government, through the help of our Washington delegation, is working to secure \$6 million. We have been working to raise \$2 million locally, of which we are approximately close to \$1.5 million if you include our in-kind donations of printing, other various needs. In fact, here locally we've had 38 companies from Lincoln and Omaha pledge \$25,000 or more to date. In addition to our raising of \$2 million, we've asked the state to provide a million. Boise was given \$3 million by the state of Idaho. Money that's allocated for these needs will go to the accommodations, transportation, and meals for all 3,000 athletes. In addition, they'll be utilized for venue rentals, games management, operations, security, communications, and personnel. We wish to thank the Governor for including this in his budget at a time when we realize the committee is making very difficult decisions. We want to thank US Senator Ben Nelson and the rest of the

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Washington delegation for working to secure funding at the federal level. We believe this event will help Nebraska's economy, and we are very excited about the recognition it will bring to the state. Most importantly, I'd like to stress that this event will have tremendous impact on the adults, athletes, and children, the families of our Special Olympic athletes. The mission of Special Olympics is to provide year-round training and athletic competition in a variety of Olympic-type sports for children and adults with intellectual disabilities, giving them continuing opportunities to develop physical fitness, demonstrate courage, experience joy, and participate in the sharing of gifts, skills, and friendship with their families, with other Special Olympic athletes, and with the community. I thank you and this committee for considering the request, Mr. Chairman. I'd ask for your support, and I'd be happy to answer any questions at this time. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Are there any questions? Out of curiosity, this was in Ames, Iowa, also? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: The first ever National Games, USA National Games were held in Ames, yes. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: How long ago has that been? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: They happen every four years. It's the same process as an Olympic bid. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Do you know how much the state of Iowa contributed? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: They contributed \$1 million. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Okay. Senator Hansen. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Sarah, thank you for being here. You did a great job. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Did you take the Polar Plunge? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: I did. (Laughter) It was very cold. [LB311 LB312 LB313 LB314 LB315

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LB316 LB317 LB318]

SENATOR HANSEN: She told me that this morning. I was very impressed. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: I'm sorry. I didn't know about it or I'd have been there. (Laughter) [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: Next year. Is that on the record? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: No. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Any other questions? If not, thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SARAH LEETH: Thank you very much. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

BYRON BOSLAU: Mr. Chairman and members of the committee, my name is Byron Boslau, B-y-r-o-n B-o-s-l-a-u. I am chairman, president, and CEO of Farmers Mutual Insurance Company of Nebraska and a member of the Special Olympics Nebraska. I'm here to support LB317 and thank you for allowing me to testify. First of all, I want to begin with the involvement of Farmers Mutual. I'm going back, Chairman. You mentioned the 2006 games, and the reason I have my partner here, my son, is because he participated in the first national Special Olympics in Ames, Iowa. So I want to speak from a parent's standpoint and what it meant to us in those games. First of all, our involvement at Farmers Mutual in '06, we sponsored the Nebraska team. There's 40 athletes; we sponsored their uniforms and their transportation to Ames. It was a wonderful send-off from Omaha. We had a police escort out of the town, and it was wonderful to see these kids jump on a bus and the camaraderie they had with each other headed for Ames, Iowa, and spent a whole week over there. And my wife and I joined and drove over on Sunday, and we were there for the entire week to absorb and observe exactly what went on and my son competed. And I've been through...growing up in Nebraska all my life. I've seen the Cornhuskers win national championships, and I've seen the gymnastic team win national championships, and the volleyball team. But for this experience of having 3,000 Special Olympian athletes in one center for a whole week and being around them and the atmosphere they've created, I would...this was second to none to all of those championships. Of course, my son was able to win a gold medal in the 100 free, so that added to the celebration. The thing that this brings I wanted to emphasize from the public standpoint is, you know, volunteerism brings the

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best out in people. And the people of Iowa did a phenomenal job and I know Nebraska can even do better, but it was a wonderful setting over there for everybody, had a common theme. All the people, the volunteers, they were everywhere, they were hospitable, and they put themselves in a good name. You know, I used to have a little bit of negativism about Iowa because every time I'm over there watching Nebraska play they lost. And now I have this wonderful experience of all I think about is my great experience at Ames, Iowa, at Iowa State with this. You know, the commitment to these kids is tremendous. They work hard all year long, but when they have the opportunity to go on a national stage, it's amazing what they can achieve. In '06 when we found out that Brad was going to be on the Nebraska team, we encouraged and we sought out and got some...he's been a terrific swimmer all his life, and he participates actually in a lot of sports, Special Olympics, but that was his specialty at the time. And he understood that this was something special, that this was not just the state competition which was wonderful. You know, we have over 3,000 kids in Nebraska that participated in Omaha and Lincoln during the summer and the fall. But they all realize what a special event this is and they're willing to train harder than ever to get there. We were fortunate to get a ex-swimmer from Nebraska that volunteered to work with Brad for almost 12 to 18 months an hour a day, sometimes two hours a week, I mean. And his time, his qualifying time was like 2:45 and his initial race in Ames, Iowa, was 1:45. So you see the effort that's involved and the kids just arise to the occasion. Now, of course Brad had to re-qualify because they like the competition to be close. And so he had to re-qualify and go to a higher level, but he still managed to win the next trial, and then he won the finals at 1:43:3. You know, this has such an impact on all the people, and our family particular, and all the families that participated in this. They will leave...we left Ames, Iowa, just so glorified. On the way back, all I could think about is what a wonderful time we had. And to bring the 2000 games to Lincoln is a wonderful thing. And, again, our involvement in this, Mayor Beutler talked about the \$1.5 million, we were the initial company to step up in order to actually get the bid process running. We contributed over \$100,000, you had to have that to even submit the bid. And so our company stepped up and did that, so we have a vested interest in this project. But the games themselves are something to behold. The opening ceremonies is incredible, and I encourage when we have the games here to encourage all you and all your families to come out and see them. And it's...we sat in the Hilton Stadium there in Ames and all the teams from the various states came in. And to think about the people that come from all over the United States and spend an entire week here, and I know they've talked about the economic impact, but as you put it in perspective, it's like the entire football season economic impact on Lincoln in one week. It's basically the equivalency of that. Well, I don't want to take up any more time, but one thing that I would like to leave with you is so that you understand the impact that these games have on the families and the athletes that participate. Anytime I talk to Brad or he hears the word "Iowa" or "Iowa State" on TV or somebody mention it, his face just gets a beautiful gleam on it and he says, I've been there. And you know what he's thinking about. He's thinking about that tremendous experience that he took place. So what I would like...in support of this is

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that I can just think of nothing better than 3,000 people, athletes, coming from all over the United States, when they go back home and have this experience, when they hear the name Nebraska, hopefully they can say, I've been there. And then they know why there's no place like Nebraska. Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Thank you. Are there any questions? Senator Hansen. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Just a brief statement. I need the committee to know that you and your wife both are from North Platte. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

BYRON BOSLAU: That's right. (Laughter) We're "Platters," Bulldogs. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Appreciate your commitment to this and we'll sure be there. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

BYRON BOSLAU: Thank you, Senator. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Let's see that medal. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

BYRON BOSLAU: Are you going to show him the medal? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HANSEN: Boy, that's great! [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

JASON GIESCHEN: Mr. Chairman and members of the committee, my name is Jason Gieschen, G-i-e-s-c-h-e-n. I am a Special Olympics athlete from rural Nebraska and I am here to support LB317. Thank you for allowing me to testify. I want to tell you why Special Olympics is important to me. First of all, Special Olympics is more than just sports. Special Olympics provides opportunities. Special Olympics changes lives, including mine. I am a graduate from Gallup University and an athlete leadership program. Gallup teamed up with Special Olympics to teach us leadership and speaking skills. I was in the first Nebraska graduating class and one of only 40 athletes in the nation to complete the course at that time. I knew I could sing, but I never was given the

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chance until I sang the national anthem in the Special Olympics event. Ever since then I have sung the national anthem before thousands of people at many events. I also sing solos at church. When I went to state summer games, I went through Healthy Athletes. The doctors saw a spot in my eye and I needed to have surgery to remove it before it turned into cancer. Healthy Athletes saved my eye. In 2006, I went to National Games in Ames, Iowa, and it was awesome! I made many friends from all over the U.S. In fact, if you ask me what is more important in Special Olympics about Special Olympics is I would say making friends. In 2010, National Games will come to Lincoln and it will take a lot of money and all of us working together to make them successful. Before every event, Brad and I say the Special Olympics oath: Let me win, but if I cannot win, let me be brave in the attempt. Thank you for your time and for considering our request for the Special Olympics 2010. My booklet is in the packet. Hope you like it. And also I am a big Shaq fan and I brought one his shoes from the 2006 NBA finals that he wore in a game. (Laughter) It's a size 24 and it's signed on the side, so. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: That's pretty neat. Are there any questions for Jason?
Senator Fulton. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR FULTON: Jason, where are you from? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

JASON GIESCHEN: Originally from Ogallala, it's rural. Now, we're at Lake McConaughy, so. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR FULTON: Thank you for being here. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

JASON GIESCHEN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Senator Wightman. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR WIGHTMAN: I just wanted to say thank you for being here. You're a great inspiration. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

JASON GIESCHEN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Seeing no further questions, thank you for coming in and testifying in front of Appropriations today. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

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JASON GIESCHEN: Thank you. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Is there anyone else wishing to testify in the proponent position on LB311, LB312, LB313, LB314, LB315, LB316, LB317 or LB318? Is anyone else wishing to testify in opposition of said above bills? [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

MARY ANGUS: (Exhibit 4) My name is Mary Angus, A-n-g-u-s. And I'm the registered lobbyist for the ARC of Nebraska. And I certainly am not speaking in opposition of all of that stuff, but I will try to point out some specific things that I am opposed to. Senator Heidemann and members of the Appropriations Committee, the ARC of Nebraska is a supporting advocacy organization working with and for people with intellectual and other developmental disabilities. The ARC is a statewide organization with a new chapter. So we have 18 local chapters and approximately 2,500 members across the state. We are an affiliated chapter of the ARC of the United States. We have several points of opposition for LB311 for those several reasons. First, there is a reallocation of \$7 million to the budget for the Beatrice State Developmental Center in fiscal year '08-'09. This is over and above the \$53.6 million already budgeted and the \$1.5 million allocated under LB959 in 2008. In June of 2008, there was 276 residents at the center. That amounts to over \$225,000 per person per year. We're also disturbed to find that the funding for Medicaid for the fiscal year '08-'09 would be reduced. The ARC works towards and believes in the community imperative that all people have the fundamental moral, civil, and constitutional rights to live, learn, work, play, and worship in safe and healthy communities. Nebraska medical assistance programs offer a lot of the services they cover that are not covered by traditional insurance. For example, they covered certain things like personal attendance services as needed, that type of thing, it's critical that fulfilling the goal of community integration. For instance, providing coverage for those services that are not allowed, services for people with developmental disabilities that need to retain and maintain their places in the community and of independent living. On pages 14 and 15 of...this would be LB311, they provide the details. But the crux of the matter is under the Medicaid reallocations, they would be reducing by approximately \$46 million in General Funds, and the concomitant \$68 million in reduced federal match for those funds. We have people waiting for services, many for years, and this bill would transfer out of the division of Medicaid and long-term care an awful lot of money that could go to help some of those folks. It's difficult to ascertain from the bill where those funds would be going. Regardless, we think this would be an unwise transfer of funding. Finally, the transfer of funds from the Health Care Cash Fund to a study for the feasibility of the privatization of Beatrice State Developmental Center seems inappropriate. The Health Care Cash Fund is intended to be used to promote physical and mental health, prevent disease, injury, disability, and premature death. Grants for system improvements are to focus on improving access to high quality healthcare

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services for rural and urban projects for people who are underserved. We hope that you will take these concerns into consideration as you discuss LB311, and I'd be glad to answer an questions that you may have. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: Are there any questions for Mary? Seeing none, thank you for coming and testifying today. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

MARY ANGUS: I will add that because I have laryngitis and an awful sinus infection, I did not dive into the icy waters of (laughter) this weekend. Thank you very much. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HEIDEMANN: (See also Exhibit 5) Is there any one wishing to testify in opposition on the above bills? Is there anyone wishing to testify in the neutral position on LB311, LB312, LB313, LB314, LB315, LB316, LB317, or LB318? Seeing none, with that we will close the public hearing on LB311, LB312, LB313, LB314, LB315, LB316, LB317, LB318. [LB311 LB312 LB313 LB314 LB315 LB316 LB317 LB318]

SENATOR HARMS: We will now open the hearing for LB456. Is there anyone here, proponents that would like to testify in favor? Could you please state your name and spell it for us clearly so we can understand it? [LB456]

SENATOR HEIDEMANN: Thank you. It's always good being in front of Appropriations Committee. Senator Harms and members of the Appropriations Committee, I am Senator Lavon Heidemann, spelled H-e-i-d-e-m-a-n-n. I'm representing District 1 in southeast Nebraska. I'm here today to introduce LB456. LB456 eliminates language in the cash reserve statutes for completed transfers and expiration of the obligation of a portion of fund to the Early Childhood Education Endowment Fund. Sections 1 and Sections 2 of the bill harmonize the early childhood education endowment statutes with a change to the cash reserve statutes for the expired obligation. As Chair of the Appropriations Committee I introduced this bill in an effort to clean up obsolete language in our statutes. If you have any questions, I will try to answer them. [LB456]

SENATOR HARMS: Any questions? [LB456]

SENATOR HEIDEMANN: If not, I'll waive closing. [LB456]

SENATOR HARMS: Are there any other proponents? Are there any opponents? Are there any who would like to testify neutral? Then this hearing is closed for LB456. [LB456]

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Disposition of Bills:

LB311 - Placed on General File with amendments.
LB312 - Placed on General File.
LB313 - Placed on General File with amendments.
LB314 - Placed on General File with amendments.
LB315 - Placed on General File with amendments.
LB316 - Placed on General File with amendments.
LB317 - Held in committee.
LB318 - Placed on General File.
LB456 - Placed on General File with amendments.

Chairperson

Committee Clerk