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Floor Debate
March 19, 2009

[LB26 LB61 LB72 LB110A LB110 LB165 LB168 LB177 LB184 LB207 LB210 LB233
LB234 LB292 LB356 LB377 LB413 LB545 LB547 LB548 LB603A LB603 LB653 LB675
LB680 LR59 LR60]

SENATOR LANGEMEIER PRESIDING

SENATOR LANGEMEIER: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for this, the forty-sixth day of the One Hundred First Legislature, First Session. Our chaplain for the day is Senator Norm Wallman. Please rise.

SENATOR WALLMAN: (Prayer offered.)

SENATOR LANGEMEIER: Thank you. I call to order the forty-sixth day of the One Hundred First Legislature, First Session. Senators, please record your presence.

SENATOR ROBERT PRESIDING

SENATOR ROBERT: (Visitor introduced.) Mr. Clerk, please record.

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

SENATOR ROBERT: Thank you. Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SENATOR ROBERT: Are there any messages, reports, or announcements?

CLERK: Enrollment and Review reports LB110, LB110A, LB165, LB168, LB177, LB184, LB207, and LB377 are correctly engrossed. That's all that I have, Mr. President. (Legislative Journal page 785.) [LB110 LB110A LB165 LB168 LB177 LB184 LB207 LB377]

SENATOR ROBERT: Thank you, Mr. Clerk. We will now proceed to the first item on the agenda: General File.

CLERK: Mr. President, the first bill this morning, LB548, introduced by Senator Adams. (Read title.) Introduced on January 21, referred to the Education Committee for public hearing. The bill was advanced to General File. There are Education Committee amendments, Mr. President. (AM714, Legislative Journal page 725.) [LB548]

SENATOR ROBERT: Senator Adams, you are recognized to open on LB548. [LB548]

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SENATOR ADAMS: Thank you, Mr. President. Mr. President, members of the body, LB548 is a bill that, in its original context, was an education technical bill that would make technical changes, and we have amended that bill last week and put into it the substantive matter, which is to change the certification date for state aid from April 1 to on or before June 1. Let me give you a little bit of history of why we're having to do this. When this session opened, we were going to target an increase of \$100 million to TEEOSA in state aid. Now in order to pass a bill which adjusted TEEOSA, get it through three levels of debate, and then get those changes to the State Department of Education so that they could reprogram, rerun the numbers, and try to meet a February certification for state aid to schools, was simply asking too much, not only of this body, not only of the committee, but probably more importantly it was asking too much of the State Board of Education, specifically the folks that have to do the computer modeling for us. We were under the assumption with LB61 when we moved to an April 1 certification date that we could make it. Why? (A) Because we had a bill in committee that was going to make the adjustments in state aid to show a 100 percent increase. Also we would have the State Department having the time to run the numbers for us and we were waiting to see what that February 1 forecast was going to tell us so that we could maybe adjust aid even more. Now while we are working under the assumption that we were going to make an April 1 forecast and we were telling schools and superintendents that that's what we were shooting for, then that was the process we were working on. And then comes federal stimulus. And along with that federal stimulus, not only did we have dollars, we had an undefined amount until recently. We had unclear descriptions from the federal government as to how that money can be used. And we have been working hard to get clarification from the Department of Education as to how that money can be used, looking at its best use, trying to figure out what amounts were going to be. And in the context of all of that, wondering how the state aid formula may have to be adjusted. All of that brings us to this point, and I might also add a negative February forecast. It brings us to this point. April 1 is almost upon us. We are only now getting final clarifications as to how stimulus money might be used. We are only now, in reaction to that, beginning to model how we might have to still change TEEOSA in order accommodate all of that and to slow growth out in years three and four. And we can't make the statutory April 1 deadline for certification and ask the same people at the Department of Ed to run new TEEOSA models for us so we can see where we're going to be at with stimulus and where we're going to be at in years three and four, all in a relatively short period of time. Hence, what I'm asking for here is more time. The State Department of Ed is asking for more time. The Education Committee is asking for more time--June 1, on or before, and hopefully it will be before. My number one concern here is not only those folks at the Department of Ed that have to run these numbers and making our budget here work, my number one concern is we've got 254 school districts out there that have plans to make. They have an April 15 personnel deadline to make. I am very sensitive to that and I have spoken with those people. My argument to them is very simple. Had there not been a federal stimulus, we would have made that April 1 deadline, and the picture may not be very pretty. The good news and

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the bad news. Bad news is we may have to delay to somewhere between now and June 1. Good news is, it's because we think there will be additional monies. I've asked school districts to, in a sense, take the good with the bad. That's why we're asking this move to the June 1 certification date. Thank you, Mr. President. [LB548 LB61]

SENATOR ROBERT: Thank you, Senator Adams. Members, you have heard the opening to LB548. Mr. Clerk. [LB548]

CLERK: Mr. President, I have Education Committee amendments. [LB548]

SENATOR ROBERT: Senator Adams, as Chairman of the Education Committee, you're recognized to open on AM714. [LB548]

SENATOR ADAMS: AM714 basically does just what I have described to the body, Mr. President. It adjusts that date. That's all I have. [LB548]

SENATOR ROBERT: Thank you, Senator Adams. Members wishing to speak, Senators Karpisek and Gay. Senator Karpisek, you're recognized. [LB548]

SENATOR KARPISEK: Thank you, Mr. President. Would Senator Adams yield, please? [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question? [LB548]

SENATOR ADAMS: Yes. [LB548]

SENATOR KARPISEK: Thank you. Senator Adams, are we in jeopardy of losing some of the stimulus funds if we don't push this back? [LB548]

SENATOR ADAMS: I don't know that we're in jeopardy of losing stimulus funds if we don't push this back. [LB548]

SENATOR KARPISEK: I guess I was fully supportive of the April 1 date and I know why we did that and I know why you want to do this. My thought is, though, how do we tell our schools to try to push their dates back? Are they going have to RIF everyone? I think it puts them at a terrible disadvantage now. Can you explain or expound on that, please? [LB548]

SENATOR ADAMS: I'll try. I'm not going to stand here and tell you that it doesn't put schools in something of a predicament. We have been fully aware of that since day one. The upside is that on April 1 they will get some modeling numbers from the State Department of Education. That will give them an idea where they're going to be. Undoubtedly, every school in the state is in a little different financial position. They may

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have to do things in terms of personnel. I just don't see, right now, any other way. I mean, even if we said April 1, we're still looking at some kind of a recertification. [LB548]

SENATOR KARPISEK: And that was my point on the April 1 date, that I don't want to have to recertify and put them into another bind as we did last year. Would you be...I mean, is June 1...could we say...I guess it doesn't matter to say May 1 because they're still going to have to do their RIFs and things. I guess I just want to say I fully understand and appreciate the bind that you are in. I shouldn't call it a bind, because if we get extra money that's a good thing. I just feel that for our schools and for our teachers, not knowing what's going to happen, I think we're really making things tough on them. I'm almost positive that they will get more money than the April 1 figures that you will put out, but there's no guarantee on that either, is there? [LB548]

SENATOR ADAMS: No, there's no guarantee. [LB548]

SENATOR KARPISEK: Especially with the forecasts and things. [LB548]

SENATOR ADAMS: Well, forecasts; and we haven't passed a budget yet. [LB548]

SENATOR KARPISEK: Okay. Thank you, Senator Adams. I'm really torn on this. I don't know...torn between I think what's right for the schools and what's right for the Education Committee. I know that they've worked long and hard. I haven't seen Senator Adams on the floor a whole lot. I know he's holed up and crunching numbers and working hard. I guess right now I just don't know that I can support the amendment to push that date that far back, when the schools will already be out of session, most of them, in my district anyway. They'll be on summer break by the June 1 date. So I guess I just want to say again, I wish we didn't have to. I fully understand what we're trying to do here, but I don't know that I can support it. I hope that some of our superintendents that are watching can get on the e-mails and get some e-mails in and let us know what they think. I just had a conference call with my superintendents that I usually have between eight and ten, and I had two today and they were both unequalized districts. So I would like to hear from them. I know that this is a tough spot to be in. I appreciate what Senator Adams is trying to do. I just don't know where I'm at right now. [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR KARPISEK: Thank you, Mr. President. [LB548]

SENATOR ROBERT: Thank you, Senator Carlson (sic). Those wishing to speak, Senators Gay, Carlson, McCoy, Harms, and Mello. Senator Gay, you're next and recognized. [LB548]

SENATOR GAY: Thank you, Mr. President. I rise in support of the amendment and the

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bill. And just...I understand what Senator Adams is going through because the health...there's a lot of this stimulus money coming our way, too, and we still don't know where it all goes. So in order to do the best job I would rather...I had talked to some of our school presidents and administrators, and of course they are up against this deadline and it's difficult. They've got to make the best out of it. As he says, it could be worse. But I think if we don't...or we give them wrong numbers now, we're creating a bigger problem down the road. So I think we've just got to do the best we can with the changes that are happening. We'd be much worse off without this. So I understand the frustration and I've told our members the same thing, but this stimulus money is interesting how it is all working. You think it could be used for this and maybe it can't and maybe it can, so it's very difficult to get your arms around this thing. So I commend him for the challenge he's facing. I'm going to support this. I would encourage you to support it, and when you talk to your administrators, just get a little more facts. I'm sure he'll be more than happy to give you what he knows. But that changes every day. There's conference calls going on and the Fiscal Office is looking at it. And, of course, we do have the appropriations process and the budget that we're going to deal with. But just like anything, there's a lot of uncertainties. This year it's much more so. Even if we didn't have this money we've got some uncertainties out there with our budget, but I think this just is that extra problem that, you know, it's difficult but we'd be in a much worse off position without it probably at this point. So I would encourage you. I know this is hard to do, as Senator Karpisek and others probably have heard from their school people, and especially the finance directors. And these teachers, you've got to have those in place. But of all people that would know that, I think Senator Adams is probably the best to help guide us through this situation, and I would encourage your support on the amendment and the bill. Thank you, Mr. President. [LB548]

SENATOR ROBERT: Thank you, Senator Gay. Senator Carlson, you are next and recognized. [LB548]

SENATOR CARLSON: Mr. President and members of the Legislature, I'd like to address a question to Senator Adams if he would yield. [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question? [LB548]

SENATOR ADAMS: Yes, I will. [LB548]

SENATOR CARLSON: With limited knowledge of these dollars, stimulus dollars--and I don't know if you have this information--but over what school years could the stimulus dollars be spent? Do you have that knowledge? [LB548]

SENATOR ADAMS: That would be over the next two school years. [LB548]

SENATOR CARLSON: Okay. And we receive the stimulus dollars over the next...and

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they can be used over the next two years. They are extra dollars injected into TEEOSA, into our educational system. Then what happens at the end of the two years? [LB548]

SENATOR ADAMS: The federal money is gone. The soft money is gone. And what we need to be very careful of, and that's why we're looking at TEEOSA and talking to superintendents, we have to be very careful of years three and four: that drop-off and how to adjust for that, and that's part of what we're doing with LB545 that I introduced that would amend the aid formula. We're still working at trying to amend it so that we can have some control on growth out there when this money is gone. [LB548 LB545]

SENATOR CARLSON: Would you say that without stimulus dollars and based on revenue projections, there would probably be a drop-off in years three and four anyway? [LB548]

SENATOR ADAMS: A drop-off in year one, year two, year three, year four. [LB548]

SENATOR CARLSON: But with the injection of the stimulus dollars, it's going to make that drop-off in years three and four even more significant. Would that be correct? [LB548]

SENATOR ADAMS: It could. It depends on how we use them. [LB548]

SENATOR CARLSON: Okay. And I've heard you comment on this but the plans for how to meet that challenge are very critical and we've got to start thinking about those now and not two years from now. [LB548]

SENATOR ADAMS: That's absolutely right. [LB548]

SENATOR CARLSON: Okay. Thank you, Senator Adams. I'd like to address some...the questions that Senator Karpisek had. And, Senator Karpisek, if he would yield, I'd like to, as Stuthman says, have a little conversation with Senator Karpisek. [LB548]

SENATOR ROBERT: Senator Karpisek, will you yield to a question? [LB548]

SENATOR KARPISEK: I will, Senator Carlson. Thank you. [LB548]

SENATOR CARLSON: Okay. Let's assume and pretend, Senator Karpisek, you and I are cosuperintendents in a school district. [LB548]

SENATOR KARPISEK: Okay. [LB548]

SENATOR CARLSON: We'd like that information April 1. I understand that and I agree with you. So if we vote against this bill then we're going to require that some kind of

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information be forwarded by April 1. [LB548]

SENATOR KARPISEK: Correct. [LB548]

SENATOR CARLSON: And based on that information, we're going to make decisions, and I think those decisions are going to be we're going to RIF people. And let's suppose in your and my district we together decide we've got to RIF ten teachers. So we notify them. Now several of those...let's assume they're all good teachers but several of those ten are really key because of where they fit in the curriculum. And immediately, when they are notified, they have got to start looking for positions and they're going to do that. And between April 1 and June 1, some of them are going to find new positions and probably the ones that we don't want to lose are going to be the ones that find positions. [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR KARPISEK: Correct. [LB548]

SENATOR CARLSON: And so we're going to complicate our problem, I think. And I don't know what Senator Adams or the Education Committee, what choices they have. I think that we have to go along with them on this. [LB548]

SENATOR KARPISEK: My concern, though, Senator, is that they will RIF even more people without any numbers because they don't know. They don't have any numbers other than proposed numbers, and they may RIF twice as many because they just don't know. There's no guarantee. [LB548]

SENATOR CARLSON: Well, the difficulty is either way they're kind of phony numbers and simply this is bringing up... [LB548]

SENATOR KARPISEK: I agree... [LB548]

SENATOR CARLSON: Everybody is in an uncomfortable position. [LB548]

SENATOR KARPISEK: You are correct, and that's why I was very in favor of moving the date to April 1. But...and I'm not sure what day the RIFs have to come out... [LB548]

SENATOR ROBERT: Time. [LB548]

SENATOR KARPISEK: Thank you. [LB548]

SENATOR CARLSON: Thank you. [LB548]

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SENATOR ROBERT: Thank you, Senator Carlson and Karpisek. Senator Harms, you are next and recognized. [LB548]

SENATOR HARMS: Thank you, Mr. President, colleagues. Senator Adams, would you yield? [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question from Senator Harms? [LB548]

SENATOR ADAMS: Yes, I will. [LB548]

SENATOR HARMS: One of the issues that Senator Karpisek is talking about, of course, is a concern of reduction in force. Let's walk through the reduction in force laws, the way they work in our school systems. As I understand this, that if you're going to reduce your force, you must notify that faculty member 90 days before the end of their contract year that a chance may occur, and within 60 days the board has to take action. Is that correct? [LB548]

SENATOR ADAMS: Senator Harms, I'm not...I don't know all of those personnel laws. [LB548]

SENATOR HARMS: Okay. Well, what I'm trying to get to is you may have enough time. I don't know. Most contracts with public schools are, what, about 185 days? [LB548]

SENATOR ADAMS: I'm sorry. [LB548]

SENATOR HARMS: Aren't most contracts for teachers about 185 days or 180 days? [LB548]

SENATOR ADAMS: Right. Yes. [LB548]

SENATOR HARMS: So when you look at that, we're probably looking at, what the last of May? You're going to be really close to actually being able to resolve this issue before they can notify people that there's a potential problem here and that in 60 days they may have to take some action. But they actually don't have to carry through with that action. And so it does upset the school system. I've had the experience of doing that once in the community college system where our financial formula fell apart and I had to go through that, and I had to reduce...notify at least 25 of the 30 staff members. You never heal up from that. But I will tell you that at the end you can withdraw that and resolve it and work with the faculty and the teachers. So I know that there are ways around this and I hope that people will understand that it will make some of our professionals a little uncomfortable. But if the board members and superintendents are willing to work with them, I think this is the only choice you have. I don't think we have

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many other solutions here, because the other way would put them in a tremendous bind. Is that correct? [LB548]

SENATOR ADAMS: That would be correct. The reality is this, that if we don't do this, if we don't change the date right now, then the Department of Education will certify as they did February 1. They will certify the same amount that school districts all reported to them on February 1. [LB548]

SENATOR HARMS: I remember last year, Senator Adams, when we went through that adjustment of the funding formula and what it was like at the very end of all that information coming at the last moment. At least, to me, it looks like we're going to have a consistent, orderly manner to address the issue where we haven't in the past. That's correct, isn't it? [LB548]

SENATOR ADAMS: Well, we certainly hope so. I mean, I would tell you, Senator Harms, that still somewhere down the line we have LB545 which will make adjustments in the aid formula that I know always create some heartburn for members of the body when that kind of things comes to the floor that will still be coming forward. But we're trying to do this in a way that's understandable to everybody. [LB548 LB545]

SENATOR HARMS: Well, thank you. That's what I was really wanting to talk about and at least let people know that there are some laws that we have to follow and there are ways that we can kind of delay this in the process. So thank you, Mr. President. [LB548]

SENATOR ROBERT: Thank you, Senator Harms and Senator Adams. Those wishing to speak: Senators Mello, Fischer, Council, and Adams. Senator Mello, you are recognized. [LB548]

SENATOR MELLO: Thank you, Mr. President, members of the Legislature. Would Senator Adams please yield to a few questions? [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question? [LB548]

SENATOR ADAMS: Of course. [LB548]

SENATOR MELLO: Senator Adams, if we don't pass this amendment in this bill, essentially school districts will still then have to operate off of that \$100 million that is currently plugged into the TEEOSA formula, right? [LB548]

SENATOR ADAMS: No. [LB548]

SENATOR MELLO: Okay, what number will they be operating from then? [LB548]

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SENATOR ADAMS: They're going to operate off of the number that was determined as a result of the passage of LB988 effective July 1, 2008. [LB548]

SENATOR MELLO: Which is about \$270 million, give or take? [LB548]

SENATOR ADAMS: Well, no. We're looking at \$900-some million. [LB548]

SENATOR MELLO: I mean, \$270 million in additional funding. [LB548]

SENATOR ADAMS: I don't recall if it was \$270 million in additional or \$240 million. [LB548]

SENATOR MELLO: Okay. Okay. In regards then to the stimulus dollars, is it your understanding that this money is one-time usage funds, that it's not to be used for ongoing programs or ongoing government expenses? [LB548]

SENATOR ADAMS: I don't know that it can't be used for ongoing government expenses or ongoing government programs. It's stabilization. [LB548]

SENATOR MELLO: But from your understanding of the bill, that it says that it's one-time money that's not to be used to supplant... [LB548]

SENATOR ADAMS: Oh, it's one-time money; that's correct. It's soft money. [LB548]

SENATOR MELLO: ...that's used not to supplant existing government programs and/or current government funding. [LB548]

SENATOR ADAMS: I think that's still a matter of interpretation. [LB548]

SENATOR MELLO: Okay, okay. That's all the questions I had, Senator Adams. Thank you. Members of the Legislature, it's an ongoing issue that I know the Appropriations Committee and the Education Committee and hopefully the whole body will start to engage in, which is what will we do with the \$234 million in additional one-time funds coming to our state for K-12 education? I'm not opposed to LB548 or the amendment, but I think it's going to...I think the body, as a whole, and particularly the Education Committee as a whole, will need to start that dialogue not only amongst themselves but amongst the rest of the body in regards to what we're going to need to look at, as well as other ideas that can be tossed out there regarding what we should do with this money. Because I'm concerned that with the purpose of this federal stimulus that we're going to use it for the intentions that it was not created for in Washington, D.C. The jobs component was the reason that we are getting this money: to protect jobs or to create jobs, not to supplant state funds for existing programs. There was a portion of the stimulus bill that...briefly, that discusses...it's about \$50 million that can be used for

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continuing government services so that we don't cut programs. But I have a concern that we're traveling a path, possibly, that we will take this money that can have a direct impact to help get us out of this recession, to help us create jobs or save jobs, and use it to fund existing government programs. I think that Senator Adams is doing a great job, I think Senator Heidemann is doing a great job of trying to create the dialogue amongst the Appropriations Committee and the Education Committee in regards to where we might need to go. I'd only ask, though, that the rest of the body starts to take notice of this; that the rest of the body starts to engage in these conversations because it's a big issue and it probably will be the biggest issue we deal with this session in regards to the budget... [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR MELLO: ...because this is an enormous amount of money that's one-time funding, that won't save the day for us. And the problems that I've heard and the concerns I have is that we can't look for a short-term fix to our current budget deficit. We have to look long-term. We've got to make hard decisions this year to help ease the pain that we might have in two and four years from now. So with that being said, I'd like to thank Senator Adams for what he's trying to do with AM714 and LB548, and I look forward to the continued dialogue on the issue. Thank you, Mr. President. [LB548]

SENATOR ROBERT: Thank you, Senator Mello. Senator Fischer, you are next and recognized. [LB548]

SENATOR FISCHER: Thank you, Mr. President and members. I'd like to follow up a little on this stimulus package discussion, and especially Senator Gay's comments that he made earlier as Chair of the Health Committee. I have kind of an easy job, at least for half of my committee, when we deal with stimulus money because the half that goes for transportation, that money goes into the Highway Trust Fund. The Governor and the Department of Roads have the projects that are ready. We've already seen the bids let on some. We see projects moving forward, and approximately every 30 days we're going to see more bids let. So that's an easy part on the stimulus money that comes to my committee. But we also have heard about over \$7 billion in broadband money, and that will have to be determined, hopefully, by my committee and by this body on what happens with our share on that. We have no idea. As Senator Gay said earlier, he has no idea on the strings attached, what are the requirements, what the money is supposed to be used for, what the accountability will be. So I do admire Senator Adams and his committee on the work they've put forward in trying to deal with this because it's not just the check is in the mail and you decide how you want to spend it. There are strings attached to this and we have a responsibility to be accountable to our taxpayers in this state in how we use that money and that we use it properly. What I hear from my constituents...and I have over 20 school districts in my legislative district, and what I hear from my constituents on the money going for education, they see that hopefully as

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some property tax relief. My school boards and my teachers see that hopefully as protecting jobs, that teachers won't have to be laid off because the state will have that money and hopefully will be able to plug it in to the state aid formula. That then frees up some other dollars, as I view it. It frees up some other state dollars that we can use for other programs in trying to maintain those programs through these hard economic times. Mr. President, would Senator Adams yield? [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question? [LB548]

SENATOR ADAMS: Yes, I will. [LB548]

SENATOR FISCHER: Senator Adams, have I misstated any of that? Do you hear that from your people too? As Chair of the Education Committee, I know that you meet weekly with the education lobby. What are you hearing? [LB548]

SENATOR ADAMS: Thank you for asking that question, Senator Fischer, and for your kind words leading up to it. I speak every Wednesday morning with the education lobby. On a regular basis I have opportunities to speak with groups of superintendents. Yesterday I spent the noonhour with a large group of superintendents, and I talked about this June 1 and what we're facing and how we need to make all of the chips balance. And it was interesting yesterday because after 35 minutes of speaking, I asked if there were any questions and one superintendent raised his hand and the question he asked was, how can we help? I asked them to be patient. I think they understand. Do they have anxiety? They definitely have anxiety. And that's what we're trying to remedy and I wish there were an easier way. [LB548]

SENATOR FISCHER: I may put you on the spot with this question. The stimulus money we're receiving from the federal government, do you and your committee see that as replacing state dollars that would have to go to make that over-\$900 million need that we have in state aid, do you see that as... [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR FISCHER: ...replacing state dollars that would have to go to TEEOSA this year? [LB548]

SENATOR ADAMS: You know, you could look at it that way but I don't think so. [LB548]

SENATOR FISCHER: Okay. [LB548]

SENATOR ADAMS: What I see is this: We're going to be putting over \$800 million into TEEOSA, and anything over and above that, the question is, where is it since the February forecast? Where is it since this stimulus now changes taxing and, in so being,

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are piggybacking on that. Suddenly we're even looking at another \$120 million in lost revenue. It concerns me. [LB548]

SENATOR FISCHER: I was just going to ask you that. I know you're also a member of the Revenue Committee, and with the recovery package we're getting from the federal government we will see a loss in revenue for the state. Isn't that true? [LB548]

SENATOR ADAMS: That's right. [LB548]

SENATOR FISCHER: Possibly you can go into a little more detail on that later and how we're trying to balance that. I know we're almost out of time. I would like to say that... [LB548]

SENATOR ROBERT: Time. [LB548]

SENATOR FISCHER: ...the over 20 districts I have, I haven't heard from them. Thank you, Mr. President. [LB548]

SENATOR ROBERT: Thank you, Senator Fischer. Senator Council, you are next and recognized. [LB548]

SENATOR COUNCIL: Yes, thank you, Mr. President. I have a concern with the amendment, and I appreciate...I've had a discussion with Senator Adams regarding this matter. But when this issue of setting the date for the certification of the formula was first presented to the body with the proposal to move the date from February 1 to April 1, it was upon the representation that additional time was needed in order to prepare the formula. The formula, as I understand it, Senator Adams, was in fact run in February and it's been stated by many of the members who have already commented. And when it was run in February, it did indicate or give us an idea of how much General Fund dollars would be necessary for public education. I'd ask Senator Adams if he would yield and respond to that question. [LB548]

SENATOR ROBERT: Senator Adams, will you yield to a question? [LB548]

SENATOR ADAMS: Yes, I will. And you're correct. You're correct. The February 1 run did tell us what the obligation would be without any amending. [LB548]

SENATOR COUNCIL: Okay. And the concern that I have has been alluded to in some of the comments made by the speakers thus far. One of the obligations of the state of Nebraska is to fund public education. That is our obligation. It is not the federal government's obligation. It is our obligation. And the needs of the school districts have been established. It is my belief that if they could run that again by April 1 with no problem, I don't know whether there would be much change in the need from General

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Fund dollars, but that's our obligation. Now the stimulus dollars, my understanding, are designed not to replace a state's general fund obligations to education. It is intended to be used over and above that to provide additional resources for education. If we reduce our obligation under the General Fund and replace it with federal dollars, I don't see how that addresses any of the issues that school districts may be facing in terms of having to RIF staff, because all we're doing is replacing federal dollars with state dollars. No true increase in terms of funding for public education, and we are not serving the purposes of funding education by doing that. I believe that we can run the formula and certify it by April 1. We will know what the General Fund obligations of the state are. Then the Revenue Committee, the Appropriations Committee, the Education Committee, can work to determine how we meet that obligation. But we, the state of Nebraska, has that obligation first and foremost to fund public education. And the dollars that are coming down from the federal government should be funneled to our school districts in a manner that we can achieve some reduction in property taxes, that we can avoid RIFing. But from my school district's perspective, and having served on the board of education in OPS for 11 years, April 15, those contracts have to be determined. [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR COUNCIL: And, you know, regardless of what the ultimate General Fund appropriation is, OPS will be locked into providing the funding for those contracts. I would like my district to be in a position to have an idea of what this state's General Fund obligation will be to them at the time they are obligated to those contracts. [LB548]

SENATOR ROBERT: Thank you, Senator Council. Senator Adams, you are next and recognized. [LB548]

SENATOR ADAMS: Thank you, Mr. President. There has been a lot of comments and a lot of questions. I can't...I'm not going to be able to respond to all of them, but I want you to take this into consideration. We can...if the issue today wants to become stabilization and federal stabilization dollars, we can use these monies to stabilize. The state has a commitment. Right now, we've got, at minimum, an \$800 million-plus commitment. And now we've got this increase to look at. We've got to think about the school districts. We've got to think about the kids. And stabilization can be used for that. And I'll tell you what. When we put this money into education and if we run it through TEEOSA...if we run it through TEEOSA we are protecting jobs, which is exactly what the stabilization is meant to do. It's not meant to make any school district rich, it is to stabilize. We could go ahead with the April 1 certification. We could throw that number out. And I'll tell you the reality is, with the exception of some changes since February 1 in data information supplied by school districts to the Department of Education, the numbers are going to be virtually what they were on February 1. Now what have you got? You have what I told you in the introduction. Your superintendents have what I suggested: They have a

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model, a plan. But, in effect, they also have some false information, don't they? They understand that and they're the ones that have to build the budgets. What I'm asking for today is an opportunity to give those folks more meaningful information. Not on June 1, on or before June 1. Now you can say to me, well, Adams, you promised April 1. Yes, I did. I maybe set the bar too high when I suggested April 1 in LB61. But the reason I did it was because I was concerned about those school budgets. I was concerned about RIFing. Maybe I should have put it at May 1 or June 1 in the first place in LB61. I set the bar high because I thought we could meet it, but that was before the February forecast. That was before federal stabilization monies. The game is now different and that's why I'm asking for time. Thank you, Mr. President. [LB548 LB61]

SENATOR ROBERT: Thank you, Senator Adams. Those wishing to speak: Senators Nantkes, Nordquist, and Giese. Senator Nantkes, you are recognized. [LB548]

SENATOR NANTKES: Thank you, Mr. President. Good morning, colleagues. I think that this is a floor dialogue that has been long overdue in terms of how this body is going to react in terms of what our ongoing state obligations are and how those interface with the federal stimulus. I think the good news is, is that our Speaker, Speaker Flood, put together a very clear legal memo in terms of what this body's process should look like in dealing with the federal stimulus funds. It's date February 12, 2009. I know each of you had received a copy. I think it's a good source to go back and refer to when questions come up in the process. Chairman of our committee, who I don't see on the floor today--and I tried to get ahold of by phone so that he could offer the Appropriations Committee perspective, and I hope he's listening and I hope he's going to be able to engage in this dialogue this morning--on February 19, 2009, also sent out a memo to each member of the Legislature in regards to the Appropriations Committee process for dealing with the American Recovery and Reinvestment Act. It's a work plan that had been reviewed by Appropriations Committee, and to give us a guide on how we deal with these issues. I've heard some confusing statements this morning that seem to counteract the process set forth by our Speaker and by the Chair of the Appropriations Committee, in terms of other committees' jurisdictional policy options in dealing with some of this potential stimulus money. The process, as set forth and agreed upon by this body, led by our Speaker, is that we have a public hearing on a stand-alone bill, LB680. The public hearing is March 26. That is when people...that's the appropriate time for members of this body, entrusted parties in the lobby, and members of the public, colleagues--members of the public--who have, who need an opportunity to talk about how we best utilize these funds. That is the process that has been set in place. That is the process that we should adhere to. I think that we have to tread very, very lightly here. I've heard some discussion this morning about different committees looking at how they're going to allocate broadband monies, different committees talking about how they're going to allocate education funds. Those allocations or ideas, while welcome in the dialogue, are outside of the process; are outside of the process that was clearly outlined by Speaker Flood and Senator Lavon Heidemann. The reliance of that decision

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and the conclusions in terms of crafting and creating the process, come from a long line of Attorney General's Opinions and a variety of other legal authorities that exist here in Nebraska, including Supreme Court decisions about how the Legislature appropriates dollars, including federal dollars, including dollars under the federal stimulus this year. So I think in order to deal with the unique circumstances of the economy and the resources provided under federal stimulus, we have to stick to a process so that there's clarity, transparency, and understanding for the public, for members of this body, for members of the jurisdictional committees with concerns. And we're not...I'm concerned that we're not really adhering to that process and respecting that process, and that concerns me. I had a chance to visit with members of the Education Committee this morning... [LB548 LB680]

SENATOR ROBERT: One minute. [LB548]

SENATOR NANTKES: ...about the interface of federal stimulus with the state's ongoing TEEOSA obligations. They said they were presented one option. Colleagues, federal law provides more than one option to deal with that. We need to carefully look at all of the options that are available to Nebraska in order to ensure sound policy, sound politics, and sound budgeting, which I'm not sure we have had a long-ranging dialogue about that and the implications for Nebraska if we don't follow those kinds of policies, because we may be putting our school districts at great risk in terms of a loss of federal funds under federal stimulus. Thank you. [LB548]

SENATOR ROBERT: Thank you, Senator Nantkes. Senator Nordquist, you are recognized. [LB548]

SENATOR NORDQUIST: Thank you, Mr. President, friends all. I'd first like to thank Senator Adams for the time he's spent on these issues. They are complex and he's doing a fine job as Chair. The time he spends with the education lobby is important and that dialogue is important. On the stimulus, yesterday our senior United States Senator, Ben Nelson, who is a chief architect of the American Recovery and Reinvestment Act, sent a letter to Commissioner Breed making some very definitive statements about what the purpose of this funding is, and I will take a quick minute to read into the record. It's not very long. Commissioner Breed, as you know, difficult decisions were made in crafting the American Recovery and Reinvestment Act to ensure that American taxpayers receive the greatest economic stimulus impact for each dollar appropriated. When crafting the state fiscal stabilization, Congress wanted to make sure that those state governments and school districts facing the most serious budget deficits would not be forced to cut critical education funding, while ensuring that school districts in the state could afford to maintain their commitment to education. This is why Congress created a pass-through directly to school districts so local leaders would have the flexibility to meet the growing and unmet needs of their educational system, while providing educational economic stimulus within their local communities. I'm afraid there

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will be temptation to take the federal funds away from schools, diluting the economic stimulus and feeding government from the back pockets of school districts and local taxpayers. In order to provide full transparency and to ensure that local education leaders are informed, I request a district-by-district dollar figure to be provided, showing what each Nebraska school district could expect to receive in state fiscal stabilization dollars if the funds were not taken to ease other state budgetary pressures. Thank you for providing this information. I look forward to your response, Senator Ben Nelson. It's pretty clear that these dollars are intended to go to our school districts and help them with tough times, to help them prevent teacher layoffs, to make strategic investments at this point to move their school districts forward. It's not to free up state dollars. It's not to supplement TEEOSA. Let's remember this, that it's a needs-based calculation. It shouldn't be based on some arbitrary dollar figure that the federal government is telling us we're getting. We shouldn't be shooting for a dollar figure. We are supposed to be looking at needs. That is what TEEOSA is about. I'm concerned that if we take this fiscal stabilization money and put it into TEEOSA, that we're setting ourselves up for a big problem in year three after this biennium, because we are making the easy decision now. We're putting a band-aid over the problem, and in three years we're going to be \$230 million short of federal money that we're not getting and that we have to come up with in General Fund money. We can make the tough decision now, make TEEOSA sustainable over time, reduce its growth, make it sustainable, and put it in a budget that's sustainable over time by making tough choices now. And I'm ready to bring my sleeping bag down to the Appropriations Committee if that's what it's going to take. The Appropriations Committee agrees that this money should not be supplanting. We sent a letter on February 17, to the Speaker, with a sentence in there that said it must be clear that federal stimulus monies must not be used to supplement existing or ongoing budgetary obligations. Every member of the Appropriations Committee signed that letter. And I agree, I agree that this is a discussion we need to have out in the open. It's been going on between a few people behind closed doors and that's very unfortunate. And I don't even know if I should be up here talking about it.... [LB548]

SENATOR ROBERT: One minute. [LB548]

SENATOR NORDQUIST: ...because yesterday on the radio the Governor's spokeswoman said...was cited as saying Senator Nordquist is in no position to be talking about this; the Governor is working on it with a few people. She named the few people. That's unfortunate that the executive branch is taking that kind of position on this issue. It needs to be a discussion we're having together as a legislative body in our legislative committees as a body. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: Thank you, Senator Nordquist. Senator Giese, you're recognized. [LB548]

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SENATOR GIESE: Thank you, Mr. President and members of the body. I rise in support of AM714 and the underlying bill LB548. Just a quick update from the Education Committee. Day one, we started with the revenue forecast and, as we all know, those figures came in and they were down, so we moved the certification date back as a committee. And now we are faced with the option of using stimulus money to help us with our state aid to education. So I want to assure you that the \$100 million that Senator Mello spoke of before, that was a commitment by the state to the education process, is not off the table. That is one of the options that Senator Adams and the Education Committee have been working on this whole time. So with \$100 million and whatever we get for education, those options are still there. Whatever number we come up with as the Education Committee, I want to assure Senator Mello and Senator Nordquist and the Appropriations Committee, if the Education Committee came out and gave them a number that we wanted, they would find the money. And when we do that we expect them to do that. So I just want to tell them that we are working on this. There are many moving parts to this as Senator Adams has said many times before, and we still continue to fine-tune that today. And let's hope that cooler heads will prevail and we'll all reach a workable solution. Thank you. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Giese. (Doctor of the day introduced.) Resuming floor discussion on the Education Committee amendment AM714 to LB548, members requesting to speak: Senator Utter, followed by Senator Sullivan and Senator Price. Senator Utter, you're recognized. [LB548]

SENATOR UTTER: Thank you, Mr. President and good morning, colleagues. First of all, I want to congratulate Senator Adams on the great job he's doing as Chairman of our Education Committee. It is truly a difficult job in these times and I, for one at least, think he's doing a magnificent job of steering us down the road...the unknown paths, actually, that we have to travel to reach the final solution here. I sat in a meeting yesterday with a group of school superintendents, and Senator Adams was there also, and basically told those superintendents the same thing he's told us in the body this morning. And it is indeed a complicated task and indeed the Education Committee needs the time to work these things out because of the complications of the stimulus money and those issues that have arisen. The school district...the big school district that I represent from the city of Hastings was there, was represented yesterday, and the superintendent of schools from Hastings did say to me that how can we help through this process? That even though it's going to be difficult and it does present some hardships to extend the certification date, they are in the mode of wanting to do whatever they can to help reach a satisfactory solution to the problems that have been presented. So...and we didn't hear a negative comment during that meeting from any of those folks that were attending the meeting, from any of the superintendents that were there. So I think everybody is willing to develop whatever contingency plans they need to develop to facilitate this process that we have to go through. And so I indeed stand

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before you today in support of AM714 and LB548, and let the Education Committee get on with their work. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Utter. Senator Sullivan, you're recognized. [LB548]

SENATOR SULLIVAN: Thank you, Mr. President and members of the body. As a member of the Education Committee, I rise in full support of AM714 and the underlying bill LB548. And I would like to remind all of us that we need to focus on the issue of this amendment, and that is simply to change the date to allow the Education Committee, and all of us, quite frankly, to engage in this conversation on how we are going to fulfill our constitutional responsibility to fund education. If there's one thing that we--and one thing only--in this body that we have a constitutional responsibility to do, is to fund education in the common schools, so I will fight very hard for that in our deliberation on our Education Committee. I agree with Senator Nantkes that this whole process, as far as using stimulus money, needs to be transparent. It needs to be an open dialogue, a robust conversation on how this is going to be used. But I will also never lose sight of the fact that we, as a state, have this constitutional responsibility. So to go full circle, I just simply remind you on this amendment we are simply changing the date to allow that conversation and that dialogue to continue to unfold. There's no closed door dealings going on. The Education Committee has been in full support of this amendment. We want you to carry it forward so again we can continue the conversation. Thank you. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Sullivan. Senator Price, followed by Senator Karpisek. Senator Price, you're recognized. [LB548]

SENATOR PRICE: Thank you, Mr. President, members of the body. I rise in question of what we're doing here today. I was wondering, would Senator Adams yield to a question, please? [LB548]

PRESIDENT SHEEHY: Senator Adams, would you yield to questions? [LB548]

SENATOR ADAMS: Yes, I will. [LB548]

SENATOR PRICE: Thank you, Senator Adams. A question: In a theoretical realm, how far can we push the date back? [LB548]

SENATOR ADAMS: The certification date? [LB548]

SENATOR PRICE: Correct. [LB548]

SENATOR ADAMS: Well, I suspect that...well, we've got to the end of the session.

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[LB548]

SENATOR PRICE: Okay. Great. And is there an opportunity this date will move again?
[LB548]

SENATOR ADAMS: Well, Senator Price, I'm going to confess to you. When we moved it to April 1, that was against the advice of people in my office who said we may need more time; we might need more time. But I set the bar at April 1 because at that point there was no stimulus involved. I knew the February forecast would be out. I thought we could do it and I wanted to be sensitive to what was going on in the school districts.
[LB548]

SENATOR PRICE: All right, thank you. And I am sensitive to the pressures and to the issues at hand, and I am not chiding or deriding or anywhere second-guessing what you're doing here. But, you know, it...these hard decisions--and I'll probably be voting for this--but, you know, when the boards...eventually someone is going to have to do something hard, whether it's we're doing it or whether the school districts are doing it and then they have to come back. And probably somebody, I guess, may even have to come back. You know, either the school boards who are going to build a budget off a number that's going to change and they're going to have to come back and change their budgets and their process, or we're going to have to come back to a Special Session and change numbers, or something is going to happen and somebody is going to be putting in a lot of effort. And this whole stimulus package, I think, is responsible for a lot of this, and, ladies and gentlemen, they're not giving us free money with no expectation in the future. Do not believe for a moment that they are telling us, here's this money and we don't want you to do anything later on; don't worry about; just a gratis gift. There will be strings attached. Programs will be created. They'll get you hooked on it and then we're going to have programs to fund forever. So this whole stimulus package money, strings attached, I have grave concerns with. As Senator Adams and the Education Committee, I am so glad I don't have to sit in the room and do that, because that work just has to be a yeoman's work and my hat is off to you for maintaining composure and a long view that's the best for the state at hand. And I will yield any time I have remaining to Senator Adams if he would wish to use it. [LB548]

PRESIDENT SHEEHY: Senator Adams, Senator Price is yielding you 2 minutes.
[LB548]

SENATOR ADAMS: Thank you. Thank you, Senator Price. And I appreciate what Senator Price is saying. He's being sensitive to the school districts and he's being sensitive to this issue and I appreciate that. You asked me the question about the date, Senator Price, and where it could be, and it could be clear out there until the end of the session. But let me add another caveat. June 1 will set there if this bill with this amendment passes, but if we get to work on this thing, and we have more information

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now so that we can do that, we can make this happen long before June 1. Thank you. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Price. Thank you, Senator Adams. Additional members requesting to speak: Senator Karpisek, followed by Senator Haar and Senator Friend. Senator Karpisek, you're recognized. [LB548]

SENATOR KARPISEK: Thank you, Mr. President, members of the body. I would just like to comment real quickly. I've heard a lot of people saying how good of a job Senator Adams is doing, and maybe I feel like since I was the first one to stand up, that maybe I inferred that he was not. I thought that I said that he was. I am so happy with the Education Committee this year. Senator Adams and I, in our first year, were on Committee on Committees together, and he wanted to be on the Education Committee. Of course I wanted him to be on the Education Committee. So I don't think there's anyone in this body that wanted him on there more than I did. Maybe he wanted to be on more. And I didn't want anyone else to be the Chair of that committee either. So he is doing excellent work and I knew he would, so maybe I'm just being a little bit...feeling like everyone is coming at me, saying how good a job he is. I absolutely agree. I am concerned about too many teachers...more teachers being RIFed than would have to be. That's my concern. Would Senator Adams yield, please? [LB548]

PRESIDENT SHEEHY: Senator Adams, would you yield to questions? And members, for the courtesy of those that are discussing on the floor, would ask that you take your conversations under the balconies or keep the level to a minimum. Thank you. [LB548]

SENATOR ADAMS: Yes, I will. [LB548]

SENATOR KARPISEK: Thank you, Senator Adams. I'm going to do what you often say: Think out loud. (Laugh) So I'm just wondering here, why can't we--you're going to give numbers on April 1--why can't we just set those numbers and then, once everything has come back, and recertify? Although I've never been a fan of recertification, it seems like we've always gone down. In this situation it seems like we may go up. So what I'm asking: Can't we give them a floor and say we're really sure we're not going to go down from here; set your budget accordingly but we may come back and give you more? [LB548]

SENATOR ADAMS: Senator Karpisek, the concern that I would have to that is--and somebody has alluded to the statement that I've made in the past--there are so many moving parts to this thing, I don't want to make any promises like that and then put out numbers and say build a budget and make your personnel decisions on this but it may not be that but go ahead, and then in some way be held to that. [LB548]

SENATOR KARPISEK: But don't you think, in a way, they're going to do that with the

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numbers that you put out anyway? I mean, you can put all the disclaimers that you want on it but they'll still look at those and have to do something off those numbers. [LB548]

SENATOR ADAMS: Well, you're right, and I would fully expect them to do that. To not change this date means that we do what we did last session, remember, that caused so much heartache, and that's to go through a recertification. [LB548]

SENATOR KARPISEK: I just feel in this situation that we would probably be going up rather than down, but I realize with the economic forecast and those other moving parts that you talk about, I can see that point. My concern is here is the stimulus money being replacing money that we've already committed. I'm concerned that that \$100 million that we said we would raise, that this is going to come in and take that away and that will be able to go somewhere else. I feel the stimulus money should be on top of that money. Am I just wrong in that worry? Am I worried over nothing? [LB548]

SENATOR ADAMS: Are you asking me that, Senator Karpisek? [LB548]

SENATOR KARPISEK: Yes. Yeah. Yeah. [LB548]

SENATOR ADAMS: I think your number one worry ought to be where are you going to find that \$100 million. [LB548]

SENATOR KARPISEK: Well, Lavon will take care of that. [LB548]

SENATOR ADAMS: Okay. (Laughter) [LB548]

PRESIDENT SHEEHY: One minute. [LB548]

SENATOR KARPISEK: Okay, well...and that's fine, I guess. I guess I...I'm not in Appropriations either and I haven't heard any talk of cash reserve. Now I don't want to get crazy on cash reserve money. But it's there for a rainy day and, let me tell you, I think it's starting to rain. I haven't heard any discussion about it. I know we don't want to get wild. We don't want to just grab into it and use it all up. I've heard some people that say that we should not use over half of it this biennium. I would say maybe we shouldn't use over a fourth of it this biennium but I haven't heard it come into play yet. That is my concern. I want the stimulus money to stimulate, not to be a band-aid. Again, Senator Adams, I am not trying to put you on the spot here. I know that you're trying to do everything you can and looking at everything. I think you've probably pulled every string or every thought that you can and I appreciate that very much. [LB548]

PRESIDENT SHEEHY: Time, Senator. [LB548]

SENATOR KARPISEK: Thank you, Mr. President. [LB548]

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PRESIDENT SHEEHY: Thank you, Senator Karpisek. Senator Haar, you're recognized. [LB548]

SENATOR HAAR: Mr. President, members of the body, thank you. I'm on the Education Committee and I appreciate the leadership of Senator Adams, and I don't think that's been questioned at all here today. I rise in support of LB548, and I agree with Senator Sullivan that we have to zero in on LB548 right here, and it's changing a date and I support that change. And since this is only on the first reading on General File, I'm sure we'll be hearing from our principals and superintendents in the next few days. I do share the concern expressed by Nordquist...Senators Nordquist, Nantkes, Karpisek and others, that we don't play a shell game with the federal funding, but I think that's another discussion. That's a very important discussion. So I hope we'll get feedback from the education community on this bill, but again I rise in support of LB548. I think it makes a lot of sense to change this date. Thank you very much. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Haar. (Visitors introduced.) Resuming discussion on the Education Committee amendment, AM714 to LB548, members requesting to speak: Senator Friend, followed by Senator Carlson and Senator Nelson. Senator Friend, you're recognized. [LB548]

SENATOR FRIEND: Thank you, Mr. President and members of the Legislature. Probably about 45 minutes ago, I guess closer to maybe an hour ago, walked around a little bit, said read this bill earlier, read the amendment. I understood what we were trying to accomplish. I guess after some of the discussion about 45 minutes ago or an hour ago, understood why. Had a pretty good understanding of why. And conversations all the time out here take different tacks and twists and turns and everything else. Fine. But as I pointed out yesterday, I enjoy this game, because that's what's going on here right now is a game, and I can play it as well as anyone. I found some information about what the congressional Budget Office thinks of this miraculous lottery we're about to hit with the stimulus. President George Bush started it. We're bailing out companies that should have been filing for bankruptcy and now we've got our savior, President Barack Obama, causing more problems. President Obama's economic recovery package will actually hurt the economy more in the long run than if he were to do nothing, the nonpartisan congressional Budget Office said on Wednesday. That was about three weeks ago now. Thanks for singing my tune. The stimulus...here's our lottery. Let...why...hey, by the way, why don't we have gambling in the state, too, because we're rolling the dice. If we're getting our chance to vent on the record here on this bill, on Senator Adams' effort and AM714, then let's vent. President George Bush, the Republican savior, right? AIG, where did that come from? We've got Republicans and Democrats on the hill, trying to figure out how they can unconstitutionally tax these guys for money that we gave them with no strings attached. Now we've got something that we're going to get back and it creates absolutely no gross domestic product. Great idea.

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And we've turned this discussion into that. Great, let's play the game. I can talk...forget about the basketball games, forget about hearings. Let's talk till 4:00 about what's best for this country. Do you think Bobby Jindal is making a crazy fool out of himself from the left side of the aisle? Do you think Bobby Jindal, down in Louisiana, is making a fool out of himself? Wait until I get an opportunity. I'll make a fool out of myself every minute for the next eight hours. We all better thank our lucky stars that I'm unelectable. Everybody in this body and the whole state better thank their lucky stars that I'm unelectable to be Governor, because if I was Governor you know what I would do? Senator Nordquist and everybody else are locked out of the discussion. Let me tell you something, there would be no discussion. We would not be arguing about stimulus funding because I'd say, take your stimulus funding; we'll be just fine here; go bail California out because they're \$70 billion in the red. They need the help and they've got gambling too. (Laughter) Unbelievable. Hey, you know, I can turn every bill we have into a partisan discussion. I may do that. And I see the thumbs up. I may do that, and guess what? In this state...mark my words, in this state if we're going to turn partisan, I will win... [LB548]

PRESIDENT SHEEHY: One minute. [LB548]

SENATOR FRIEND: ...because the state sides with my thought process. You quote me on this too. You go figure out where the Nebraskans stand on the stimulus money. They would want the majority of it put in to try to fixing this sewer system that we're not getting any money back for, and that's about it. Everything else, we're on our own. We don't want what California wants. We don't want what New York wants, because they already screwed their situation up. I can do this off the mike; I can do this with you individually; I can do this in the Governor's Office; I can do it with the PRO; I can do it with the Appropriations Committee. I like doing it here. Nobody has even said this yet. Stimulus money, gross domestic product. Nobody has brought that up either, have they? Here comes the money. Let's jump on the train. Well, you know what? Two years from now I want to see your faces. I'm not going to be here. I'll just be laughing. [LB548]

PRESIDENT SHEEHY: Time, Senator. [LB548]

SENATOR FRIEND: I want to see your faces when you're trying to pay it back. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Friend. Members requesting to speak: Senator Carlson, followed by Senator Nelson and Senator Nantkes. Senator Carlson, you're recognized. [LB548]

SENATOR CARLSON: Mr. President and members of the Legislature, I get to follow Senator Friend. Thank you, Senator Friend. I want to make a few comments. Education is vital. Education is essential. Education is the life blood to economic future health in Nebraska. Again, I'm probably biased. Two most important assets in Nebraska are

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education and the people it prepares for life, and water. Now we have a cash reserve. Senator Karpisek referred to it as a rainy day fund. There can be legitimate arguments whether or not we should dip into that cash reserve to help fund part of this budget. That's open for debate. It's possible. Should we do it or shouldn't we do it? Statutorily, we can use it. Statutorily, we don't have to contribute additional dollars to it, but we should and we must plan ahead. Senator Adams has talked about that. There's a second cash reserve that we have in this state that's controlled statutorily. It must be 3 percent of the budget. The purpose of that cash reserve is to pay day-to-day expenditures. It's necessary. That's separate from the other cash reserve that we can refer to. One, statutorily controlled, the other one isn't. Balanced budget. In Nebraska we must have a balanced budget. Thank the Lord for that. Question is, how do we do it? The TEEOSA formula defines a need, it doesn't mandate the dollars have to be spent exactly to meet that need. So when we address the problem of a balanced budget, we have to trim, and it may include TEEOSA. I believe that stimulus dollars can be a part of the balance. They don't have to be separate. It would be nice if they were separate. They don't have to be. But we must plan ahead. We must move ahead. Part of this move is LB548 and AM714. I ask you to support it. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Carlson. Senator Nelson, you're recognized. [LB548]

SENATOR NELSON: Thank you, Mr. President. I call the question. [LB548]

PRESIDENT SHEEHY: There has been a call for the question. Do I see five hands? I do. The question before the body is, shall debate cease on AM714? All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB548]

CLERK: 25 ayes, 3 nays, Mr. President, to cease debate. [LB548]

PRESIDENT SHEEHY: The motion to cease debate passes. Senator Adams, you're recognized to close on Education Committee amendment, AM714. [LB548]

SENATOR ADAMS: Thank you, Mr. President. Members of the body, the first thing I would tell you in courtesy and due respect and appreciation, thank you for the kind personal words that I've heard this morning. Beyond that, let me get back to what the intention of this bill is. It's to move that certification day to on or before June. I don't want to have to do this. I don't want to have to deal with recession. I don't want to have to deal with declining revenues, but here we are. And school districts are in the same boat. They understand that they're going to have tighten up, that they're going to have to be patient, that they're going to have to watch what we do. That's what this measure is about: getting us some time. They understand it. If I were a school superintendent standing here today, would I like to be able to say I wish I would have known February 1 exactly what I was going to get based on LB988 without any change in the aid formula?

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And life would go on and we wouldn't have some of the difficult decisions we have yet to make in this body. This is just the beginning point right here, just the beginning point. I can sense by a lot of the discussion today, a whole lot of things are going to be played out over the next several weeks and months. That's part of what we're about. But let me say this to you in conclusion: My goal is to look out for the 254 school districts we have in this state and the kids that they educate. And we're spending time in the Education Committee. I'm spending time with Senator Heidemann, as we said we were going to since November, trying to make this all work, and we will continue to meet and we will continue to discuss and bring forward. But the goal has got to be to stabilize the lives of those 254 school districts and the personnel and the kids, and this is a beginning point right here. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Adams. You have heard the closing. The question before the body is on the adoption of the Education Committee amendment, AM714, to LB548. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB548]

CLERK: 32 ayes, 5 nays, Mr. President, on the adoption of committee amendments. [LB548]

PRESIDENT SHEEHY: AM714 is adopted. We will now return to floor debate on LB548. Senator Nordquist, you're recognized. [LB548]

SENATOR NORDQUIST: Thank you, Mr. President. I just wanted to address a couple points that have been made previously. First, Senator Carlson said we don't need to separate out the federal dollars. We do. The federal law does mandate that they are tracked, budgeted separately at the local level, and it needs to be very, very specific. These are separate dollars. And one other point, Senator Adams said we need to stabilize the lives of these school districts and I agree completely. We need to make TEEOSA sustainable through time; adjust it. We did that in our preliminary budget with you and the Governor and Chairman Heidemann. We said we were going to put \$100 million into it over the biennium. We're going to reduce, we're going to slow the growth, and that's the track we should go down. We should stabilize. We should stabilize TEEOSA and stabilize it for the lives of these school districts so they have some stability in their budgets. This federal money is one time to help them maintain, to prevent layoffs in these tough times, to make some strategic investments in technology so that we can move forward as a state. Thank you. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Nordquist. Are there additional members requesting to speak on the advancement of LB548? Seeing none, Senator Adams, you're recognized to close. [LB548]

SENATOR ADAMS: Thank you, Mr. President. We have a lot yet on the agenda and so

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I'm going to make this very short. I think what needed to be said was said on the amendment. I appreciated the support on the amendment. The amendment...the bill becomes, in effect, the amendment, and we certainly hope that we can have this resolved long before June 1. Thank you, Mr. President. [LB548]

PRESIDENT SHEEHY: Thank you, Senator Adams. You have heard the closing. The question before the body is on the advancement of LB548. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB548]

CLERK: 32 ayes, 3 nays, Mr. President, on the advancement of LB548. [LB548]

PRESIDENT SHEEHY: LB548 does advance. (Visitor introduced.) Mr. Clerk, do you have items for the record? [LB548]

CLERK: Just two, Mr. President. Two resolutions. Senator Langemeier offers LR59 and LR60. Both will be laid over. That's all that I have. (Legislative Journal pages 786-787.) [LR59 LR60]

PRESIDENT SHEEHY: We'll move to next item under General File, Lautenbaugh division.

CLERK: Mr. President, LB292 was introduced by Senator Lathrop. (Read title.) The bill was introduced on January 15 of this year, at that time, referred to the Judiciary Committee. The bill was advanced to General File. There are committee amendments, Mr. President. (AM496, Legislative Journal page 605.) [LB292]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Lathrop, you're recognized to open on LB292. [LB292]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Got a little simpler issue for us this morning. Shouldn't be anything about this that's contentious. Involves the Big Red. LB292 is the Uniform Athlete Agents Act. This is an act that has been passed in 38 other jurisdictions, and would provide for the uniform registration and certification of sports agents seeking to represent student athletes, as well as provides certain protections for these student athletes and their educational institutions. I'm going to read my remarks because I think the remarks will cover most questions that people might have and will give us a thorough introduction and perhaps allow the bill to move more quickly. After which, I'd be happy to answer any questions. The act requires agents to disclose their training, experience, and education, whether they or an associate have been convicted of a felony or crimes of moral turpitude and have administratively or judicially determined to have made false or deceptive representations; had their agent's license denied, suspended, or revoked in any other state; or have been the subject or caused any sanctions, suspension, or declaration of

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ineligibility. Agents are required to maintain executed contracts and other specified records for a period of five years, including information about the represented individuals and recruitment expenditures, which would be open to inspection by the state. While the act imposes significant disclosure, registration, and recordkeeping requirements on athlete agents, those who are issued a valid certificate of registration or licensure in one state would be able to cross-file that application or a renewal in all other states that have adopted the act. This aspect of the act, at once, simplifies the regulatory compliance for agents, while at the same time it facilitates the ability of all jurisdictions to obtain dependable, uniform information on agents' professional conduct in other states. Because the potential loss of intercollegiate eligibility is a serious and often unexpected affect of entering an athlete agent contract, the act provides student athletes with a statutory right to cancel an agency contract within 14 days after the contract is signed, and do so without penalty. In addition, athlete agent contracts subject to the act are required to disclose the amount and method of calculating the agent's compensation, the name of any unregistered person receiving compensation because the athlete signed the agreement, a description of reimbursable expenses and services to be provided, as well as warnings disclosing the cancellation and notice requirements imposed under the act. The potential loss of the student athlete's eligibility is also a serious concern for athletic programs at educational institutions. Accordingly, the act requires that agents and student athletes give notice of the contract to the athletic director of the affected educational institution within 72 hours of signing the agreement or before the athlete's next scheduled athletic event, whichever occurs first. Where applicable, the agent must also provide this notice to a school where he or she has reasonable grounds to believe the athlete intends to enroll. The act would also provide educational institutions with a statutory right of action against an athlete agent or former student athlete for damages, including losses and expenses incurred as a result of the educational institution being penalized, disqualified, or suspended from participation by the athletic association or conference, or as a result of reasonable self-imposed disciplinary actions taken to mitigate sanctions as well as associated party costs and reasonable attorney fees. Finally, the act prohibits athlete agents from providing materially false or misleading information or making a materially false promise or representation with the intent of inducing a student athlete to enter into an agency contract or from furnishing anything of value to a student athlete or another person before the athlete enters into the agency contract. The act provides that an athlete agent may not intentionally initiate contact with a student athlete unless registered under this act and may not refuse or willfully fail to retain or permit inspection of required records or fail to register where required, provide materially false or misleading information on an application for registration or renewal thereof. They can't predate or postdate agency contracts or fail to notify the student athlete before signing that signing a contract may make the student athlete ineligible to participate in student athletic sports. The act would impose criminal penalties for violations of these prohibitions. Finally, the act provides important protections for student athletes in educational institutions where they compete and creates a uniform body of agent registration

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information for use by state agencies and simplifies the regulatory environment faced by legitimate sports agents. Let me add a few more thoughts. When we had this bill in committee there was a couple of things I think are important for you to know and maybe by way of general background this has been...this is the product of the Uniform Law Commission. And if you are new to this body and not familiar with the Uniform Law Commission, that is a particular and a distinguished group of lawyers and judges who meet and develop uniform laws. This is a group of people, you know, interested in government and good government and they, like the Council of State Governments, come up with an idea. The Uniform Law Commission are scholars in the law. They have gone through this process, and as I said, this has been adopted in 38 other states to this point in time. During the hearing on this bill, Coach Osborne testified and talked about a number of situations that he has encountered where unscrupulous athlete sports agents come into the state and talk these young people into contracts that look good to a 17- or an 18- or a 19-year-old young man or woman, only to find out that they've lost their eligibility, and the university suffers consequences as well. So the regulation of this industry isn't any different really than regulating the practice of law or other professions. There is much at stake with respect to our universities. It would, of course, be beneficial not just to the University of Nebraska but also to Creighton and any other college where student athletes are subject to the opportunity to enter into these agent contracts. So with that, I would urge you to support LB292, and thank you. [LB292]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You have heard the opening to LB292. As was stated, we do have a Judiciary Committee amendment, AM496. Senator Ashford, you're recognized to open on AM496. [LB292]

SENATOR ASHFORD: Thank you, Mr. Lieutenant Governor. Yeah, I'm here to tell you that this is the only Judiciary Committee bill that does not have controversy. I'm attesting to that. Senator Lathrop is absolutely right, this bill is without controversy or conflict. It is the only Judiciary--as you would agree, Senator Lathrop--the only Judiciary Committee bill without controversy or conflict. So having said that, the amendment does very little. It sets the Secretary of State as the depository for the funds to be collected from the sports agents, and that's really all it does. But I do recollect this bill coming before us years ago and I agree with Senator Lathrop that Coach Osborne makes a very persuasive case that...and he cares deeply, obviously, as we all know, about the athletes that he has coached, and he cares though he cannot certainly dictate to these young men and women where they go to get a sports agent or get help on these issues involving professional sports. But he cares so deeply he wants to make sure that at least they're put on the right course; that they are going to be dealing with people that have some background and abilities. So it is a...it really is a good idea and I commend Senator Lathrop for bringing LB292. And the amendments are quite technical and simply set the Secretary of State's Office as the repository for the fees. [LB292]

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PRESIDENT SHEEHY: Thank you, Senator Ashford. You have heard the opening of the Judiciary Committee amendment, AM496 to LB292. Members requesting to speak are Senator Fulton, followed by Senator Stuthman. Senator Fulton, you are recognized. [LB292]

SENATOR FULTON: Thank you, Mr. President. To preface this, I am very much in favor of the amendment and the underlying bill. It's plowing new ground in Nebraska. It's needed and it's necessary. It's a great thing. I am wondering if Senator Lathrop would yield to a question. [LB292]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to question? [LB292]

SENATOR LATHROP: Yes, I will. [LB292]

SENATOR FULTON: I just...for...not just for my own curiosity but I think for the information of the public, this is something that's probably been needed for some time. I'm wondering if you could explain some of the history, how you became involved with the bill, and where it's come from, where it's going. [LB292]

SENATOR LATHROP: I'd be happy to. As Senator Ashford said, I think this might have been around his first time through the Legislature, so it's been...frankly, it was something that I think Senator Chambers had some problems with because of his other concerns relative to student athletes at the university, and so it just didn't have much traction in past years. It came to me through the university that regards this as a serious problem. Thirty-eight states have adopted this. It's a uniform statute from the Uniform Law Commission and it just seemed like...it's necessary. We have top athletes at the University of Nebraska. We have...and in some of our other educational institutions of higher learning. These are young people. They don't know the value of the service they can provide to a team. They can be taken advantage of by agents who are unregulated in Nebraska, and these types of regulations prevent that from happening. If you see, it can be a Class I penalty to violate the rules. You can undo a contract. If you undo a contract because you've violated the terms, the athlete gets to keep the consideration. So there are a lot of incentives, criminal and civil, and forfeiture provisions which will keep the unscrupulous agent from coming to Nebraska or keep the...it will regulate all agents and essentially the unscrupulous agents won't be able to ply their trade here in Nebraska. [LB292]

SENATOR FULTON: Thank you, Senator Lathrop. A great example. I'm probably not the one to put a lot of regulations onto the private sector, but as a means of governance and order there are times where regulation is necessary and, in fact, an obligation. Here's a great example. So I urge you to vote for this amendment and the underlying bill. Thank you, Mr. President. [LB292]

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PRESIDENT SHEEHY: Thank you, Senator Fulton. Senator Stuthman, you're recognized. [LB292]

SENATOR STUTHMAN: Thank you, Lieutenant Governor and members of the body. I would like to ask Senator Lathrop a question or two. [LB292]

PRESIDENT SHEEHY: Senator Lathrop, would you yield to questions? [LB292]

SENATOR LATHROP: Yes, I will. [LB292]

SENATOR STUTHMAN: Senator Lathrop, in the original green copy of the bill, and if you would refer to page 5. [LB292]

SENATOR LATHROP: Yes, sir. [LB292]

SENATOR STUTHMAN: Page 5 in line...starting in line 19, 20, and 21, "Any business or occupation engaged in by the applicant for the five years next preceding the date of submission of the application." Can you explain the wordage, "five years next preceding?" Is that the correct term? [LB292]

SENATOR LATHROP: Yep, that's pretty common in statute. The five years next preceding would be the five years right before they make an application. And if you're wondering why we're asking for the other businesses you might have been engaged in, if you...what we want to do is find out if they're actually sports agents or if they sell used cars in Utah somewhere and this guy just blew into Nebraska to get a license. We're looking for a way to sort through, in this bill, a process so that we have professional agents that know what they're doing in representing these young people and that we're not getting somebody who just got thrown out of the insurance industry or the used car industry, and now they're going to go try their hand at being a sports agent. [LB292]

SENATOR STUTHMAN: So in other words, if you'd strike that "next out" would it mean the same? [LB292]

SENATOR LATHROP: You know, that's an interesting question. It would be the same but here's the...this sounds like...and, you know, it's a uniform law so in order for it to be regarded as we have the same uniform law in Nebraska as they have over in, say, Iowa,... [LB292]

SENATOR STUTHMAN: Um-hum. [LB292]

SENATOR LATHROP: ...we pretty much have to leave uniform law statutes the way they are. Now is there one more word than is probably necessary? Yeah. But the next preceding: it has the same meaning whether the next is in there or not. [LB292]

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SENATOR STUTHMAN: So in other words...and that's what caught my eye because the issue that I had would be five years next would be the next five years, but preceding is the five years before. And I thought it...to me it seemed like that it was something of a controversy by having that word in there. And maybe not, I don't know. It's in here quite a number of places also. [LB292]

SENATOR LATHROP: Well...and next can be either predate something or follow something. Next doesn't necessarily mean after. It could be immediately before. [LB292]

SENATOR STUTHMAN: Okay. [LB292]

SENATOR LATHROP: Lawyers speak that way and this was drafted by lawyers. [LB292]

SENATOR STUTHMAN: And do they get paid by the word? [LB292]

SENATOR LATHROP: Well, they carefully choose them at the Uniform Law Commission. I'll say that. [LB292]

SENATOR STUTHMAN: Okay. Thank you, Senator Lathrop. It was just an issue that, while I was reading over the bill I thought, well, it just didn't sound quite right in my interpretation. And I want to thank you for your explanation, so thank you very much. [LB292]

SENATOR LATHROP: Happy to do it. Happy to do it. [LB292]

SENATOR STUTHMAN: Thank you, Mr. President. [LB292]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Are there additional members requesting to speak? Seeing none, Senator Ashford, you're recognized to close on Judiciary Committee amendment AM496 to LB292. Senator Ashford waives closing. The question before the body is on the adoption of AM496 to LB292. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB292]

CLERK: 37 ayes, 0 nays, Mr. President, on adoption of committee amendments. [LB292]

PRESIDENT SHEEHY: AM496 is adopted. We'll now return to floor discussion on LB292. Seeing no members requesting to speak, Senator Lathrop, you're recognized to close. [LB292]

SENATOR LATHROP: Thank you. My remarks will be very brief. I just want to express

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my appreciation to the University of Nebraska for bringing this bill to me and the support of the Uniform Law Commission in shepherding this bill through committee and again here this morning. They are an institution. That's the Good Housekeeping seal of approval when it comes to legislation, if I may make that editorial comment. I appreciate your support of this bill and maybe as a last final thought remind you that it doesn't require any stimulus money. So appreciate your support. Thank you. [LB292]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. You have heard the closing. The question before the body is on the advancement of LB292. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB292]

CLERK: 40 ayes, 0 nays, Mr. President, on the advancement of LB292. [LB292]

PRESIDENT SHEEHY: LB292 advances. We'll now move to next item under General File, Lautenbaugh division. [LB292]

CLERK: LB603 is a bill introduced by the Health and Human Services Committee. (Read title.) Introduced on January 21, referred to the Health Committee, advanced to General File. There are committee amendments, Mr. President. (AM351, Legislative Journal page 637.) [LB603]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Gay, you're recognized to open on LB603. [LB603]

SENATOR GAY: Thank you, Mr. President. This bill is my priority, but also it was introduced by the Health Committee, as you look and you will see that all the Health Committee members sponsored this bill. Senator Flood also worked on this over the summer. But we decided that this is a better bill as a Health Committee bill because it's very important. When you look at the statement, you're going to see many, many supporters of this. But this establishes the Behavioral Health Workforce Act, and I want to remind everybody that, as determined by Speaker Flood earlier, this bill is part of the behavioral health five-bill package that we had talked about last week and worked in a group and that would include Senator Ashford, Avery, Campbell, Dubas, Heidemann, McCoy, McGill, Mello, Nordquist, Senator Wallman, and myself. So this is in that package. Part of it is on General File and then, of course, we're going to pull these all together on Select File so you'll get a chance to determine funding issues and prioritize those five bills that were in that package. So this is one of those bills, so I wanted to bring that to everyone's attention. This, I feel, is an integral part of fixing our behavioral health system. The adult behavioral health, adolescent behavioral health, Beatrice State Developmental Center, safe haven, they all share a common denominator and those are problems partially due to a severe shortage of behavioral health providers, starting, and this would be...when we look at that scope, at the top of the chain, working together with everyone. So every county in Nebraska...and I handed out a fact sheet on this bill

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and also being put on your desk is showing our shortage areas of psychiatric and mental health issues in the state and you're going to see most all the state is in a shortage...designated shortage area. This not new, this is not new to anybody, we all know that, but I just wanted to get that out to you. LB603 is not a fix-all but the first step and an important piece to a larger puzzle, and it is based really on a success story that's happening in New Mexico. We can create hot lines, throw more money to a fractured system and nothing will matter really until we get these behavioral health professionals to deliver those services that are needed. The purpose here is to create an infrastructure to support existing and future providers. This act would create a Center for Behavioral Health Education to be administered by the University of Nebraska Medical Center with three primary components. One is the expansion of the psychiatric residency training program, establishment of new community training sites, and development of new coursework to support current providers. On part two of that, the establishment of new community training sites, had input, much input from Speaker Flood over the summer on how would this work in rural Nebraska and so this was placed also...and that was the concept anyway, but...and...but he had, I just wanted to mention his help with that part of it because he had made sure that rural Nebraska would get the help it deserves with these regional areas that I will get to in a minute. But these three components make up our existing telehealth network infrastructure in the state so this will make good use of it. This has been called one of the most...it's one of the best developed but least utilized pieces in healthcare, I think, so this would really help with that investment, to utilize that investment and make it work. There is funding with this bill that I will discuss in the A bill. It calls for \$1.4 million in '09-10, \$1.6 million in '10-11, \$1.8 million and \$2 million in...on to 2013. The funding would increase as we go each fiscal year to keep up with inflation. The funds would pay for residency training, and the learning collaborative in community-based education sites, and the telehealth network. So we will get into that on the A bill. Because of the current economic situation, though, we looked at all the funding operations and concluded that tobacco settlement money was probably the best fit at this point. And you will get to decide where we go with that as we move on, if we're fortunate enough to move this on. However, I would defer judgment on that to the body on how this might help, so right now we're going to attach that A bill to it and we'll have that discussion. It will not come from General Funds so...but the discussion will be later on that. So there's a committee amendment that is technical in nature. It deletes language on page 4, lines 23 and 24, and just adds "during a two-month internship." So I would just like to say what this does, the residency training, we would go create two residencies a year which, of course, are paid positions. They go out and work with the networks. This addresses the statewide shortage. It increases graduating psychiatrists by two each year, exposes all residency to practice in rural areas, and that's kind of the key component here. We've seen in New Mexico where people can come and they start working in the rural areas. They create a network, a collaborative network, and they really enjoy the process. They're working with licensed mental health provision people, PMPs, and then you've got also social workers out there, you've got others, AHECs, whatever the case may be. They all come

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together in these regions and start working together to solve some of these problems. So that's these community-based training sites. They kind of all suffer the...they're working with the same clientele. This, what we envision, would pull them together and that collaborative working condition would help do a couple things. Many times we talk...there's an isolation and the difficult working conditions that lead to staff burnout and excessive turnover. Solutions can be achieved on this of collaborative...with their local input. So each region would be a little bit different. In your region, you may need something different than a more metro region. But the students that are trained in these environments would also practice, hopefully, in these future environments and where they'd work in teams and this would be what we're looking at. As we talk about healthcare reform, best practice models, and collaborative work, that's kind of where we think the health network is going is collaborative arrangements. So that would help that. It's more what was described in our committee hearing, it's a hub-and-spoke model, patterned after this Rural Health Education Network is what we'd call it. So an example might be Grand Island serving as a hub for services and those could be delivered in Broken Bow, so you'd have them out...because the accreditation and some other issues, this is based out of the Med Center and they would be out there. Each of these six sites would develop a collaborative team between the academic institutions, the trained mental healthcare providers, and local agencies and hospitals. The training sites would allow student rotations in areas of the state that have previously been unable to host students due to a lack of a local accredited supervisor. The bill calls for development of two sites each year for three years, beginning in 2011, until a total of six sites have been developed. At least four of the sites would have to be in the counties that have a population of 50,000 or fewer. So that is the key where, when I talk about Senator Flood being involved in this process, that was the best arrangement. We also need, obviously, you need some size there to...for the hub portion of it and that's just what we think. But these training sites will be very important to the future of our entire behavioral healthcare system. Part of the problem right now what we have is they're done in silos, so a psychiatrist trains a psychiatrist, nurses with nurses, and they kind of just go in their own silo version. This would be to bring them all together so these disciplines would work together to deliver effective behavioral health services. Want to go on that I talked to others and, like any bill, we have an introduction, it comes out and, again, you can look on your statement who all supported; very supported, no opposition and really no neutral. So it was a very good bill in committee. Afterwards, though, I will be honest, people say, well, what about this, and how can we be included. And I just even this morning said, you know, part of this we have to start the process first and then the inclusion comes. You can't just say, well, here, we're going to do this, this and this absolutely, because each region is going to have to decide what's best for that hub, let's say. So for those that had any interest or something like that, I just wanted to be on record to say that I'm more than willing to work with them and I'm excited to work with them because that's the way...that's the process, is collaboration means you're talking later. So I did assure those people... [LB603]

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PRESIDENT SHEEHY: One minute. [LB603]

SENATOR GAY: Thank you, Mr. President. I did assure those that we're willing to work together and I think we've got that worked out. So what I would like to say is this is just, like I say, it's based on a successful model that's been working in New Mexico and Dr. Silverblatt was a psychiatrist, came and told a story and it was very good and one of the key things I thought was...is actually we had some Nebraska residents in New Mexico, unfortunately. So we'd like to bring them back home. But it's a model that I think would...we could be a leader on because of the telehealth network, because of Nebraskans working together. I just think there's a great opportunity here to get started. So with that, Mr. President, I'd conclude my opening. Thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gay. You have heard the opening to LB603. As was stated, we do have a Health and Human Services Committee amendment, AM351. Senator Gay, you're recognized to open on AM351. [LB603]

SENATOR GAY: Thank you, Mr. President. The amendment, as I said earlier in my opening, is technical language and it deletes language on page 4, lines 23 and 24, "during a two-month internship," because internships are longer than that. Thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gay. You have heard the opening from the Health and Human Services Committee amendment, AM351. Members requesting to speak are Senator Pankonin, followed by Senator Gloor, Senator Wallman, Senator Heidemann, and Senator Stuthman. Senator Pankonin, you're recognized. [LB603]

SENATOR PANKONIN: Thank you. Thank you, Mr. President, members of the body. I just wanted to somewhat echo what Senator Gay has said in his introduction of LB603. Folks, this is another bill that's part of the piece of the puzzle in our behavioral health system and the concerns we have. We can have hot lines, we can have providers, but if we don't have the folks to staff and the qualified people to help our citizens with these difficulties when they need help, then the system isn't going to work properly. And this is modeled after a successful program in New Mexico which also has rural areas that are underserved, and has proven to be very successful in that state and I think it can have the same type of success here in Nebraska. And we even know that...I come not too far away from the Lincoln-Omaha metro area and I think there are still shortages of psychiatrists and there is a need in our state. So I hope you take a look at the committee statement. If you would take the time to look at it on your laptop, it's going to show you the people that spoke in favor, the consensus behind this concept I think is great and I think it's needed and I think it will be part of the solution or at least make the system better to have this bill be part of, as it is, part of the discussion for our behavioral health needs. So I strongly support it, the HHS Committee was unanimous in its support, and we would appreciate your strong consideration of this measure. Thank

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you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Pankonin. Senator Gloor, you're recognized. [LB603]

SENATOR GLOOR: Thank you, Mr. President, members of the body. I rise in support of LB603 and AM351. Also a member of the Health and Human Services Committee and found this particular hearing a very interesting one. My background before I got into health and hospital administration was actually in human resources or personnel management, and so any time we talk about issues around training and recruitment it catches my ear certainly. All of us who run organizations know that our most significant resources are human resources. The people that run our organizations work for us and that's no less true when it comes to behavioral health. Our behavioral health program in the state is only going to be as good as the people that we train to provide those services, and LB603 goes a long way towards trying to help us in that venue. But one of the more interesting aspects of the hearing, for me, had to do with the issue of retention. Nothing can be more aggravating for those of us who used to run or currently run healthcare organizations or any organization than to have people recruited who stick around for two or three years and go elsewhere, or even more frustrating is to underwrite the expense of a scholarship to send somebody off to be trained and have that individual, after their training, decide to leave the great state of Nebraska, for wrongful reasons usually. But nonetheless, there's been an investment of time and money in those professionals who don't stay around, so one of my questions during the hearing had to do with the whole issue of retention: How do we assure ourselves that money that goes into training will in fact ultimately help us by having trained behavioral health specialists stay around here? The New Mexico model has been referenced here quite a bit, but we have our own model in the state of Nebraska that doesn't get talked about very much through the University of Nebraska program, the RHEN Program, as an example, and a couple of its counterparts. There are communities all across this state right now that get involved in training physicians, pharmacists, physical therapists, many other healthcare professionals but not in behavioral health. Communities like Alliance and Scottsbluff and Fremont and North Platte and McCook and Albion and Norfolk and Beatrice, all of those communities have been involved in some of these extension trainings for people in healthcare services, and what LB603 would do is provide a similar sort of training venue that would provide people involved in behavioral health to get some of that training actually out in the field, and the retention, as a result of that, changes dramatically. The New Mexico experience has been a 70 percent retention rate of people who stay in New Mexico and practice in New Mexico after they have been trained, and LB603 tries to model that. But I would tell you our own experiences in this state with acute care, modeled very much along the same way, have also produced great results, and I've named some of the communities that I know have participated in this and communities that have people who practice in those communities as a result of training in those communities. It's a great concept. It works.

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LB603 is built to a large extent around that and I think will also be successful. And again going back to my opening comments, we need to build a foundation if we're going to deal with issues like safe haven, behavioral health adolescents. We need to build a good foundation and that foundation is we need to train people to provide those services. We need to train our own and we need to keep our own. LB603 is a great bill. I urge my colleagues to vote for it. Thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gloor. (Visitors introduced.) Continuing floor discussion on the Health and Human Services Committee amendment, AM351, to LB603: Senator Wallman, followed by Senator Heidemann, Senator Stuthman, Senator Janssen, Senator Gay, and others. Senator Wallman. [LB603]

SENATOR WALLMAN: Thank you, Mr. President. I can still remember my uncle telling me of a neighbor who had mental health issues and he said that is the toughest thing to fix. And we listen to testimonies in committees, and I took some mental health training for counseling myself in Texas, and Texas does a pretty good job, and that was paid for my own dime because of church issues. So this is a great start. I want to thank the committee, working together with people who have issues, different bills put together. It's a tough...it's a tough issue. We got to find some way to help families out because, if we don't, it gets worse. The extended family situation seems to be gone in America, you know. Aunts and uncles, grandparents move here and there, your children are here and there. We don't have that family coalition to support our children, and not only children, young parents. So I think we have to get started and I thank this legislative body and I hope they could support this because it's a great state. And thank you, Chairman Gay. Thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Wallman. Senator Heidemann, you're recognized. [LB603]

SENATOR HEIDEMANN: Thank you, Lieutenant Governor. Fellow members of the body, this is a discussion that I think we have to have. It will be a little bit more probably on the A bill. I want to start off telling you right now that I support this bill. The discussion that we're going to have for a little bit right now, and then more on the A bill, is the funding source. This is part of a group of bills that I think we need to deal with this year. They all cost money. I do support this bill. I support other bills in the packages. We just need to make sure that they can work. I believe that this is a priority of the state, though, that we need to stand up and fund them. The question that I have now, and I'm going to get Senator Gay on the mike here shortly, is part of this, this bill, comes from the Health Care Cash Fund. If you're not aware of the Health Care Cash Fund or how it works, I encourage you to get the information on that and get yourself up to date. This is something that the state of Nebraska years back established and whether it was meant to be sustainable or not, I believe that it was. We always have tried to be very protective of it. We're starting down a path with this of making it unsustainable and I think we as a

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body are going to have to have a policy decision at this point if we want to go down this road or not. Right now I believe that, according to what I got, the Health Care Cash Fund is sustainable until the year 2042, and maybe this has been stated on the mike or not already, but 2042. If we start down this road of taking money--and I was told first year \$1.4 million, second year \$1.6 million, third year \$1.8 million, fourth year \$2 million, and then \$2 million plus 3 percent from that year on--we are starting down a road to make this thing unsustainable. And if that's the decision of this body, then that's the road that we will travel, but I think we need to have that debate. And I will tell that I support this bill. I just...I am concerned about the funding source. I will go back, if this is a priority of the state, I think we need to stand up and fund it. I want to give Senator Gay a little bit of whatever I have time left and let him say what his opinions and thoughts are. [LB603]

PRESIDENT SHEEHY: Senator Gay, you have just over 2 minutes. [LB603]

SENATOR GAY: Thank you, Mr. President. Thank you, Senator Heidemann. Senator Heidemann, thank you for the courtesy of bringing this up earlier, too, and I think this is a good conversation. I said, yeah, let's talk about it right now on the mike because of course it's important, the funding. Funding is everything here. We looked at the Health Care Cash Fund. A little bit of background: Senator Flood and I met in July, June or July, to discuss this with the people who wanted to bring this idea here and we said at that point it was double, we were about \$5.5 million, and we said that's going to be very difficult because we already saw where things were going. So we said do a better job. So they looked at all what they could do and this is where we're at. So we think we've looked at that. Part of the reason...I would go directly to cash funds, to be honest with you, but the debate right now is going to be on Health Care Cash Fund. That would...right now is sustainable to 2035...or 2042, I'm sorry. With this it would be to 2035. Now we can say, since day one I've been here I've looked at that Health Care Cash Fund and I do... [LB603]

PRESIDENT SHEEHY: One minute. [LB603]

SENATOR GAY: ...plan on introducing an interim study to look at prioritizing some of these issues because "want to have" and "need" is two different things. So I think we need to look at that. We could do it through an interim study or a performance audit. But this is important enough where I would go back to cash funds. I don't know where we're going to go, but right now I still think we look at the Health Care Cash Fund. The market, of course, is down and Senator Pankonin I know right now is going to a meeting, but, you know, we're dealing with down markets, no question, but some of these funds that are set up, the Gates Fund and some of these other funds that are out there, big foundations, are not meant to go forever, and I'm not saying this does. We want to extend it as long as we can, but that's a discussion that I can't obviously cover in 2 minutes. Our A bill is coming up. But this is one of those things, as we look at this

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package again, and you're involved in that as well, say where are we at and you'll just have to make decisions on that. So I appreciate you bringing it up. I think it's important in any discussion. It's only going to be more important as we go down this road. You said yesterday we're on tracks to go down this road. [LB603]

PRESIDENT SHEEHY: Time, Senator. [LB603]

SENATOR GAY: Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gay. Senator Stuthman, you're recognized. [LB603]

SENATOR STUTHMAN: Thank you, Lieutenant Governor and members of the body. I'm very supportive of this bill. I think we're going in the right direction if we can get this funded at a sustainable level. But I really think with this legislation, you know, it's going to create an infrastructure that increases the access to high-quality behavioral healthcare in the state. And it does create training, you know, for physicians, psychiatrists, nurses, licensed mental health practitioners so that we can have these people be able to address mental health conditions. I think one of the situations that I'm very familiar with was the fact that I was one of the originators of the East Central health department, now it's the Good Neighbor, a federally accredited health department that we have in our area in Columbus, is the fact that we continually have a problem trying to get a psychiatrist in the health department. And I do realize that in the more rural areas it's even more of a problem to attract and retain psychiatrists. I think this is very important. I think with the systems that we have in place and hopefully that we can utilize the model that was presented to us from New Mexico, it's a situation where we can help to train these individuals, get them interested in it, and we can train the already existing physicians how to deal with the problems of mental health. I think this is one of the major issues that surfaced when we had the safe haven crisis when the individuals were being left off at a hospital. How do you deal with them? I think we need to deal with those children a lot sooner and be able to provide a service and access so that they can get to a psychiatrist to get some services for that. And I think with this bill we hopefully will be able to address that situation. I really think that the parents, family members, guardians that are in a crisis when the child is young and have nowhere to turn, especially in the rural areas and in the urban areas, and there's no available psychiatrist there that can help them, but I think with this mental health training, I think it will involve, you know, more than just a psychiatrist. It involves the nurses, the physicians and everyone else in the health arena and people can address it then. They will be more aware of situations and I think will be able to give some of these families and parents and guardians some assistance at that time. I feel, you know, that if we would have had that in place already, there would have possibly been hardly anybody being left off at the safe haven hospitals. It was because of the fact that they couldn't receive a service. And it all boils down to the education of psychiatry and mental health

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issues. The majority of them were that way. I think if we can establish something that can train people, have those individuals be more aware of situations that families are going through, I think it's a good chance that we will address a lot of those problems. Yes, it's going to cost some money, but I think we're going in the right direction with it. Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Senator Janssen, you're recognized. [LB603]

SENATOR JANSSEN: Thank you, Mr. President, members of the body. I do have a question for Senator Gay, if he'll yield. [LB603]

PRESIDENT SHEEHY: Senator Gay, would you yield to questions? [LB603]

SENATOR GAY: Yes. [LB603]

SENATOR JANSSEN: Senator Gay, as I spoke to you on the side, I just wanted to get some clarification on your handout that you have of the state of Nebraska and the radius around Douglas County. As I noted to you, it appears to me that Fremont, which is a significant portion of my district, and Dodge County is included in that 25-mile radius, whereas the rest of the county is listed as...is not and I was curious. One, the Fremont Area Medical Center reaches out and has clinics throughout the county in areas that are outside of that zone. I'm curious how that would affect overall that type of a hospital setting. And also could you kind of tell me, and I listened to much of your opening, but how would that affect, I guess, Fremont not being...or being in that circle? What services would that affect them with? [LB603]

SENATOR GAY: Well, I'll try to answer that the best I can because this map, on the bottom it says from the Nebraska Department of Health and Human Services Rural Health Division, and this is one map of many that show a shortage. Most of Nebraska is in shortage of nursing, psychiatrists, you name it, but this actually just deals with this. Now the red lines on this map are a 25-mile radius and when you look at Douglas and Sarpy County and Lancaster, our two largest population centers, of course there's more psychiatrists there. I would say we probably don't even have enough there, but they're not in this. Lincoln and Omaha are not eligible by definition. I don't know what that definition is, but when they put these together. So what you're talking about is if Douglas...or if Dodge County had a hospital, but then you have clinics out there, you know, they would be...the hub would be Dodge County if a psychiatrist is there. Maybe one psychiatrist might be enough to get you out of the shortage area, we don't know. So...but let's say a clinic becomes in Dodge County and that goes to Cuming and Stanton, Madison--yeah, Madison would be Norfolk--but Burt and Thurston, let's...maybe that's your hub. So I'm trying to answer this best I can and I, quite honestly, don't know, but Dodge County being so close to Omaha, that's probably

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because of the 25-mile radius reaches in there but yet not right into Fremont. [LB603]

SENATOR JANSSEN: Uh-huh. [LB603]

SENATOR GAY: So that's the way I figure it. And I can get you more information on that. [LB603]

SENATOR JANSSEN: Yeah, I'd appreciate that and thank you for answering that. I do have another comment on one of your other handouts and it's your LB603 handout, it says the issue, it's below history, and the fourth bullet down you had mentioned many providers are having to resort to high cost, and then you quote, rent-a-docs to help cover psychiatrist shortage. Is that in any way saying that physicians that are locum tenens or less affective practitioners? [LB603]

SENATOR GAY: No, not at all, so I don't know that term. That term I guess we should have put what you just pronounced. You're in that field and you understand that but we kind of figured for the rest (laugh) of us that don't but, no, no, by no means. We're just saying they're extremely expensive and many people are resorting to that. Senator Hadley, I know, just brought up to you a week ago about what's happening in his area and they've always...I was out there earlier this summer, too, at Richard Young and they are relying on that too. But in no way would we do that and maybe we should look at that wording, so. [LB603]

SENATOR JANSSEN: Yeah, I actually would appreciate that. I wanted to point that out. There are many businesses throughout the state of Nebraska, including one in Fremont, that provides these types of services, and I can go through and show you the various cost savings measures that that would bring to a facility. So that is... [LB603]

PRESIDENT SHEEHY: One minute. [LB603]

SENATOR JANSSEN: ...that's a viable tool and I just hate to see it used in that manner. And also in Omaha, when you drive down Dodge Street, you'll see a very large building, CNA Industries, that employs literally hundreds of people and brings in close to I think \$250 million a year, I believe, into the Omaha economy from outside the state. So Nebraska is a leader in that industry and I hate to see it disparaged in that. So with that, I will yield any remaining time to Senator Gay and I am supportive of his bill. [LB603]

PRESIDENT SHEEHY: Senator Gay, about 25 seconds, then you are next in the queue. [LB603]

SENATOR GAY: Okay. Thank you, Mr. President. I'll use the 20 seconds if...anyway, yeah, apologize. I'm with you. There is a very...obviously there's a need because we do have a shortage, so these businesses exist to help fill that shortage and do a very good

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job of it too. So I don't want to in any way disparage what they're doing currently. The fact is, though, when you're talking about this service, it's almost... [LB603]

PRESIDENT SHEEHY: You may continue on your time. [LB603]

SENATOR GAY: Thank you, Mr. President. We're talking about \$380,000 a year for one and that's if you can get them to come to your facility. What we're saying is we'd like to create our own pool. Without the labor force, we'd like to create our own pool, and that's what this does. A residency program, when they're in this age they're, of course, you know, they're at the time they're getting married, they've having kids, and they're deciding what they want to do with their life so that's why this is so important. They could be practicing in one of the hubs and say, you know what, this is really good. Nebraska is a great place for the kids, we've met a lot of friends and family and my practice is...this is really something. So that's the idea here. But in no way did we mean to offend anyone. Mr. President, I had my light hit just to answer any other questions, but I know I wanted to turn the rest of my time over to Senator Sullivan. [LB603]

PRESIDENT SHEEHY: Senator Sullivan, you're recognized, 4 minutes. [LB603]

SENATOR SULLIVAN: Thank you, Mr. President. Thank you, Senator Gay, for yielding some of your time. I wanted to just underscore some of the information that's been presented thus far. We are facing a shortage in caregivers for behavioral health, but we're facing critical shortages across the board in all healthcare professions, particularly out in rural Nebraska, so I am in strong support of this legislation. But I also wanted to point out that in order to...this provides an infrastructure for training for individuals in behavioral and mental health issues, but you've got to get people interested in going down this path. And I wanted to indicate that we've got an infrastructure set up right now in the area health education centers, and you'll be hearing from me later on a bill that I prioritized in this respect, but those AHEC centers reach out to children in elementary and secondary education to increase their awareness and interest in going into healthcare professions. So I like the collaborative feature of this bill and the fact that it could work very well with the AHEC structure and the AHECs would provide and make sure that the pipeline is filled with people, with young people that are interested in going into these professions. So thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Sullivan. Senator Sullivan, you are also next in the queue. Senator Sullivan waives. Additional members requesting to speak on the Health and Human Services Committee amendment, AM351, to LB603: Senator Lathrop, followed by Senator Avery, Senator Dubas, and Senator Hadley. Senator Lathrop, you're recognized. [LB603]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I just want to add my words of support to Senator Gay's LB603. Having been involved in, and I certainly don't

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serve on the Health Committee but we got a taste of this on the committee looking into the BSDC situation and recognize that we have an acute problem in this state when it comes to having enough healthcare providers in the area of mental healthcare, and this bill, as best we can, as best we can craft an incentive bill, does that. And so we hope that with LB603, we'll see, in effect, an opportunity or an effort to restock the pond so that these mental health professionals aren't centered or available only in communities like Omaha or Lincoln but that we will have enough of these folks practicing their profession in the state of Nebraska so that we can expect them in other communities in greater Nebraska. So I fully support LB603, appreciate Senator Gay's work on this subject and others in the Health Committee, and would encourage you to support LB603. Thank you. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Lathrop. Senator Avery, you're recognized. [LB603]

SENATOR AVERY: Thank you, Mr. President, colleagues. I, too, support LB603 and the committee amendment. I believe that this bill is an important element in the package of bills that the Speaker urged us to create several days ago when we were debating Senator Dubas' bill, I believe it was LB356, and I see this bill as a necessary part of that agreement. But what's more important is that this bill helps us fulfill a promise that we made. We made a promise during the special session last year when we were discussing the safe haven law. Numerous speakers rose during that session to assure struggling families that we would not abandon them; that we would be there and we would provide them with the services they need, families that are desperate, families that have serious problems with behavioral health issues in their families. We made that promise. Many of us, I was one of them, did not realize the extent of the problems that the state was facing. The safe haven law exposed that problem and it opened my eyes to a larger problem and I had a lot of contact with families in my district that had horrifying stories to tell. It revealed to many of us that we have far too many families that are dealing with desperate situations. This bill will provide some help for those families, so I think that we have to make it a priority. I appreciate the comments that Senator Heidemann made awhile ago. Probably nobody in this Chamber understands better or is more knowledgeable on the big picture of our spending obligations and the level of available resources, and there's probably nobody in this body that's tighter with money than he is. I think he's probably about as tight as two coats of paint. But I think that we can all agree that because of that we are in a better situation than many other states because we maintained a robust Cash Reserve. And I remember the last two years, he was the one that kept making the point, we must be careful with this money. I was encouraged by the statement made that we...that if we decide to make behavioral health services a priority we will find a way to fund it, and I believe we will. This bill is a good bill. I support it. It's not inexpensive and we're going to have other bills that will come along that are part of this package that are also going to cost money. But we cannot do everything that we need to do on the cheap. At some point, we have to say

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these are priorities that we have to fund, as painful as it might be. It will cost us money but the payoff will be worth it in the long run. So I urge you to advance this amendment to LB603 and to advance the bill to Select File. Thank you, Mr. President. [LB603 LB356]

PRESIDENT SHEEHY: Thank you, Senator Avery. (Visitors introduced.) Continuing floor discussion on AM351: Senator Dubas, followed by Senator Hadley, and Senator Harms. Senator Dubas, you're recognized. [LB603]

SENATOR DUBAS: Thank you, Mr. Lieutenant Governor, members of the body. I, too, rise in support of this amendment and the underlying bill. This is a part of a much bigger picture that we have to look at in delivery of mental health services across our state, so I am in support of this. But I'd like to take this opportunity also to talk about some other issues related to providers of mental health services and the challenges that it is presenting to us, especially in rural areas of the state. We have providers who have provisional licenses. Those providers are not allowed to see Medicaid patients, so that truly limits their pool of patients and puts a heavier burden on those who are licensed to see Medicaid patients. Because of the very frustrating, often complicated process of providing services for Medicaid patients, there are a lot of mental health practitioners who are just saying, I'm not going to see Medicaid patients anymore, it's too hard to deliver them the services, I'm limited in how I deliver those services. So again we're shrinking a pool of people who are already out there but we're making it so difficult for them to do their job, they're just choosing not to go down that path. So I think we need to be working with the department and looking at the requirements that Magellan is placing on these providers and trying to make things at least a little more workable for these providers so that they're willing to take the time to provide these services for Medicaid patients. Eighty-eight of our ninety-three counties are showing a shortage of mental health providers across the board, not just in the psychiatry arena but across the board, so this is a critical issue. As Senator Sullivan pointed out, we're facing this issue with all types of health providers but mental health providers, it is very critical right now that we need to find ways to not just find psychiatrists that can come out into the rural areas and across the state but all types of mental health providers and look at what are the roadblocks that we're putting up in place to keep these people from working in rural areas. How do we...how can we use those with provisional licenses to serve this population? How can we make the paperwork and the requirements that Magellan and Medicaid are putting in place, something that's not quite so onerous? I hear from providers on a regular basis who are just so frustrated and so burned out with everything that they're required to do before they can even see their patient. I'm hearing from providers who have thought they followed all the rules, started to see patients, received reimbursement for those patients, and then in a short amount of time get this letter from the department saying, you didn't follow all the rules, you didn't do all of this assessment, so now you have to pay all this money back. It's very frustrating. It's almost to a point where they're fearful about who they serve and the clients that they serve. Or

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they call and they try to get clarity on what's the process, what's the procedure, and get mixed messages from depending on who they've talked to and on what particular day of the week they've talked to. So I think there are a lot of things that we can do that wouldn't necessarily take legislation but just make the providers that we have make their ability to deliver these services a little more streamlined, a little easier, and allow them to do the work that they are so dedicated to doing and provide the services that are so desperately needed across the state. So I do support this bill, I do support the amendment. I am really glad that we're having this discussion and we really do have the opportunity to take some... [LB603]

PRESIDENT SHEEHY: One minute. [LB603]

SENATOR DUBAS: ...great strides in addressing mental health issues for children, as well as adults all across the state. And it is going to be an ongoing process. It's not something that we're going to get a complete handle on in this session or even the next session, but we have to start to take steps and we have to start to take those steps now. We have a window of opportunity. Safe haven truly shined the floodlights on what the problems are so now I feel it is the Legislature's obligation to begin to take steps to find remedy to these very real problems. So I thank the body for their time. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Dubas. Senator Hadley, you're recognized. [LB603]

SENATOR HADLEY: Mr. President, members of the body, first of all, I want to thank Senator Gay and Health and Human Services for this really good legislation, AM351 and LB603. This is kind of the same talk that I gave last week. It is real out in central and western Nebraska. We are losing all of our health professionals. Remember the old song about how do you get them back on the farm after they've seen the lights of the city? That's part of what we run into, and I think this part about a one-year rural training is excellent to get people out to see what's happening out in western Nebraska. Let me give you an example. When I first went on the board of Good Samaritan Health Systems, I had assumed that getting psychiatrists would be a very, very easy thing to do because there would be a lot of them and we would have our pick. That is absolutely not true. Up until recently, Richard Young Hospital in Kearney, Nebraska, had four M.D. psychiatrists. Now they have two. Now what does that two mean? Remember, part of being a physician is being on call, and being on call means that you take cases day and night. When you have less than three, that means that they have to take one out of every two nights, one out of every two weekends. They burn out. They do this in all medical professions. We at one time had one cardiothoracic surgeon who was on call 24/7, 365 days a year. We lost her because she couldn't keep up with it. We've got to do something for all behavioral health professionals, not just psychiatrists. We need social workers, we need caseworkers, we need those people out in the outside, the rural parts of Nebraska. We have to set up provisions and plans to get them out there. I

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see LB603 as just a start. We've got to recognize that we have a problem and that we have to do something about it. Yes, it costs money, but the costs of not doing something far outweigh what it costs to do the program right. Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Hadley. Are there additional members requesting to speak? Seeing none, Senator Gay, you're recognized to close on the Health and Human Services Committee amendment AM351. [LB603]

SENATOR GAY: Thank you, Mr. President. And I'd like to thank all my colleagues that spoke. I'm not going to be long because it sounds like we're...a lot of us are on the same page here and I do appreciate it. And this can work in your area, no matter where you are this can work. Part of this package, I want to jump ahead a little bit on two things in the interest of time. The A bill is right next and so, we got some goodwill, I'm going to go there. I understand the funding things and those 11 senators I spoke of all understand it as well. There's several people here who are giving up and not getting everything they want to make this package work, so I'm excited. That's going actually well, you know. So we all are sacrificing a little bit. Health Care Cash Fund, I understand it and Senator Lavon Heidemann bringing that up is absolutely right, that's his job, too, to always to remind us, and I commend him for doing that. However, that fund is...we're going to have that discussion as well and hopefully we can move this along. And again, yesterday, I was paying keen interest to what he said. This is moving down the tracks, and I do understand that, the tracks start getting narrower though as we go down on Select File and then, of course, Final Reading, so. But I would encourage your support on this. Senator Hadley just had brought up that fact on the burnout and this really is, in my mind though, not just the burnout but we also dealt with a lot of these emergency protective custody issues that they are hauling people all around this state long distances, so I can even see how this could help that situation tremendously too. But I thank you for your support. I'd encourage a green light on this and I'll close with that. Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gay. You have heard the closing of the Health and Human Services Committee amendment, AM351, to LB603. The question before the body is on the adoption of AM351. All those in favor vote yea; opposed, nay. Please record, Madam Clerk. [LB603]

ASSISTANT CLERK: 35 ayes, 0 nays on adoption of the committee amendments, Mr. President. [LB603]

PRESIDENT SHEEHY: AM351 is adopted. (Visitors introduced.) We will now resume floor discussion on LB603. Are there members requesting to speak? Senator Stuthman, you're recognized. [LB603]

SENATOR STUTHMAN: Thank you, Mr. President, members of the body. I think this is

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a very important bill that we need to get passed this year and I think one of the issues that I am very interested in is the fact that this would provide training, psychiatric training, mental health training, and it's something that I think we need to do and I think it is a fact that the biggest issue that I have with what happened with the safe haven law is we don't have enough people trained and, with that, we don't have enough people that we retain. So I think this hopefully will help in that direction, that we train the people and then retain those people. And once we get enough individuals trained in mental health and psychiatric work, then I think the majority of the problem has been solved. And I think this is a major issue that we have to address. We have to have places for people to go to get a service, and with this bill that will train people in those fields to help these individuals, so I am very supportive of this bill. Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Stuthman. Seeing no additional requests to speak, Senator Gay, you're recognized to close on LB603. [LB603]

SENATOR GAY: Thank you, Mr. President. The discussion was on the main bill anyway, instead of the amendment, but Senator Stuthman standing up reminded me, I do want to, again, thank the committee. All committee members have signed on to this and have been helpful in this whole process. So although I picked this as a priority bill, all the committee members have helped on this, and Speaker Flood, who's not here today. But so I did want to bring that up. Thank you, Mr. President. [LB603]

PRESIDENT SHEEHY: Thank you, Senator Gay. You have heard the closing. The question before the body is on the advancement of LB603. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB603]

CLERK: 34 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB603]

PRESIDENT SHEEHY: LB603 advances. Next item under General File, Lautenbaugh division. [LB603]

CLERK: LB603A by Senator Gay. (Read title.) [LB603A]

PRESIDENT SHEEHY: Senator Gay, you're recognized to open on LB603A. [LB603A]

SENATOR GAY: Thank you, Mr. President. The A portion we discussed earlier, this part of this package, and this would be the, what I'd say, the longer term solution, not immediate, because we do phase these residencies in to up to eight new residencies. The funding, Senator Heidemann and I have been in discussions and I will turn some time over to him when I'm done, but everyone, like I say, has...in this group so far, and we haven't had a chance that everybody get together, but what we're doing is everyone is discussing, working with those members who have made those bills their priority. We're working first with them, then going to meet back. We're going to give an update

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out and then meet again. We have a tentative date of the 2nd in the morning to all get together, senators only, and kind of get this worked out and see if we can bring you a package at least we agree on, of course, and then you'll get to make up your minds. This is one of those. The Health Care Cash Fund, like I say, was part of the solution. We didn't want to be more of a problem going to the General Funds so...but I don't know exactly where that's going. I'd encourage your support on this right now and then we'll have a further discussion. So I'd encourage your support on the A bill and we can discuss it more. I'd like to turn...yield the balance of my time over to Senator Heidemann, though. [LB603A]

PRESIDENT SHEEHY: Senator Heidemann, you're yielded 8 minutes, 30 seconds. [LB603A]

SENATOR HEIDEMANN: Thank you, Senator Gay, Lieutenant Governor, fellow members of the body. I have been talking to Senator Gay and actually for the last month or so we've probably touched base a little bit about the Health Care Cash Fund and I think we need to have a discussion on that. I was going to do that on General File. We've talked. We're going to talk a little bit between General File and Select File and maybe we can come up with something, but I think eventually this body needs to have a policy decision, what they're going to do with the Health Care Cash Fund and the sustainability of it. So I won't do anything this time around. Select File, when we get to that point, I might have an amendment to the A bill and at that time we're going to have to have a policy decision. I urge you to support the A bill right now. I might actually vote red on it just to let everybody know that I'm concerned on it. I never ever do that because I always support the A bill. If you support the bill you need to support the A bill. I encourage you to vote green, but just to let you know, we probably will have a discussion on Select File when the A bill gets there. So thank you very much. [LB603A]

PRESIDENT SHEEHY: Thank you, Senator Heidemann. You have heard the opening to LB603A. Are there members requesting to speak? Seeing none, Senator Gay, you're recognized to close. Senator Gay waives closing. The question before the body is on the advancement of LB603A. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB603A]

CLERK: 32 ayes, 1 nay on the advancement of the A bill, Mr. President. [LB603A]

PRESIDENT SHEEHY: LB603A advances. Do you have items for the record, Mr. Clerk? Next item under General File. [LB603A]

CLERK: Mr. President, LB547. It is a bill introduced by Senator Adams. (Read title.) Introduced on January 21, referred to the Education Committee, advanced to General File. There are committee amendments, Mr. President. (AM365, Legislative Journal page 484.) [LB547]

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PRESIDENT SHEEHY: Thank you, Mr. Clerk. Senator Adams, you're recognized to open on LB547. [LB547]

SENATOR ADAMS: Thank you, Mr. President and colleagues. There's an amendment forthcoming and that amendment will become the bill. But I'm going to take this opportunity to open here on the bill and then go on further as the amendment is brought forward. There probably isn't a senator in this body that hasn't at some point in time, while you were running for election or afterwards, that hasn't been approached and said, what do you think about teacher pay and what ought to happen? And there...well, most of you, maybe all of you would say we are empathetic and we're sympathetic with the issue of teacher pay in Nebraska, but there's a whole lot of other things out there and what can we do about it? We've had a couple of bills last session in the Education Committee dealing with teacher pay. And what we decided to do was to have an interim study to really look at the issue and see where we were at. And what I would like to do right now is just take a moment and highlight a couple of things in the interim study that led me to this bill. The interim study, one of the things that it says, that, on average, Nebraska teachers rank like forty-third or forty-fifth in the nation on pay. No dispute in that. There are caveats to that. There are apples-to-oranges comparisons to that. And a recommendation was made that if we were going to raise that pay up to the average point, what would it take. Well, this summer the number was somewhere in the \$200 million to \$215 million category to swipe the brush across and bring every teacher up to average, and I don't have to tell you what the likelihood of that happening is. I think that what was more important about the interim study was the opportunity to look and say, all right, if we're not going to broadly swipe teacher salaries, instead what we ought to do is look at the issue and see if we can identify particular problems that exist, specific problems that exist within the area of teacher pay, and then determine if we can appropriately develop a policy for addressing that--a sustainable policy. Well, a couple of things that popped out at me: (1) beginning teacher pay. It's pretty tough: \$28,000, \$29,000 a year. Most of those teachers coming into the profession with \$10,000, \$15,000, \$20,000, \$25,000 in undergraduate debt. I'm looking at these pages and they probably understand exactly what I'm talking about. Out in year four or five, retention of teachers. Now admittedly, some of that retention issue is one that has to do with geography and where I'm located: I don't want to be here anymore. Some is I've discovered I don't want be a teacher anymore. Some of it is social. I may be in a small school and I need to find a bigger place and I'm moving on. Some of it, I'm at year four or five; I'm still staring down the barrel of a lot of undergraduate debt and I've got veteran teachers all around me that are saying, if you want to stay in a profession, what you need to do is get your master's degree. And how do I get that done? I've still got a lot of debt and I'm making \$30,000, \$31,000 a year with extra curricular activities added on. I don't know if I can do that, so maybe it's time for me to look at a different profession. And we may very well be losing our best folks, the ones that we really want to keep, but they're making a monetary decision that in order to move out on that pay

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scale I can't get there without that degree--and I can't afford the degree. That leads me to LB547 and, most particularly, the amendment that will follow. Thank you, Mr. President. [LB547]

PRESIDENT SHEEHY: Thank you, Senator Adams. You have heard the opening of LB547. As stated, we do have an Education Committee amendment, AM365, to LB547. Senator Adams, you're recognized to open on AM365. [LB547]

SENATOR ADAMS: Thank you, Mr. President. This amendment becomes the bill. And here's what the bill intends to do: to target the very problems that I just addressed to you. Helping out that first-year teacher that's not making much, move on that pay scale; helping out that first-year teacher that's staring at a lot of undergraduate debt and wants to know, how am I ever going to get out there and afford it. The other thing that I hope it does, it retains those good teachers at year four and five that are saying, I can't afford to stay here; I've got to leave. Here's what the program will do: We already have in existence a program that is funded by \$1 million of lottery money, called Attracting Excellence to Teaching. And what that program currently does is to provide forgivable loans to undergraduate students who choose to go into education and become credentialed, and they must go into an area, for starters anyway on a priority basis, they have to go into an area of high need--it may be speech pathology, it may be science and math--and then the money is then appropriated down a lower priority list. What I'm proposing to do is to keep that; not change it; but to divert some of the resource, some of that \$1 million. Take about \$600,000 of it and move it to a supplementary program that will pay for graduate degrees. Using the same monies, we're going to continue to pay for the undergraduate but at a smaller level and bring on a new level graduate programs: \$175 a credit hour; up to \$3,000 in a year. Have to stay in teaching for two years after you receive the degree, and then every year you teach after that some of the loan becomes forgivable. It's helping those young teachers maybe at year two, three, four, or five, that we want to keep in the profession who have too much undergraduate debt, that say I can't take it on, I can't move over; if I can't move over on the pay scale, I really can't improve my lot in life here. What we would be doing is taking the same pot of money that we're already using for undergraduate loan forgiveness and saying, let's add the graduate side to it. Not just any graduate degrees, by the way. Not just any. It would have to be within your endorsed area. If you're endorsed to teach math, your graduate degree has got to be in math. If you're endorsed to teach science, your graduate degree is going to have to be in science. There's an exception to that. That would be if your superintendent and your school board wrote the Department of Education and said, we've got a teacher here who is endorsed in science but, given the size of our school district, we've got to have a calculus teacher; would you help pay this person get that advanced endorsement in calculus. And we go along with that and help them out. That's the essence of the bill. There would be repayment, of course. And if people leave the profession early, they would be having to pay the money back to the state. There is no new fiscal obligation here. It's \$1 million. Approximately \$600,000 of it would go to

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the graduate program; \$300,000 of it go to the undergraduate program; and upwards, potentially, of \$100,000 for...currently, for the administration of the program, keeping track of all these people and where they're at and what they owe, those kinds of things. With that, I'll end. Thank you, Mr. President. [LB547]

PRESIDENT SHEEHY: Thank you, Senator Adams. You have heard the opening of the Education Committee amendment, AM365 to LB547. Mr. Clerk, do you have items for the record? [LB547]

CLERK: Mr. President, I have a hearing notice from Natural Resources, signed by Senator Langemeier. The Revenue Committee, chaired by Senator Cornett, reports LB210, LB233, LB234, to General File, and LB26 to General File with amendments. A series of name adds: Senator Dubas to LB72, LB653, and LB675. Senator Janssen to LB413. (Legislative Journal page 788.) [LB210 LB233 LB234 LB26 LB72 LB653 LB675 LB413]

And I do have a priority motion, Mr. President. Senator White would move to adjourn the body until Friday morning, March 20, at 9:00.

PRESIDENT SHEEHY: You have heard the motion to adjourn until Friday, March 20, at 9:00 a.m. All those in favor say aye. Opposed, nay. We are adjourned.