[LB1 LB2 LB3 LB4 LB5 LB6 LB7 LB8 LB9 LB10 LB11 LB18 LB19 LB59 LB67 LB81 LB122 LB134 LB135 LB154 LB157 LB158 LB208 LB211 LB548 LB569 LB579 LB657 LB682 LB684 LB685 LR52 LR53 LR54 LR55 LR56]

SPEAKER FLOOD PRESIDING

SPEAKER FLOOD: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the twelfth day of the One Hundred Second Legislature, First Session. Our chaplain for today is Senator Sullivan. Please rise.

SENATOR SULLIVAN: (Prayer offered.)

SPEAKER FLOOD: Thank you, Senator Sullivan. I call to order the twelfth day of the One Hundred Second Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record.

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

SPEAKER FLOOD: Thank you, Mr. Clerk. Are there any corrections for the Journal?

ASSISTANT CLERK: I have no corrections this morning.

SPEAKER FLOOD: Are there any messages, reports, or announcements?

ASSISTANT CLERK: Yes, there are, Mr. President. I have a Reference Committee report for LB544 through LB698 plus various resolutions. Your Committee on Enrollment and Review reports LB1, LB2, LB3, LB4, LB5, LB6, LB7, LB8, LB9, LB10, and LB11 as placed on Select File. I have a notice of committee hearing from Education Committee. I have reports received from various state agencies. Those will be on file in our office, plus a lobby report for the current week; a conflict of interest statement from Senator Pankonin; confirmation reports from the Natural Resources Committee; and two new resolutions...three new resolutions. LR52 and LR53 by Senator Schumacher relating to persons receiving the Eagle Scout award and LR54 by Senator Schilz congratulating the winner of an essay contest. And that's all I have at this time, Mr. President. (Legislative Journal pages 319-328.) [LB1 LB2 LB3 LB4 LB5 LB6 LB7 LB8 LB9 LB10 LB11 LR52 LR53 LR54]

SPEAKER FLOOD: Thank you, Mr. Clerk. (Visitors and doctor of the day introduced.) Proceeding now to the agenda, Mr. Clerk, the first item, legislative confirmation reports.

ASSISTANT CLERK: Mr. President, the Banking, Commerce and Insurance Committee would report favorably on the appointment of Bruce Ramge to the Department of Insurance. (Legislative Journal page 265.)

SPEAKER FLOOD: Senator Pahls, as Chairman of the Banking, Commerce and Insurance Committee, you're recognized to open on the legislative confirmation report.

SENATOR PAHLS: Thank you, Mr. Chairman, members of the body. I stand before you to confirm Bruce Ramge as the Director of the Department of Insurance. Bruce Ramge grew up in Murray, Nebraska. He attended Dana College on a Regents academic scholarship and graduated with honors.

SPEAKER FLOOD: (Gavel)

SENATOR PAHLS: He went on to receive an MBA from the University of Nebraska-Omaha in business administration. After working for five years in the insurance industry, Bruce joined the Department of Insurance as a market conduct examiner in 1984. He worked his way up the ranks under a number of directors and became the deputy director in 2008. Bruce has 26 years of experience in insurance regulation of all lines of insurance. He has chaired various committees for the NAIC. He is the past president of the Insurance Regulatory Examiners Society and has experience in training and supervising insurance regulators. The Banking, Commerce and Insurance Committee unanimously voted to confirm the Governor's appointment of Bruce Ramge as the Director of the Department of Insurance. Thank you.

SPEAKER FLOOD: Thank you, Senator Pahls. Members, you've heard the opening on the legislative confirmation report. There are no members wishing to speak. The question before the body is, shall the confirmation report be adopted? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record.

ASSISTANT CLERK: (Record vote, Legislative Journal page 328.) 39 ayes, 0 nays on the adoption of the report, Mr. President.

SPEAKER FLOOD: The report is adopted. We now proceed to the first item on the agenda under General File, LB67. Mr. Clerk. [LB67]

ASSISTANT CLERK: Mr. President, LB67 was introduced by Senator Fischer. (Read title.) The bill was read for the first time on January 6 of this year, referred to the Committee on Transportation and Telecommunications. That committee placed the bill on General File with no committee amendments. [LB67]

SPEAKER FLOOD: Thank you, Mr. Clerk. Senator Fischer, as the introducer of LB67, you are recognized to open. [LB67]

SENATOR FISCHER: Thank you, Mr. President and members of the body. LB67 is an

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attempt at a clarification of statute regarding violations of the child seat requirement for children up to age six. Last summer a question from local law enforcement was referred to the Transportation and Telecommunications Committee on how these violations should be enforced, mainly whether they were primary or secondary offenses. At that time, it was learned that there has been confusion on the statute and what is considered a secondary offense. The committee's legal counsel went through the legislative history of the statute and found that enforcement of the child safety and booster seats was never intended to be a secondary action. LB67 makes no substantive changes to the current law, but rather attempts to clarify to state and local law enforcement that enforcement for child safety and booster seats is meant to be accomplished as a primary action. This will allow a violator to be stopped upon witness of a violation with no other violation required to be witnessed. Safety belt requirements for children ages 6 to 17 and adults in the front seat of a vehicle would still be enforced as secondary actions. Thank you, Mr. President. [LB67]

SPEAKER FLOOD: Thank you, Senator Fischer. Members, you've heard the opening on LB67. Are there members wishing to speak? Seeing none, Senator Fischer, you're recognized to close on LB67. Senator Fischer waives her opportunity. The question before the body is, shall LB67 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB67]

ASSISTANT CLERK: 37 ayes, 0 nays on advancement of the bill, Mr. President. [LB67]

SPEAKER FLOOD: LB67 advances to E&R Initial. We now proceed to LB158. [LB67 LB158]

ASSISTANT CLERK: LB158, introduced by Senator Fischer. (Read title.) The bill was read for the first time on January 7 of this year, referred to the Transportation Committee. The committee placed the bill on General File with no committee amendments. [LB158]

SPEAKER FLOOD: Thank you, Mr. Clerk. Senator Fischer, you're recognized to open on LB158. [LB158]

SENATOR FISCHER: Thank you, Mr. President and members of the body. LB158 is part of the Department of Motor Vehicles' effort to find efficiencies to save state dollars and provide better service to the public. The first provision of the bill grants authority to issue a three-month learner's permit to any individual who has failed three successive driving skills examinations. The DMV currently suspends the testing opportunity for any applicant who has failed six successive driving exams and requires attendance at a driver training school. Issuing the permit will give the applicant time to practice his or her driving skills legally without the cost of attending a driver training school. Once the three

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months have elapsed, the DMV will begin the retesting process. If the applicant enrolls in a driver training course and provides proof of successful completion, he or she may return to the DMV for drive testing as soon as the course is completed. The bill does not limit the number of attempts an applicant has to pass the written test for a driver's license. LB158 also expands the on-line issuance of driver's licenses and identification cards. Since early last year, the DMV has provided an on-line renewal and duplicate process. The program has proven popular with over 25,000 people utilizing the on-line services to date. The purpose of this bill is to raise the upper age limit for on-line renewal for adults from 65 to 71 years of age. This will allow on-line driver license renewal for qualified persons, taking them through age 75, at which age a person will have to appear in person every five years to renew a driver's license. LB158 will also allow on-line issuance for young drivers less than 21 years of age who are progressing through the various types of driver permits and licenses. A young driver who has completed a driver safety course or passed the required tests and has a digital photo on file and whose current license is valid can move to the next type of license available through an on-line process. Currently, once an applicant has passed initial written and driving testing requirements, he or she does not continue to retest with the DMV. However, due to the graduated licensing program, most young drivers are required to come to a driver licensing station almost annually until age 18. Since no additional testing is required, it makes sense that a qualified young person can apply for his or her next permit or license through an on-line process. The bill does not change the requirement that an applicant for an adult driver license at age 21 must come to the DMV to have a new digital image taken and a new document issued. Thank you, Mr. President. [LB158]

SPEAKER FLOOD: Thank you, Senator Fischer. Members, you've heard the opening on LB158. We now proceed to General File discussion on the same. Senator Louden, you are recognized. [LB158]

SENATOR LOUDEN: Thank you, Mr. Speaker and members. As you noticed on the committee statement, I voted nay on this bill. And the reason for that, I draw your attention to page 4 of the bill and on lines 17 through 19 in there where there's some new language added and some old language stricken out. The old language stricken out was 65 years of age and the new language added was 72 or the 72nd birthday. But as you read that part, it says, "A qualified licensee as determined by the department who is twenty-one years of age or older," and then "whose license expires prior to his or her seventy-second birthday" and before it was sixty-fifth. And it goes on to say if they've had a digital image and a signature preserved in the system, why, they can go ahead and renew, as Senator Fischer pointed out, over the Internet services. And it goes on to say that as long as they've had a good driving record and their license is not impounded or revoked, why, they can renew on-line. But everyone has to renew every ten years. My concern was why do we have to set people that pass 72 years of age where it was 65, but now we're setting another class of people in there and why should

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they be set to one side that they have to do something different to receive their driver's license over anyone else? There's nothing really in statistics that show whether someone is 42 or 28 or whether they're 71 or whether they're 66 because it's being changed from 65 to 72 makes that much difference when they're driving. That is the reason that I voted against this. I think that we need to have a sense of justice and fair play when we enact legislation, and I felt this was something that was probably being set aside against people in that age group. So I hate to see legislation that sets a class of people, whether it's an age group or whether it's racial or whatever it is, as set aside in legislation. And I feel that that's what this did. I think those...that wording could be stricken and wouldn't hurt the rest of the bill at all, and I had brought that up on the committee. But the committee saw fit to go ahead and advance the bill as it was, so that was the reason I voted against it. And I still don't feel I can support the bill as long as that wording is in there. Thank you, Mr. Speaker. [LB158]

SPEAKER FLOOD: Thank you, Senator Louden. Are there other members wishing to speak on LB158? Seeing none, Senator Fischer, you are recognized to close on LB158. [LB158]

SENATOR FISCHER: Thank you, Mr. President and members of the body. The bill did advance from committee to the floor with us changing that age requirement. It is currently 65 years of age in statute. We are raising that now up to 72 so we have increased that. This is a very sensitive subject when we're talking about our seniors. But I think that we also have recognized in this bill that we were able to increase that age requirement. We've raised it. And there are studies out there that show that those of us who are becoming older, as everyone is, but some of us are nearer to that than others, we do lose some of our cognitive powers. NCSL, in one of their reports that they put out, have stated that older drivers have low rates of police reported crashes per capita, but per mile travel crash rates continue to increase for drivers age 75 or older. We're trying to recognize that change in this bill. I think in a sensitive manner we're trying to recognize that. And I would hope that you would advance this bill to Select File. Thank you, Mr. President. [LB158]

SPEAKER FLOOD: Thank you, Senator Fischer. Senator Fischer, a point of clarification. There was no committee amendment on LB158. Is that accurate? The Chair recognizes that she agrees that it's accurate. There is no committee amendment. For that reason, members, you have heard the closing on LB158. The question before the body is, shall LB158 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? Mr. Clerk, please record. [LB158]

ASSISTANT CLERK: 37 ayes, 4 nays on the advancement of the bill, Mr. President. [LB158]

SPEAKER FLOOD: LB158 advances to E&R Initial. Mr. Clerk, we now proceed to LB18.

[LB158 LB18]

ASSISTANT CLERK: LB18, Mr. President, was introduced by Senator Adams. (Read title.) The bill was read for the first time on January 6 of this year, referred to the Education Committee. That committee placed the bill on General File with no committee amendments. [LB18]

SPEAKER FLOOD: Thank you, Mr. Clerk. Senator Adams, you are recognized to open on LB18. [LB18]

SENATOR ADAMS: Thank you, Mr. Speaker. Members of the body, what LB18 does, or let me back up, it may be more simply named EduJobs. And what this bill does is two things: It is a methodology for injecting approximately rounding up \$59 million in federal money into our K-12 education system, which is the primary focus of the bill. The second thing that it does is to change the certification date for state aid for this year. Now let me back up and let's talk about the EduJobs money first. In October after due consideration, the Governor decided to make application for EduJobs money for Nebraska. The Governor also made the decision, and I think appropriately so, to inject the money through our state aid distribution mechanism, which was one of our options outlined by federal regulation. What this bill does is to take the current needs calculation as it exists right now for state aid without any other changes to it and inflates it by 2.23 percent, the total aggregate needs, and then we will take and respin or recalculate state aid with that elevated needs and that 2.23 percent will then absorb the \$59 million into the aid calculation and distribute the aid. All of you should have gotten in your offices an e-mail attachment that will show the amount that your schools will receive. Now these are schools that receive state aid. If they are nonequalized schools because they don't get state aid, they won't get any of this money. The stipulations that come with it are federal stipulations. Schools will have to spend the money during this school year or next school year, and it will have to be spent on personnel-related expenses, nothing else. In light of that, this money as the committee has looked at it, if used properly, can have something of a mitigating effect to our cliff as we head into this next aid certification period. With that, Mr. Speaker, I'll take questions. [LB18]

SPEAKER FLOOD: Thank you, Senator Adams. Members, you've heard the opening on LB18. There are three senators at this time, four senators, that want to speak. They include Senator Ashford, Senator Pahls, Senator Louden, and Senator Hansen. Senator Ashford, you are recognized. [LB18]

SENATOR ASHFORD: Thanks, Mr. Speaker, and good morning. I first of all would like to commend Senator Adams and his staff for the amount of time that he and they spent this summer and fall to work through this very complicated issue. The state aid formula, as most all of you know or all of you know, is...there aren't words in the English language to describe its complexity. The hope is that at the end of the process that

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there is a fair distribution of state aid. And I think we are always thinking about and talking about ways to address these various issues. I do have, and I'm going to put my light on again and maybe talk about this some more, but I'm going to ask Senator Adams if he could describe how the needs calculation affects future years of state aid. You gave a great point and that is that as funding...and this \$59 million, for example, comes into the process that the needs calculation increases by 2.3 percent. Could you talk a little bit about how that works and how that impacts future years? Or does it...do we go back and start at the same baseline number? [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Ashford? [LB18]

SENATOR ADAMS: I will. And if I understand the question, it's a good question, this money, because it will be spent by schools, will become part of their GFOE. And I hope, if my teaching lessons have had any value, that we all understand that the GFOEs that we get from schools become our baseline for then calculating aid going forward for any given year. So it will be included as part of GFOE. [LB18]

SENATOR ASHFORD: Thank you, Senator Adams. And how does this infusion of \$59 million into the process, how does that impact schools that do not receive equalization aid? [LB18]

SENATOR ADAMS: Well, those schools that don't receive equalization aid won't be receiving any of these dollars. It's that simple. And so will they have the additional dollars to spend? No, they won't. Will they also be able to avoid some of the reporting requirements? Yes, they will. [LB18]

SENATOR ASHFORD: And so when we make the...when we do this spin of the new state aid, we are dealing only with school districts that receive equalization aid. [LB18]

SENATOR ADAMS: Ultimately, yes. Now when we do the spin, we may have one or two schools that have been on the bubble between being equalized or nonequalized that may shift, but otherwise you're right. [LB18]

SENATOR ASHFORD: And when is that...and the money must be used in this school year, correct? [LB18]

SENATOR ADAMS: This school year or next. [LB18]

SENATOR ASHFORD: So in the school year that starts in September of next year, August of next year? [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR ASHFORD: Is that a change or was that... [LB18]

SENATOR ADAMS: That's federal regs. [LB18]

SENATOR ASHFORD: Okay. And was that the original reg or did that change? [LB18]

SENATOR ADAMS: No, that was the original language. [LB18]

SENATOR ASHFORD: All right. And they can use this money for personnel and other related topics or other related needs. Is that right? [LB18]

SENATOR ADAMS: It's got to be personnel and fall under that category. [LB18]

SENATOR ASHFORD: Okay. So even though the money is restricted, it can be used... [LB18]

SPEAKER FLOOD: One minute. [LB18]

SENATOR ASHFORD: ...it does factor into the overall needs going forward, the GFOE. [LB18]

SENATOR ADAMS: Yes. [LB18]

SENATOR ASHFORD: Thank you, Senator Adams. [LB18]

SPEAKER FLOOD: Thank you, Senator Ashford. Senator Pahls, you are recognized. [LB18]

SENATOR PAHLS: Thank you, Mr. President. And I appreciate what Senator Ashford because he did bring some questions that I was curious about. And I'd like to direct some of my questions to Senator Adams. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Pahls? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR PAHLS: So if I do not receive state aid, I will not receive any of these monies. [LB18]

SENATOR ADAMS: That's correct. [LB18]

SENATOR PAHLS: And I understand the rationale behind that. But afterwhile, if I were a senator from one of those schools--and I thank you for the list because there are a number of smaller schools who do not receive this--what would be my answer if I'm saying, okay, I don't get state aid, I do not get some of these other benefits. I see larger school districts are getting it. Why am I continually being left out? How would I respond to that? [LB18]

SENATOR ADAMS: Well, the simplest answer, which is not necessarily an answer that those school districts want to hear, but they also understand it, is that under our state aid calculations they already have the resources that other schools do not have to fund their operation. [LB18]

SENATOR PAHLS: Okay. So then we would rely on...let's say I'm from a smaller school district that does not receive this, then I would...we'd rely more on property tax is what you're telling me. [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR PAHLS: Okay. Thank you. Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Pahls. Senator Louden, you are recognized. [LB18]

SENATOR LOUDEN: Thank you, Mr. Speaker and members. I would ask would Senator Adams yield for questions? [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Louden? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR LOUDEN: Well, Senator Adams, it's been pointed out that schools that aren't equalized don't receive any of the state aid or any of this aid. Were there other ways they could have...that money could have been divided up? I mean was there some title situation where that money could have been divided up instead of using it through the TEEOSA funding system? [LB18]

SENATOR ADAMS: In response to your question, the federal government, in effect, said that it had to be distributed either through the Title I formulation distribution or through our state aid distribution formula. And we chose the state aid distribution formula. [LB18]

SENATOR LOUDEN: Now through the other system, would there have been more

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schools that would have received this money or more students would have received this money? How would that money have been divided up through that system? [LB18]

SENATOR ADAMS: It would have...through the Title I program, it would have gone to schools that received Title I monies, and not all schools receive Title I monies. And frankly, in my personal opinion, I think that there would have been a more unequal distribution of those monies. So schools that have higher poverty and Title I programs would have gotten more of this money than otherwise. And I would keep this in mind also, Senator, that last year through...in addition to the ARRA dollars the schools that receive Title I monies got additional monies because more Title I money came out from the federal government last year. So had we distributed this money through Title I, we'd have been piling money on top of money. [LB18]

SENATOR LOUDEN: Now are there some unequalized districts that would receive Title I money? [LB18]

SENATOR ADAMS: Yes. [LB18]

SENATOR LOUDEN: And how...do you know offhand how many it would be? I mean, would there have been a significant number? I guess I'm talking about some of these small rural districts out there--I call them rural districts where they don't receive state aid now and they're mostly relying on agricultural land for their valuation--would they have been receiving some of this money rather than perhaps your larger metropolitan schools? [LB18]

SENATOR ADAMS: Well, I think, though, what would happen, Senator, how many--you ask how many? I don't know how many nonequalized schools under a Title I distribution might have gotten this. Some would have, no question about it. But if you're looking for moving money from urban to rural under a Title I distribution, that's not really going to happen. [LB18]

SENATOR LOUDEN: But there would have been more poverty level that receive the Title I. Those type of districts would have received more money under the Title I than they did under this formula? [LB18]

SENATOR ADAMS: That's right and they got a lot last year, too, under the ARRA dollars. [LB18]

SENATOR LOUDEN: Okay. And can you give me a for instance that would have probably gotten less? Where would, say, one of your larger, like Omaha Public School system, fit in that? Do they receive enough Title I money it wouldn't have made any difference? [LB18]

SENATOR ADAMS: They receive a lot of Title I money. I might project...I'm pulling these off the top of my head, but, I mean, certainly OPS would get even more money on top of this. But you may have schools like Lexington, Schuyler that would also typically receive a lot of Title I monies. [LB18]

SENATOR LOUDEN: Okay. And how would they have fared if it would have been through the Title I compared to what they are receiving through this system? [LB18]

SENATOR ADAMS: They received...well, in comparison, how big would their check have been if we distributed this \$59 million through Title I versus state aid? I don't know. But I can tell you that had we gone through Title I they received a lot of Title I money last year on top of ARRA dollars. We would be putting more money on top of that yet. [LB18]

SENATOR LOUDEN: Um-hum. And the reason they were receiving that money is because of their poverty level... [LB18]

SPEAKER FLOOD: One minute. [LB18]

SENATOR ADAMS: They were Title I eligible, correct. [LB18]

SENATOR LOUDEN: Yeah. Thank you, Mr. Speaker. [LB18]

SPEAKER FLOOD: Thank you, Senator Louden. Senator Hansen, you are recognized. [LB18]

SENATOR HANSEN: Thank you, Mr. President and members of the Legislature. I want to preface my remarks first by saying that I did buy a book from my library this year. It was after a speech. I think it was at a Farm Bureau convention. The name of the book was <u>All Buts Stink</u>. I will support this bill, and I've already told Senator Adams I will support this bill. But I think we need to talk about small school districts, and I think it's mostly small school districts, or rich school districts that have a lot of ag valuation. There's quite a list on this...quite a few on this list of these schools. And the question I would have for Senator Adams if he would yield. Would Senator Adams... [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Hansen? [LB18]

SENATOR ADAMS: I would yield. [LB18]

SENATOR HANSEN: Senator Adams, Arnold, Bertrand, Bloomfield, Boone Central, Bruning, Cedar Rapids, Centennial, just on the front page, will receive...those teachers will receive no EduJobs stimulus package. Is that correct? [LB18]

SENATOR ADAMS: If they're nonequalized, they won't. [LB18]

SENATOR HANSEN: Do, do--aren't just on the front page--do Arnold, Bertrand, Bloomfield, Boone Central, Bruning, Davenport, Cedar Rapids, Centennial have teachers? [LB18]

SENATOR ADAMS: Well, of course they do. [LB18]

SENATOR HANSEN: (Laugh) But they will receive no... [LB18]

SENATOR ADAMS: That's right, they won't. [LB18]

SENATOR HANSEN: ...bonus. Would you consider this a bonus, a stimulus from the federal government? [LB18]

SENATOR ADAMS: Would I consider it a bonus? Based on our needs calculation, the need is there. [LB18]

SENATOR HANSEN: Even these nonequalized districts the need is there, but not for state aid? [LB18]

SENATOR ADAMS: Because they have the resources based on our calculation. [LB18]

SENATOR HANSEN: Okay. Did you ever consider giving this, just dividing it up by the number of teachers in the state? [LB18]

SENATOR ADAMS: We couldn't. Federal regulation wouldn't allow it. [LB18]

SENATOR HANSEN: Okay. That's all the questions I had. Thank you. I will support the bill, but there's parts of it I don't like. Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Hansen. Senator Lautenbaugh, you are recognized. [LB18]

SENATOR LAUTENBAUGH: Thank you, Mr. President, members of the body. I was just wondering if Senator Adams would yield to a question. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Lautenbaugh? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR LAUTENBAUGH: Senator, I apologize if you already made this clear, but what is the significance of changing the date in this bill? [LB18]

SENATOR ADAMS: Of the certification date? [LB18]

SENATOR LAUTENBAUGH: Yes. [LB18]

SENATOR ADAMS: Senator Lautenbaugh, I'm glad you brought that up because in my introduction I did not take adequate time to explain that. Under normal circumstances, our aid certification date is March 1. I can't imagine that there's a person in this body that doesn't realize that the likelihood of us having a TEEOSA bill out of committee, having it out here on the floor, having it passed into the Appropriations Committee's hands, and us having developed a budget that is inclusive of that by March 1 is virtually going to be impossible. And, Senator Lautenbaugh, my thought pattern was when we've done this before and I felt a little uncomfortable, what we did was say, okay, given where we're at, let's go in and amend something to bump the state aid certification date ahead by a month or two months. And we kept doing that. And what this language does is it essentially says, let's call it what it is. Let's move that certification date out to July 1 and the language is "on or before." So if we can get our work done earlier, we can move that cert date back. I would also add that I spent most of the month of October traveling the state and talking to school superintendents, and always in the discussion was we are going to have to move this certification date. I understand the concern. They do too. They've expressed it with me. I think they also understand the world that we live in here and trying to put our budget together. [LB18]

SENATOR LAUTENBAUGH: Thank you, Senator Adams, and I'll yield you the rest of my time if you need it. [LB18]

SPEAKER FLOOD: Three minutes, one second. [LB18]

SENATOR ADAMS: I don't need the time, Mr. President. [LB18]

SPEAKER FLOOD: Thank you, Senator Lautenbaugh and Adams. Senator Ashford, you are recognized. [LB18]

SENATOR ASHFORD: Thank you, Mr. Speaker. Could we...just for the record, I think it's important as we start this new session to spend a few minutes this morning talking about how we got to where we got. And I..could you just trace the history of where we were two years ago before the stimulus money came in and where the state aid dollars generally were and what the stimulus money had...what impact the stimulus money had on the state aid budget? [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Ashford?

[LB18]

SENATOR ADAMS: Yes, I will. If I understand your question, Senator, two years ago when we started to develop state aid, the ARRA money was available to us. And as you recall because you were a member of the committee, we wrestled over whether or not to accept those dollars. And ultimately the decision was made, so that we could potentially hold other agencies of state government more whole, that we would take the stimulus dollars. And at that time we adjusted the aid formula in order to accept those stimulus dollars. And I know that we also went into it with the idea and school districts statewide had to have had their heads buried in the sand to not have heard that as we are accepting this we may have problems two years away. Of course, we were all hoping for the revenue picture to increase that would mitigate the cliff effect. It hasn't happened. And that, Senator, I think leads us to this point where this money, once we had determined that it could have a mitigating effect, becomes more important to accept. I hope that answers your question. [LB18]

SENATOR ASHFORD: Yeah, thank you, Senator Adams. And let me just say as one senator who was on the committee that Senator Adams, I felt, and working with the Governor's Office, showed great courage because there was the issue of taking the stimulus was a politicized issue. People across the...politicians, as they are doing today, and as they have done over the last two years, instead of talking about the issues, it's all about the personalities. It's all about who is going to get elected. It's all about who can we defame? Who can we beat up? But Senator Adams from the very beginning said, no, no, that's not...and the Governor, that's not where we are. The Governor could have very easily said, well, I'm going to get in this political game and I'm going to go after Obama or I'm going to go after the Democrats or I'm going to go after somebody. But the Governor didn't do that. The Governor said that we are and always have been a public education state, that public education is in our constitution, that it is in the...it is a fundamental premise of why we are here. So as we discuss the issue of the stimulus, we didn't spend any time thinking about, gosh, who is going to say we're big spenders out there in the world? We didn't talk about that. We talked about the kids. The Governor didn't talk about, gee, I can be a big shot with my Republican buddies by saying we're not going to take the stimulus money. He didn't say that. Instead, he was engaged in the P-16 Initiative so that Nebraska, as always, could be in the forefront of education, public education,... [LB18]

SPEAKER FLOOD: One minute. [LB18]

SENATOR ASHFORD: ...education generally in the state. And following through with what our colleague always taught us, Senator Raikes, who was a great Nebraskan, we have to think about the kids. And we cannot think about the politics of the kids, though it is certainly something that is done around the country as we decide what positions we're going to take. Well, the kids want this; the kids want, no. In Nebraska, we look at

what's real, what's in front of us, and we deal with it. And this Legislature and this Governor did the right thing. And under the leadership of Senator Adams and Senator Raikes before him, we have done the right thing. And we're going to have tough discussions about money and budgets. [LB18]

SPEAKER FLOOD: Time, Senator. Thank you, Senator Ashford. Senator Price, you are recognized. [LB18]

SENATOR PRICE: Thank you, Mr. Speaker, members of the body. Good morning. I have a question for Senator Adams if he would yield. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Price? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR PRICE: Good morning, Senator Adams. The question I have for you is, how will the funds under this program be distributed within the learning community? [LB18]

SENATOR ADAMS: No different than any other time. We inflate the needs and they're distributed. [LB18]

SENATOR PRICE: So to be more pointed, will it be by the learning community's designed formula for distribution? [LB18]

SENATOR ADAMS: It's going to turn out the same. You can distribute it either way. It will be a 2.23 percent increase in needs under the existing formula and distributed. [LB18]

SENATOR PRICE: Okay, great, because this happened to be a question about that there could "foreseeably" be, if distributed under the learning community formula, that some schools wouldn't get the 2.3. Some may get more, some may get less, but because of the way the learning community distributes, but that isn't the case? [LB18]

SENATOR ADAMS: No. [LB18]

SENATOR PRICE: Okay, great. Thank you very much, Senator Adams, and I will yield the balance of my time if you'd like it. [LB18]

SENATOR ADAMS: Thank you. [LB18]

SPEAKER FLOOD: Senator Adams, 3 minutes 54 seconds. [LB18]

SENATOR ADAMS: It's a legitimate question, Senator Price. It's been brought to our office leading up to this so thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Price and Senator Adams. Senator Dubas, followed by Senators Nelson, Conrad, and Ashford. Senator Dubas, you are recognized. [LB18]

SENATOR DUBAS: Thank you, Mr. Speaker. Good morning, colleagues. Would Senator Adams yield to some more questions? [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Dubas? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR DUBAS: Thank you, Senator Adams. Do you feel like you're back in school again (laugh)? [LB18]

SENATOR ADAMS: I feel like this is a warmup for a TEEOSA bill here in a few months. [LB18]

SENATOR DUBAS: Well, I, for one, certainly appreciate your attention to these matters and you do, for me, make it somewhat easier to grasp. And I guess that's where my questions are going to come from this morning, just some points of clarification. A friend of mine always says, you need to get it down where the goats can eat it, and I know this is, as you like to say, it's a complex situation, issue. So basically I would tend to agree with the comments that Senator Hansen made. Wouldn't it be nice if we could just take this money and divide it up equally and give everybody the dollars? But my understanding is there are some pretty strict parameters around how this money gets distributed. Would that be correct? [LB18]

SENATOR ADAMS: That is correct. [LB18]

SENATOR DUBAS: So you didn't have a lot of leeway in making those decisions about who gets what and how much they get and how it's used. [LB18]

SENATOR ADAMS: No. The only choice we had was do we give it to the Title I formula or through our existing state aid formula? [LB18]

SENATOR DUBAS: And in looking at it, it appeared that going through the existing state aid we would be able to maybe impact more school districts that way? [LB18]

SENATOR ADAMS: Yes. Yes, good point, yes. [LB18]

SENATOR DUBAS: And fair is always in the eye of the beholder. [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR DUBAS: Equitable maybe is a better word for us to use, but that's what I wanted to clarify. And then once this money gets into the districts, they use that to enhance the skills and education level of teachers that are already there. Is that correct? [LB18]

SENATOR ADAMS: Under the federal guidelines, it's personnel-related. So it may be to keep people on, it may be insurance increases, it may be a para. That's going to be up to the school districts, but it has to be personnel-related. [LB18]

SENATOR DUBAS: Okay, so it's not necessarily enhancing educational skills. They could possibly use it to do that, but it's personnel-related. [LB18]

SENATOR ADAMS: I don't believe it can be used for going to school and paying tuition, no. [LB18]

SENATOR DUBAS: Oh, okay. So it is direct personnel cost then. [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR DUBAS: So then again are we asking the similar question that we asked two years ago: We put this money in, but be mindful that when the money is gone the decisions you made you may have to live with financially. Is this going to be similar to that? [LB18]

SENATOR ADAMS: You know, I think you're absolutely right. It's a bit like the ARRA money. And if you're going to use it to go out and add FTEs, then when it's gone, you're going to have to ask yourself, how are you going to deal with that? [LB18]

SENATOR DUBAS: Okay. Well, I thank you for the clarification and for your and your committee's efforts. [LB18]

SENATOR ADAMS: Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Dubas. Senator Nelson, you are recognized. [LB18]

SENATOR NELSON: Thank you, Mr. Speaker. I do. I had a question for Senator Adams. I will still ask a couple of the questions, but the discourse with Senator Dubas I

think cleared up a lot of things. Would Senator Adams entertain a question? [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Nelson? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR NELSON: Thank you, Mr. Speaker. Thank you, Mister Senator. You in your opening statement said that the funds were going to be restricted, and then later I think you mentioned personnel and Senator Dubas has brought that out. So that answers quite a few of my questions. I didn't see anything about the restrictions in the committee statement. I assume these are federal guidelines... [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR NELSON: ...not state. According to this, the schools have to report. Do they report to our Department of Education as to how they used the money? [LB18]

SENATOR ADAMS: Yes. They use the same reporting methodology that they have been using for ARRA money. [LB18]

SENATOR NELSON: All right. So...and this is an elementary question, but this helps with the cliff effect because it does give them some additional money in these areas to deal with personnel. Is that correct? [LB18]

SENATOR ADAMS: Correct. [LB18]

SENATOR NELSON: Thank you very much, Senator Adams. [LB18]

SPEAKER FLOOD: Thank you, Senator Nelson. Senator Conrad, you are recognized. [LB18]

SENATOR CONRAD: Thank you, Mr. President. Good morning, colleagues. I appreciate Senator Adams' always informative, comprehensive, detailed, and passionate description of the bills that he brings to us for consideration. And my questions really relate to some issues that have already been addressed, but I'm hoping to receive a little bit more clarification as I'm trying to read the bill as quickly as possible. It's my understanding that this bill is important as it relates to our acceptance and the disbursement related to additional federal dollars to help shore up our already strong quality public education system in Nebraska and to ensure that we can maintain quality and a tradition of excellence, which is good news for Nebraska teachers, good news for Nebraska students, and particularly helpful to our partners at the local school board level to ensure they can hold the line on property taxes. So in addition to thanking

Senator Ben Nelson for his hard work on securing these funds for Nebraska, my question, Senator Adams, if you would yield. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Conrad? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR CONRAD: We talked a little bit this morning about some of the strings that come with federal dollars. And I think it makes good sense to distribute these dollars according to the existing TEEOSA funding formula. But what I'm wondering is, we had a lot of debate and dialogue over the last biennium about reporting requirements and transparency and citizen oversight that comes with the stimulus dollars. And I'm wondering, will those same kind of considerations apply in regards to these separate federal dollars? And will that accountability and reporting happen at the local level or through the State Department of Education or has that been determined yet? [LB18]

SENATOR ADAMS: Senator, those are good questions. And the federal regulations simply say, and I'm summarizing here, of course, that the same reporting methodologies through the State Department of Education that we used for ARRA dollars will be used for this. [LB18]

SENATOR CONRAD: Okay, thank you. I think that's very helpful as we move forward, Senator Adams. And I did want to remind citizens or even our colleagues here this morning that there are a variety of resources that are available if your constituents have questions about the use of these federal dollars, most notably at <u>recovery.gov</u> and then also we have our own state resources which highlight the use of these dollars. And I think people will be pleasantly surprised as they see the good work that these dollars have done in so many communities across Nebraska. Thank you, Senator Adams. [LB18]

SPEAKER FLOOD: Thank you, Senator Conrad. Senator Ashford, you are recognized and this is your third time. [LB18]

SENATOR ASHFORD: Thank you, Mr. Speaker, and I'm going to only speak briefly here. But I do want to continue with my thoughts regarding, as we start this session, how the decisions we make have such significant impact on our...the people of our state. And again, I would just remind the body again that education spending and dollars that go to children in our state is such a high priority that the decisions we made in the last biennium regarding the stimulus money and the decisions we'll be making on this infusion of funds will have effect on the children of our state without question. And as we...I noted as we looked at the numerous bills that have come in this year, many of which are coming to the Judiciary Committee, that there are many, many difficult issues

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that we will be confronted with in this session. And many of the issues that we will be dealing with are highly charged political issues and that's fine. That is the purpose of our Legislature is to deal with every highly charged political issue there is, but we do it in a different way here. We do it in a collegial way amongst 49 people with an administration and state agencies that work hand in glove with us to come up with the right solutions, and not solutions that may be those solutions that we see the talking heads talk about on the various television programs or the blogs that are out there. But we have the tendency in this Legislature, and I certainly have experienced over my 12.5 years, we have a tendency to come together as Nebraskans to do the right thing. And we will do that this year as we confront...in the Business and Labor Committee, we confront the issues involving collective bargaining, an issue that is highly charged, and where there have been many bills introduced that are thoughtful bills. And we need to think through these issues and come up with a Nebraska solution. As we deal with the Health and Human Services Committee, Senator Campbell and her committee are dealing with such grave issues dealing with individuals in our state. So again, I just think that the example that Senator Raikes and Senator Adams have given us on the issue of school funding is the kind, and I might say, Mr. Speaker and Senator Adams in the community college issue, an issue with such chasm-like divisions only a year ago, but, no. By coming together...and Senator Harms--thank goodness for his contribution and his years of service in the community colleges sector in this state, a critical part of our educational system--coming together and working out a resolution. And I believe we may have a bill on that today regarding the community colleges. There's a lot of noise out there, colleagues, and I think there's more noise now than ever before in my 25 years of public life. I know there's more noise. But the example of state aid and working through the stimulus money and working with our congressional delegation, as Senator Conrad rightly stated, working with our Governor and the state agencies, the Department of Education, and all the school districts, we all have needs and interests. We all have needs and interests, no question. But what the real need, the real interest of our state is, is the ability to come together... [LB18]

SPEAKER FLOOD: One minute. [LB18]

SENATOR ASHFORD: ...and make the right decisions for Nebraska, not for some political agenda or somebody else somewhere else, but make the right decisions for Nebraska. Every single one of us--Democrats, Republicans, Independents, local officials--it is our role to do the right thing and the best thing for Nebraska. And the example of Senator Adams and Senator Raikes in working with the state aid issue is an example of how we get things done. Thank you, Mr. Speaker. [LB18]

SPEAKER FLOOD: Thank you, Senator Ashford. That was your third time. Senator Wallman, you are recognized. [LB18]

SENATOR WALLMAN: Thank you, Mr. President, members of the body. Senator

Preister used to say, friends all. This is an issue with funding public schools. And as an ag land producer and we always feel like we're on the short end of the stick. Nonequalized districts--I agree with Senator Hansen--where's the fairness? I would like to ask a question from Senator Adams if he will yield. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Wallman? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR WALLMAN: This equalization issue, is that standard across the nation when we receive federal aid stimulus money? [LB18]

SENATOR ADAMS: Well, the federal language is the same for every state in terms of our choices as to how to distribute it, yes. [LB18]

SENATOR WALLMAN: So we couldn't change our mind on that, huh? [LB18]

SENATOR ADAMS: No. [LB18]

SENATOR WALLMAN: And that's sad because some of these schools it has nothing to do with the wealth in the district, it has to do with the wealth of the property. And...but I'll have to agree with Senator Hansen. I know you worked on this hard and it's an impossible thing to be fair to everybody. But hopefully we can be as fair as we can be. Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Wallman. Senator Nordquist, you are recognized. [LB18]

SENATOR NORDQUIST: Thank you, Mr. President and members. First, I'll ask Senator Adams a question regarding the certification date here. [LB18]

SPEAKER FLOOD: Senator Adams, will you yield to a question from Senator Nordquist? [LB18]

SENATOR ADAMS: Yes, I will. [LB18]

SENATOR NORDQUIST: My concern is remembering back to last year, and correct me if I'm wrong, but I think April 1 was the certification date last year. [LB18]

SENATOR ADAMS: And we bumped it ahead with language to take it back to March 1 this year. [LB18]

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SENATOR NORDQUIST: Okay. Last year when we were finalizing the budget on that certification and it came in, I think \$18 million roughly over what we had budgeted for and we had to make some last-minute decisions. And luckily at that point we were able to do that. With this money, with this year being at July 1, is there concern that, you know, we're not going to be in session, I guess they would have to come in for a deficit request if numbers didn't come in on budget, but maybe if you can address those concerns. [LB18]

SENATOR ADAMS: The real issue here I think for me, Senator Nordquist, is as you would know, being a member of the Appropriations Committee, as I described before, us getting a bill out of committee, getting it up here on the floor, getting it passed, getting it to you guys, you put a budget together, and another factor and that is after we get that all done, giving that language to the State Department of Education so that they can do whatever reprogramming they need in order to do the spin on the certification. And all of that takes time. So setting it out there gives us all heartburn, and particularly gives 253 superintendents heartburn. Hopefully, we can ratchet that back. [LB18]

SENATOR NORDQUIST: Okay, okay. Well, great. So it's your hope, at least, that the Department of Ed can certify before, I mean the loss is on or before but hopefully significantly before that July 1 date. [LB18]

SENATOR ADAMS: Absolutely. [LB18]

SENATOR NORDQUIST: Okay. That's helpful and I'm hopeful that they can do that as well. Senator Conrad brought up a good point on the reporting requirements, and I think you said the reporting requirements are the same. Will that include like a jobs created or saved number as well like we do with current? [LB18]

SENATOR ADAMS: I'm assuming it's all the same as ARRA so, yes. [LB18]

SENATOR NORDQUIST: Okay, okay. Well, great. Under current ARRA, the Department of Administrative Services, I believe the budget division, makes a report to the federal government. And the last report on September 30 showed that the ARRA funds in Nebraska created or saved over 3,800 jobs, and specifically within the Department of Education there were 1,222 jobs created by the Education Stabilization Funds; 324 jobs created with special ed funds; and 261 jobs created or saved with Title I funds. So hopefully this money will help us continue to create or save jobs in education in the state of Nebraska. Thank you, Mr. President. [LB18]

SPEAKER FLOOD: Thank you, Senator Nordquist. Senator Lautenbaugh, you are recognized. [LB18]

SENATOR LAUTENBAUGH: Thank you, Mr. President and members of the body. And I

hope I have all of your attention because I want to clarify and announce that whoever had Day 12 in the when will we thank Senator Nelson pool, you have won. Senator Sullivan, is it you? Yes, okay, apparently you can collect your winnings from the Clerk. Thank you all for playing, and I would yield the rest of my time to Senator Conrad. [LB18]

SPEAKER FLOOD: Senator Conrad, you are next in the queue, but you have 4 minutes and 29 seconds from Senator Lautenbaugh. [LB18]

SENATOR CONRAD: Thank you, Mr. Speaker, and thank you, Senator Lautenbaugh, for your sunny disposition and goodwill and always the opportunity to inject a little bit of levity into what are sometimes very, very difficult and emotional circumstances. And I actually had that in the pool so that's why I decided to speak up this morning. All kidding aside, of course. I do appreciate the time because I had failed to fully clarify for the record a couple of things related to these dollars. And I think it is important to give credit where credit is due regardless of partisanship that may or may not exist beyond the walls of this Chamber. But as Senator Ashford so correctly noted, that's not how we operate, particularly in the Nebraska Legislature and in Nebraska as a whole and thank goodness. While Washington is mired in partisan gridlock, we have a chance to put those labels aside and focus on policy. And one thing that we all care about, regardless of political philosophy or the geographic areas and concerns that we represent, is that we can all agree that a quality public education is important. And indeed if we ever forget, our constitution reminds us it is among the most important things that we do do as a state. I did want to make sure that it was clear on the record in a time where the electorate is rightly so very focused on fiscal responsibility that Senator Nelson, in helping to craft this legislation which provided these funds, worked to ensure that this was paid for. It didn't add to the federal deficit. And I think that's something that should be highlighted, that should be noted, and deserves our praise. Because not only does it direct needed funds to our most critical obligations like education, but it does so in a way that is fiscally responsible. Reading from a press release when this legislation and corresponding funds were first contemplated in the summer of 2010, the state of Nebraska will receive about 26... I'm sorry, \$69 million in healthcare funds, particularly through the Medicaid program, and about \$59 million in education dollars, which is that issue here. It's estimated to help save or create about 1,000 teaching positions all across the state. So I think it's important to note without this money local communities would face terrible choices of laying off teachers, increasing classroom size, or raising property taxes. But thankfully we have a little buffer, a little sunlight to help us work through these very gloomy economic conditions, and it was done so in a way that is fiscally responsible and paid for without creating additional stress on the federal deficit. So thank you, Senator Ben Nelson, and thank you, Senator Lautenbaugh. [LB18]

SPEAKER FLOOD: Thank you, Senator Council. You are next in the queue. Would you like to be recognized again? [LB18]

SENATOR COUNCIL: It's Senator Conrad. [LB18]

SPEAKER FLOOD: Senator Conrad waives her opportunity. Senator Council. [LB18]

SENATOR COUNCIL: Yes, thank you, Mr. Chair. I appreciate this opportunity and I'll be brief, and I'm going to yield the balance of my time. I just wanted to rise as one of the newest members of the Education Committee to express my support for LB18. I believe it to be the most equitable way to distribute these much-needed funds. I appreciate the fact that the Governor elected to accept these funds. We've had opportunities in the past to receive additional funds to assist us with some of our state obligations, and that choice has not been made. But when it comes to the education of our children. I believe that this is the most equitable way to distribute these funds and benefit the greatest number of Nebraska children as possible because I certainly could have elected to be partisan to the extent that under a Title I distribution alternative the school district that's located in my district would have reaped a tremendous windfall from these dollars. Omaha Public Schools educates the largest percentage of free and reduced lunch children in the state of Nebraska. So I could have been parochial in terms of my vote on this issue. But as others have discussed, it is our responsibility to make sure that we provide the greatest educational opportunities to the largest number of youngsters in this state as the dollars will allow, and these dollars will allow that. And with that, I yield the balance of my time to Senator Ashford. [LB18]

SPEAKER FLOOD: Senator Ashford, you have 3 minutes. [LB18]

SENATOR ASHFORD: Thank you, and I won't take all 3 minutes. But I did want to...I thought Senator Conrad made a great point about budgeting for these various programs, including the stimulus. And I think that that is a point that taxpayers and citizens across the state need to know about is that our spending, every dime, is budgeted. And they, every citizen, every taxpayer in the state of Nebraska sees where that money comes in and where it goes out. So that as we analyze the impact of spending, we have a clear picture and a clear pathway, which in some ways is different from the national Congress in the way they do business. It is interesting when we think about the idea that Nebraskans must balance...the Nebraska Legislature must balance the budget and that that's no big deal because it's required and you must balance the budget so why is it such a feat to balance the budget? Well, the answer is that it is a significant feat. And especially this Legislature in the last four years and this Governor have been able to balance the budget, provide funding for education without raising taxes, in fact, cutting taxes, reducing spending in many respects where it was necessary, but at the same time creating an environment in this state where businesses want to come. Omaha has been rated the number one city in the country to live in. [LB18]

SPEAKER FLOOD: One minute. [LB18]

SENATOR ASHFORD: So my last comment, Mr. Speaker, would be this: That we have our issues. And some of the things that we do legislatively or governmentally in this state can be called to question. No doubt about that. But on balance, we are addressing the needs of our state. We are addressing the needs of businesses. And we have done that in a collaborative, collegial way. And as we face the challenges of the next few weeks governmentally in this state and in my city, it is so critical that we remember the good things that we do and the good...provide the ability for all of our citizens to be the best they can be and for businesses to grow. Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Ashford. Senator Sullivan, you are recognized. [LB18]

SENATOR SULLIVAN: Thank you, Mr. Speaker. Good morning, colleagues. I've enjoyed and appreciated the discussion that we've had on LB18 this morning. But one thing that has run through my mind, I remember when my two daughters were younger and they'd say: Mom, life is not fair. And I would turn or this is not fair. And I would turn to them, you know, girls, life is not fair. There may be some features of LB18 that may not seem fair to nonequalized districts. When I go back to Cedar Rapids this weekend, the school district in which I reside, as well as all the surrounding districts, will not receive one penny of these funds. Will I still vote positive and green for LB18? I will because I realize that life is not fair and perhaps we've used some of the features of our state aid formula are not fair to all of us. The fact remains, though, I think we are fortunate to be receiving these additional funds, the stimulus funds. I think they will help a lot of children in this state. They will help some school districts. I look forward to a very robust discussion when the TEEOSA bill comes on the floor because the discussion with respect to how we fund and provide a good, solid education to every single child in this state is far from done. We have a lot of discussing to do. But I, right now, in spite of the fact that some features of LB18 may not appear to be fair, I urge its advancement. Thank you. [LB18]

SPEAKER FLOOD: Thank you, Senator Sullivan. There are no other lights on. Senator Adams, you're recognized to close on LB18. [LB18]

SENATOR ADAMS: Thank you, Mr. Speaker, and I thank you all for the questions, not only as a matter for clarification, but a good warmup for probably what the rest of the session will be like on other educational bills. Let me briefly summarize and then I want to make an additional comment to what Senator Sullivan has said, and I truly appreciate her insight on this. The bill does two things. It injects through our existing aid formula \$59 million. And the \$59 million is to be used by school districts for personnel-related costs. Now it's been brought up that this bill doesn't help the nonequalized districts. You're right. They're not going to be getting any of this. And you may not like what I'm

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about to say, but Senator Sullivan hit it on the head. What we are trying to do here is to follow the federal regs and the federal regs say that these monies are intended to preserve jobs in those schools that most need the help. And based on our current law and our aid formula and our needs calculation, we determined which schools and to what level most need the help. That's why we're distributing the money through this mechanism. Senator Council hit it right on the head. I'm proud of her. She's taken a statewide look at this. We could have run it through the Title formula and piled money on top of money in school districts like hers. I felt that was probably a less fair way than what we're doing right here. And as another little caveat, always keep in mind that though those nonequalized schools don't get TEEOSA aid, they do get special ed dollars and apportionment dollars, so it's not like we completely wash our hands of those school districts. Finally, the last part of this--and you may hear this from your superintendents although the message has been going out since October--we will be moving the state aid certification date to July. And we are hoping that it can be earlier. Thank you, Mr. President. [LB18]

SPEAKER FLOOD: Thank you, Senator Adams. Members, you've heard the closing on LB18. The question is, shall LB18 advance to E&R Initial? All those in favor vote aye; all those opposed vote nay. Have all those voted who care to? A record vote has been requested. Mr. Clerk, please record. [LB18]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 329.) The vote is 47 ayes, 0 nays, 1 present and not voting, Mr. President. [LB18]

SPEAKER FLOOD: LB18 advances to E&R Initial. Mr. Clerk, items. [LB18]

ASSISTANT CLERK: Thank you, Mr. President. A series of things: Retirement offers notice of committee hearing; Senator Schilz, amendments to be printed to LB684 and LB685. The Legislature's Planning Committee has chosen Senator Harms as Chair and Senator Gloor as Vice Chair. New resolutions: LR55 by Senator Price and LR56 by Senator Price and others. Those will be laid over. Your Committee on Judiciary reports LB19 to General File; Government reports LB122 to General File; Judiciary, LB157 to General File; Revenue, LB134 to General File; LB81 to General File with committee amendments; as well as LB211 with committee amendments; Natural Resources reports LB154 and LB208 to General File. That's all I have at this time. (Legislative Journal pages 330-334.) [LB684 LB685 LR55 LR56 LB19 LB122 LB157 LB134 LB81 LB211 LB154 LB208]

SPEAKER FLOOD: Members, a couple of notes: We will go until approximately noon or before today as far as adjournment is concerned. We will start next Monday at 10:00 a.m.; a reminder, we will start Monday at 10:00 a.m. And there is the possibility of a 10:00 a.m. start the balance of the week next week for floor debate in the morning, with a noon or prior adjournment each day. Mr. Clerk, we now advance to LB59. [LB59]

ASSISTANT CLERK: LB59 introduced by Senator Adams. (Read title.) The bill was read for the first time on January 6 of this year, referred to the Committee on Education, which placed the bill on General File with no committee amendments. [LB59]

SPEAKER FLOOD: Thank you, Mr. Clerk. Senator Adams, as Chair of the Education Committee and introducer, you're recognized to open on LB59. [LB59]

SENATOR ADAMS: Thank you, Mr. Speaker. Members of the body, we don't have the time and I don't suspect that you want to hear all of the history with community college funding that leads up to this point. But here's the chunk of it that's important. If you recall at the end of the last legislative session, we passed a community college funding bill that in effect terminates the aid distribution formula in June of this year for community colleges. And we did that with the understanding of all six community colleges, as a result of our Nebraska City negotiations, that they would begin, all six of them, to work on a unified, unanimous effort to come up with a new distribution formula. They went to work immediately, all of them, all six of them. By late summer, and they stayed in contact with me, they were having trouble; and you can imagine. We're taking six community colleges, six very diverse community colleges, setting them in a room, and asking them to develop a formula, and they were making progress, but it wasn't probably going to get done. It was at that point that a decision was made to come forward with a bill now that would simply divide the pie up. Whatever the appropriation is, whatever it is, simply divide it up, which really would accomplish two things. And that is the essence of this bill. That's all it does. It establishes the proportions of the pie, whatever size this body decides that the community college pie is going to be. I think it's important and doing this accomplishes two things. First of all, it sets this in place for two years, which gives the six CEOs of the community colleges two more years to continue to work on a distribution formula, and they'll get it done. I'm convinced of it. They're working on it right now. They need more time. This is complicated. It's complicated politically, it's complicated emotionally, it's complicated financially. They'll get there. They got here today in this division of the pie. And as the Speaker will vouch for, it didn't come without some bloodshed. There is unanimous agreement of all six community colleges, not only their CEOs, but their boards, to accept this division and to continue to work on a formula that will ultimately be brought before the Education Committee and this body. It seemed to me that going with this at this point will help reduce some of the emotion. It will buy them more time to work together on a formula. And whenever you try to develop a new formula, there's going to be winners and losers. And that becomes very difficult in a declining revenue environment. And that's how they're approaching this. So it seemed far more constructive to say that if you can agree to the pieces of the pie, given that we are in a declining revenue time, and continue to work on this, that this is the way we ought to go. And let me repeat: We have unanimous board agreement to this division. Thank you, Mr. President. [LB59]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Thank you, Senator Adams. We're now open for discussion. The Chair recognizes Senator Cook. [LB59]

SENATOR COOK: Thank you, Mr. President. Good morning, members of the body. I just wanted to take this opportunity to thank Senators Ashford, Adams, and Flood who worked tirelessly on this issue over the last few years, building off of a bill that I introduced two years ago, LB340. Absolutely the work with the community colleges is very important in a down economy when students are coming straight out of high school or reentering training after being laid off or reentering the work force. I want to just offer my appreciation for the continued work as we go forward and supporting the community colleges across the state. Thank you, Mr. President. [LB59]

SENATOR GLOOR: Thank you, Senator Cook. Senator Ashford, you are recognized. [LB59]

SENATOR ASHFORD: Thank you, Mr. President. This was a great experience. I would like to congratulate Senator Cook as well. We were stuck a couple of years ago. And I believe the Metropolitan Community College is in your district, is that right? And Senator Cook took a very personal interest in this and came up with a solution that brought us together with a bill a couple of years ago or a year ago--was it two years, two years ago--and that started the process. And, again, I find myself standing up a lot on these two bills mainly because I just so admire the personalities involved. I so admire Ron Raikes who was our colleague. And I so admire Senator Adams, Senator Harms, and Speaker Flood. You know, Senator Harms is the president of Western Community College, and I've been there, (laugh) many of us have been there. It's a fabulous place. And Senator Harms developed that campus from practically nothing to what it is today. And I recall sitting in the meeting in Nebraska City and Western was the first community college in that discussion to say: We agree, there need to be some changes, and we understand that Western may have to face some challenges to address our funding needs. And I understand Senator Harms was not there in body, but he was there in spirit because that's what Senator Harms is. He is a Nebraskan and his campus, his school, guite frankly, made the first offer to break the impasse. The other thing I remember about those events in Nebraska City was the work of the Speaker. I was really a spectator. Senator Adams and the Speaker, I'm not sure...I was glad to be there for sure, but I think I was more of a spectator. But what I was really impressed with more than just about anything was the way that Speaker Flood used that whiteboard. I recall years ago the great whiteboard expert in the old days was Senator David Landis from Lincoln. And he had a whiteboard in his office in the bank vault in Senator Cornett's office. And whenever there was an impasse of some kind or a disagreement or something, one who was involved in that issue would retire to the whiteboard in Senator Landis' office vault, and he would start drawing lines around that whiteboard

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with arrows and circles. And quite frankly, Senator Landis is responsible for the Qwest Center in Omaha because he started drawing so many arrows and circles about how we were going to finance the Qwest Center that everyone was just totally bemused and the bill passed and the turnback thing passed and we got the Qwest Center, and it was all because of that whiteboard in the vault in Senator Landis' office. Senator Flood did the same thing. He didn't use the arrows and circles quite the same way as Senator Landis but he wrote...he set out a series of issues that needed to be addressed in order to break the impasse and move us forward. And I think it was that sort of... [LB59]

SENATOR GLOOR: One minute. [LB59]

SENATOR ASHFORD: ...combination of let's all get together but let's all get together really quickly and putting that on the whiteboard and describing where we needed to go, that pathway to success which has made such a difference in arriving at this compromise. This is a big deal. This was an issue that divided the state for many years but certainly in the last two years. So I congratulate and admire everybody concerned. Thank you. [LB59]

SENATOR GLOOR: Thank you, Senator Ashford. Senator Harms, you are recognized. [LB59]

SENATOR HARMS: Thank you, Mr. President and colleagues. I want to take a moment if I can to thank Senator Adams, Senator Ashford, and Senator Flood. I don't know if you really realize the role that these three senators played. Because I can tell you from my discussion with the people in the community college system that without their involvement, the community colleges would not be together today, they would not be agreeing on a formula to be cut equally, and they would not be working towards making Nebraska a state that's prepared for changing a work force that's going to have to be competitive in an all-changing world global economy. The community colleges are that important for us. They're our only hope. They're our future for the work force. And I would urge you as we go through these changes and as we get near the change in funding formulas that you understand and appreciate the fact that they're our future. There are students who go to the community colleges for the first exposure that would never enter into a four-year college or university. There are kids in high school who get started in an early program at a junior and senior level, kids who come from disadvantaged families that don't have any hope at all. And they get started in this program and all of a sudden they realize: You know what? I could be successful. I can pursue a degree. I can help my family. That's the importance of the community colleges, colleagues. And I'm telling you now that we have a crisis before us, and that's that the financial issues that we're about to address, and without the community colleges coming forward, that would add to the stress of our decision-making process here. So I thank you very much, Senator Adams and Senator Ashford and Senator Flood, for what you've done because I know that was not easy. In fact, after their meeting I had a

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conversation with a couple board members or a board member and the president that was there, and it was very clear that they got the message. It was very clear that they knew that these three senators were truly trying to help us. And I guess that's the beauty about being in this Legislature. That's the beauty where people can come together and, quite frankly, resolve the issues. You can cross the aisles and say we're going to fix this one way or the other. And in the process, someone does get hurt and some get help. But that's what the democratic process is about. Politics is the art of compromise. And I think at times we're pretty darn good at that here. So, Senator Adams and Senator Flood and Senator Ashford, thank you for what you've done. We still have a long ways to go because the funding formula will come back in a couple of years, and hopefully we'll have all the community colleges together on that issue. Thank you, Mr. President. [LB59]

SENATOR GLOOR: Thank you, Senator Harms. The Chair recognizes Senator Howard. [LB59]

SENATOR HOWARD: Thank you, Mr. President. And I'm rising to stand with Senator Cook and Senator Harms. One of the most difficult things is when we get issues in where there are equally worthy individuals on different sides, and we listen to them and we try to be diligent and fair, and it's tough and it takes a lot of time. And I have to say that my Chair, Senator Adams, I've become increasingly convinced doesn't go home at night, (laugh) that stays here and works on these education issues. If we would stop down at his office at 10:30, he'd probably still be there with his pencil, figuring out the formula so that it would work to benefit the most people and the majority of the students in this state, but it's hard. It's very, very difficult. And I'm grateful that the community colleges have come to a point where they're working together. I hope this continues. There's always going to be an argument on one side or the other as to what educational program would hold the most value or the most worth or be the most widespread or what area of the state is the most deserving. Those things will always be present. But when level heads can come together and sit down and discuss these things, we all benefit. And I add my thanks to Senator Adams and Senator Ashford, who I've known for longer than each of us can count in years, (laugh) and Speaker Flood. And I will offer the remainder of my time to Senator Ashford if he wants it. I know he's feeling verbal today, so there you go. [LB59]

SENATOR GLOOR: Senator Ashford, you have 3 minutes and 16 seconds remaining. [LB59]

SENATOR ASHFORD: Senator Howard, I've got to talk about this for a second. And we have known each other for a long time, 1975, I think, or '76. And Senator...I did some legal work for Senator Howard's group, and she paid me by having a...selling T-shirts, as I recall. And so it was good. (Laugh) But I...we have been great friends. I just want to...something that happened yesterday in the Judiciary Committee is amazing. We had

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a bill in the Judiciary Committee and we talked about adoptions, and it's an issue that we'll resolve, and it's what sort of information should an adoptive parent have before the adoption petition is filed or after it's filed. It's something we'll work out and we're working with HHS to get done. That isn't the point. The point is that I asked...you know, I'm thinking to myself: Senator Howard, you know, how many families did you create in your life at the Health and Human Services agency or Douglas County Social Services, as it was called when I first knew you? And it's got to be more than a thousand. And, I mean, you think about what Nebraskans do, and each of us and all of our constituents are the most sharing, giving people in the world, the country, wherever. That's why we live in the best place in the world, but just that thought came to my mind. And Senator Howard is bringing this bill on adoption and I'm thinking: My goodness, Senator Howard, how many families did you create? You know, it's just ... and as we think back on our careers and our lives and what we do, what we haven't done, and I've just always been amazed and I know I don't look it and I don't say this very much, but I have been here longer than anybody else, if we include the years I wasn't here and going back to the eighties and nineties. [LB59]

SENATOR GLOOR: One minute. [LB59]

SENATOR ASHFORD: And I am constantly amazed, and it's what brings me here every day, of the quality of people that serve in this body. Every single one of you and them are contributors to the well-being of the people of Nebraska. And when people criticize us, which is their right and they should as they yell and scream and call us what they want to call us, they're talking to themselves because every single one of us is like them. But thank you, Senator Howard, for creating the hundreds of families in this state. [LB59]

SENATOR GLOOR: Thank you, Senator Ashford. Senator Flood, you are recognized. Senator Flood waives. Senator Ashford, you are recognized. Senator Ashford waives. Seeing no more lights, Senator Adams, you are recognized to close on the advancement of LB59. [LB59]

SENATOR ADAMS: Thank you, Mr. President. Members of the body, all the bill does is to establish a unanimously agreed upon, by all six community college boards, proportional division of whatever appropriation this body chooses to give to them, with a clear understanding that it's not over, that a distribution formula still needs to be developed by those six community colleges and brought to the Education Committee and eventually to the floor of this Legislature. Thank you, Mr. President. [LB59]

SENATOR GLOOR: Thank you, Senator Adams. The question is the advancement of LB59 to E&R Initial. All those in favor vote aye; all those opposed, nay. Have you all voted? Record, Mr. Clerk. [LB59]

ASSISTANT CLERK: 38 ayes, 0 nays, Mr. President, on the advancement of the bill. [LB59]

SENATOR GLOOR: The bill advances. Mr. Clerk, we will proceed to General File, LB135. [LB59 LB135]

ASSISTANT CLERK: Mr. President, LB135, introduced by Senator Smith. (Read title.) The bill was read for the first time on January 6, referred to the Transportation Committee, placed on General File with no committee amendments. [LB135]

SENATOR GLOOR: Senator Smith, you are recognized to open on LB135. [LB135]

SENATOR SMITH: Thank you, Mr. President. I humbly appreciate the opportunity to introduce legislation before this body today. I have much to learn in this process as a new state senator, and this is but one of the many lessons that's ahead for me. So thank you very much. It's a great honor to be here. I appreciate the help and the feedback and the mentoring from all of my colleagues over the last couple of weeks, and I'm, indeed, honored to call you colleagues and friends. Thank you very much. LB135 that I'm introducing today is a relatively simple bill. It was brought to me by the Nebraska Association of County Officials, NACO. A public hearing was held on Tuesday in front of the Transportation and Telecommunications Committee, and the committee voted to advance it to the floor. There was no opposition to the proposed legislation. This bill reminds me of a conversation that I had with Senator Burke Harr several days ago. And Senator Harr, as we all know, is a very structured, efficient, and productive colleague. Senator Harr told me how his life would be so much more productive if he were able to sit down once a month and pay his electric bill, his gas bill, his telephone bill at the same time he was sitting down to pay his subscription to National Review. And Senator Harr told me that if all those billing cycles were on the same time, it would indeed make his life very, very productive. So, you know, that got me to thinking, and that really ties in very well with this legislation that I'm introducing. LB135 is really no different than the intention of what Senator Harr was wanting to do. LB135 extends the time county officials have to remit titling fees to the State Treasurer. Current law requires the county clerk to remit titling fees no later than the fifth day of the month following collection. The bill would change that date to, no later than the 15th of each month. This would mirror the remittance deadline for motor vehicle sales taxes and would allow the funds to be sent at the same time, providing a convenience for the counties. I believe it is our duty to make sure government runs as efficiently as possible, and that, of course, means all levels of government. LB135 does this by simplifying the remittance process and allowing for Nebraska counties to utilize their office staff more efficiently. That is the extent of LB135. I would humbly request your support and appreciate your support for moving this bill forward. I yield the rest of my time back to the Chair. Thank you. [LB135]

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SENATOR GLOOR: Thank you, Senator Smith. We're now open for discussion. The Chair recognizes Senator Heidemann. [LB135]

SENATOR HEIDEMANN: Thank you, Mr. President, fellow members of the body. It's that time of the legislative session that the Appropriations Chair stands up and lets you know a little bit about the process and where we're at right now. This is the very first bill, unfortunately for the senator, that has a fiscal note attached to it, and that's why I'm standing up and talking right now, for anybody that's new or just to remind the process. Because this bill does have a cost, it can only go so far, which would be General and Select File. I'm pretty sure it cannot pass on Final Reading. This bill will be sidelined until the budget passes, so it will not move any further than that. It is a pretty small fiscal impact. It looks like \$1,200 the first year and \$1,600 the second year. It's lost interest, revenue income. It is a pretty small amount, I will say that. I'm not going to comment much on the bill. I will let the bill stand on its own. I will tell you, though, that if I can judge the Appropriations Committee and this body probably very much at all, there will be very limited if no money for any new spending or for any cost to the General Fund. I think everybody knows what we're up against. Everybody realizes how much we're going to have to hold agencies and programs flat if not cut. There just isn't the money to go around. So you can do with whatever you want with this bill, let it stand on its own merits, but I will tell you that anything that has much of a cost at all, even though this is minimal, is going to have a tough time going in the end I believe. And with that, just do with it as you please. Thank you. [LB135]

SENATOR GLOOR: Thank you, Senator Heidemann. Senator Langemeier, you are recognized. [LB135]

SENATOR LANGEMEIER: Mr. President, members of the body, after Senator Heidemann gets done, I hate to follow him in these kind of predicaments. Would Senator Smith yield to a question? [LB135]

SENATOR GLOOR: Senator Smith, would you yield to a question? [LB135]

SENATOR SMITH: Yes. [LB135]

SENATOR LANGEMEIER: Senator Smith, in reading your introduction or your statement of intent, it's my understanding that you are hoping to move this from the fifth to the fifteenth to coincide with the way the motor vehicle title fees are submitted to the state, correct? [LB135]

SENATOR SMITH: That is correct. [LB135]

SENATOR LANGEMEIER: And because we're moving it from the fifth to the fifteenth gives us this negative fiscal note. [LB135]

SENATOR SMITH: That is my understanding, yes. [LB135]

SENATOR LANGEMEIER: What would be your thoughts if we moved the motor vehicle tax from the fifteenth to the fifth, which would take your fiscal note from negative to positive as those monies then would have to be paid ten days earlier? [LB135]

SENATOR SMITH: That is an excellent thought. [LB135]

SENATOR LANGEMEIER: Okay. Well, I'm...thank you. That's the only question I had for you. I guess I'm inclined to vote this across on General File. It's fortunate it's your first bill. Welcome to the Legislature. But I'm inclined to vote for this at this time, and then to have some more discussion before Select File because I hate to start a trend where we're just piecemealing a little money here, a little money there. When I started this conversation earlier today, I didn't realize it had a fiscal note, so I have to change my whole speech here a little because I'm...in the history of the Legislature, every time you get a fiscal note, death by fiscal note. And as you're new to the Legislature, I hate to see that happen to you, but that changes my thought process. But I'd like to have that discussion before Select File. Maybe we need to take the others from the fifteenth up to the fifth and you would then gain, instead of the negative on the way you're trying to do it, you'd gain maybe \$2,500 the other way. So with that, thank you very much and thank you, Mr. President. [LB135]

SENATOR GLOOR: Thank you, Senator Langemeier. The Chair recognizes Senator Pahls. [LB135]

SENATOR PAHLS: Thank you, Mr. President. What a great idea, Senator Langemeier. I think with some discussion we ought to move this to Select File. And if we can work it out by then, to me it seems like a done deal. I move that we vote green. [LB135]

SENATOR GLOOR: Thank you, Senator Pahls. Is there any further discussion? Seeing no further lights, Senator Smith, you are recognized to close on the advancement of LB135. [LB135]

SENATOR SMITH: Thank you, Mr. President. I'll waive my closing. [LB135]

SENATOR GLOOR: Senator Smith waives his closing. The question is the advancement of LB135 to E&R Initial. All those in favor vote aye; all those opposed vote nay. Have you all voted? Record, Mr. Clerk. [LB135]

ASSISTANT CLERK: 37 ayes, 2 nays on the advancement of the bill, Mr. President. [LB135]

SENATOR GLOOR: The bill advances. Items for the record, Mr. Clerk. [LB135]

ASSISTANT CLERK: Thank you, Mr. President. I have a conflict of interest statement from Senator Mello. A series of name adds: Senator Price, LB548; Senator Mello, LB579; Senator Howard, LB682; Senator Gloor to LB657 and LB569; Senator Howard to LB569. (Legislative Journal pages 334-335.) [LB548 LB579 LB682 LB657 LB569]

Finally, Mr. President, I have a priority motion. Speaker Flood would move to adjourn until Monday, January 24, 2011, at 10:00 a.m.

SENATOR GLOOR: You've heard the motion to adjourn until 10:00 a.m., Monday morning. All in favor signify by saying aye. All opposed, nay. We are adjourned.