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[LB1 LB2 LB3 LB4 LB5 LB6 LB7 LB8 LB9 LB10 LB11 LB18 LB52 LB59 LB67 LB72 LB135 LB157 LB157A LB158 LB170 LB197 LB230 LB284 LB285 LB389 LB483 LB484 LB548 LB629 LR57 LR58 LR59]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the thirteenth day of the One Hundred Second Legislature, First Session. Our chaplain for today is Senator Krist. Would you all please rise.

SENATOR KRIST: (Prayer offered.)

PRESIDENT SHEEHY: Thank you, Senator Krist. I now call to order the thirteenth day of the One Hundred Second Legislature, First Session. Senators, please record your presence. Please record, Mr. Clerk.

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

PRESIDENT SHEEHY: Are there corrections for the Journal?

ASSISTANT CLERK: I have no corrections this morning.

PRESIDENT SHEEHY: Messages, reports, or announcements?

ASSISTANT CLERK: Mr. President, I do. Your Committee on Banking reports LB72 to General File. I have notice of committee hearings from the Agriculture Committee, the Banking Committee, Business and Labor, Education, and the Transportation and Telecommunications Committee. I have a letter of appointment to the Foster Care Review Board, and a motion by Senator Krist to withdraw LB285. That will be laid over, Mr. President. That's all that I have. (Legislative Journal pages 337-341.) [LB72 LB285]

PRESIDENT SHEEHY: Thank you, Mr. Clerk. We will now move to the item under legislative confirmation report.

ASSISTANT CLERK: Mr. President, the Committee on Agriculture reports on the appointment of Tam Allan to the Nebraska State Fair Board. (Legislative Journal page 315.)

PRESIDENT SHEEHY: Senator Carlson, you're recognized to open on the confirmation report from the Agriculture Committee.

SENATOR CARLSON: Mr. President and members of the Legislature, the Agriculture

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Committee wishes to report favorably upon the reappointment of Tam Allan to the Nebraska State Fair Board and recommends that the body approve the appointment. With the reappointment, Mr. Allan would continue as the representative of the state's business community residing in the First Congressional District. Tam was first confirmed for appointment to the board by this body in 2005, and reappointed in 2008. He's eligible for this, his final three-year term. He currently serves as vice chair of the Fair Board. He led the fair's relocation committee overseeing the move of the fair to Grand Island. He's knowledgeable, very good to work with. A confirmation was held January 18 with Mr. Allan present. The committee voted unanimously to recommend the approval of Mr. Allan's appointment, and I move the adoption of the Ag Committee report on the confirmation of the reappointment of Tam Allan to the State Fair Board. Thank you.

PRESIDENT SHEEHY: Thank you, Senator Carlson. You've heard the opening of the confirmation report from the Agriculture Committee. Member requesting to speak: Senator Fulton, you're recognized.

SENATOR FULTON: Thank you, Mr. President. Good morning, members. I'll just speak briefly, not being on the Agriculture Committee, don't have an opportunity to speak favorably on behalf of Mr. Allan, but I would like to take this opportunity to do so. He has been a pillar here in Lincoln and when it came to the State Fair and Innovation Campus, he was an integral part of that process. And so I want to take this opportunity to speak favorably, highly favorably of him, and support this confirmation. Thank you, Mr. President.

PRESIDENT SHEEHY: Thank you, Senator Fulton. Seeing no additional requests to speak, Senator Carlson, you're recognized to close. Senator Carlson waives closing. The question before the body is on the adoption of the Agriculture Committee confirmation report. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk.

ASSISTANT CLERK: (Record vote, Legislative Journal pages 341-342.) 42 ayes, 0 nays on the adoption of the report, Mr. President.

PRESIDENT SHEEHY: The confirmation report is adopted. (Doctor of the day introduced.) Mr. Clerk, we will now move to items under Select File.

ASSISTANT CLERK: Mr. President, the first bill on Select File this morning is LB1. [LB1]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB1]

SENATOR LARSON: Mr. President, I move that LB1 be advanced to E&R for engrossing. [LB1]

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PRESIDENT SHEEHY: You have all heard the motion. All those in favor say aye. Opposed, nay. LB1 advances. We'll proceed to LB2. [LB1 LB2]

ASSISTANT CLERK: Mr. President, LB2, I have no E&R amendments. [LB2]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB2]

SENATOR LARSON: Mr. President, I move that LB2 be advanced to E&R for engrossing. [LB2]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB2 advances. We'll now proceed to LB3. [LB2 LB3]

ASSISTANT CLERK: LB3, there are no E&R amendments, Senator. [LB3]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB3]

SENATOR LARSON: Mr. President, I move that LB3 be advanced to E&R for engrossing. [LB3]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB3 advances. We'll now proceed to LB4. [LB3 LB4]

ASSISTANT CLERK: LB4 has no E&R amendments. [LB4]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB4]

SENATOR LARSON: Mr. President, I move that LB4 be advanced to E&R for engrossing. [LB4]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB4 advances. We'll now proceed to LB5. [LB4 LB5]

ASSISTANT CLERK: There are no E&R amendments on LB5, Mr. President. [LB5]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB5]

SENATOR LARSON: Mr. President, I move that LB5 be advanced to E&R for engrossing. [LB5]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB5 advances. We'll now proceed to LB6. [LB5 LB6]

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ASSISTANT CLERK: LB6 has no E&R amendments. [LB6]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB6]

SENATOR LARSON: Mr. President, I move that LB6 be advanced to E&R for engrossing. [LB6]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB6 advances. We'll now proceed to LB7. [LB6 LB7]

ASSISTANT CLERK: LB7 has no E&R amendments. [LB7]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB7]

SENATOR LARSON: Mr. President, I move that LB7 be advanced to E&R for engrossing. [LB7]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB7 advances. We'll now proceed to LB8. [LB7 LB8]

ASSISTANT CLERK: LB8 does have E&R amendments. (ER1, Legislative Journal page 323.) [LB8]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB8]

SENATOR LARSON: Mr. President, I move that the E&R amendments to LB8 be adopted. [LB8]

PRESIDENT SHEEHY: You have heard the motion for the adoption of the amendments. All those in favor say aye. Opposed, nay. The amendments are adopted. [LB8]

ASSISTANT CLERK: I have nothing further on the bill. [LB8]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB8]

SENATOR LARSON: Mr. President, I move that LB8 be advanced to E&R for engrossing. [LB8]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB8 advances. We'll now proceed to LB9. [LB8 LB9]

ASSISTANT CLERK: No E&R amendments, Senator. [LB9]

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PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB9]

SENATOR LARSON: Mr. President, I move that LB9 be advanced to E&R for engrossing. [LB9]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB9 advances. We'll now proceed to LB10. [LB9 LB10]

ASSISTANT CLERK: LB10 has no E&R amendments. [LB10]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB10]

SENATOR LARSON: Mr. President, I move that LB10 be advanced to E&R for engrossing. [LB10]

PRESIDENT SHEEHY: You've heard the motion. All those in favor say aye. Opposed, nay. LB10 advances. We'll now proceed to LB11. [LB10 LB11]

ASSISTANT CLERK: LB11, no E&R amendments, Senator. [LB11]

PRESIDENT SHEEHY: Senator Larson, you're recognized for a motion. [LB11]

SENATOR LARSON: Mr. President, I move that LB11 be advanced to E&R for engrossing. [LB11]

PRESIDENT SHEEHY: You have heard the motion. All those in favor say aye. Opposed, nay. LB11 advances. Speaker Flood, you're recognized for an announcement. [LB11]

SPEAKER FLOOD: Thank you, Mr. President. Good morning, members. Before we start our General File discussion this morning, I want to have a short conversation with you about some concerns of mine as it relates to shotgunning bills onto General File. I know that's the process. And as you know, when bills do move out of the committee and they're reported to the Clerk on General File, they're placed on the agenda in the worksheet order that we receive them. For those new members here, that means in the order the Clerk receives the reports back from the committees, that's the progress that you see on the agenda. This has been our practice for many years and it will continue to be our practice in the Legislature until we get to priority bill debate, which I assume will be in the coming weeks. Today is the first day that you can identify a priority. I am not encouraging you to do that, but you can certainly exercise your right, if you so wish. Designation of a priority bill does move it to the front of the line and ensures that it will follow and track through the process to the best of our ability, given the time constraints

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we do have. I would like to remind every member that as a member of a committee, you have an obligation to work on the legislation in your committee and make sure that it is in the best possible form. Do the best job you can to identify the concerns of opponents and, if you're willing, vote to amend the bill accordingly. That's a policy decision that you get to make as a member of the committee. But we have situations, I think, because we incentivize getting on the agenda early, not having to use a priority bill, where people will rush, sometimes, a bill to the floor to get it heard by the Legislature on General File. The goal in this branch of government is not how many bills we pass. It's not the number of the laws that are enacted at the end of the day, it's the quality, the workmanship, and ultimately, the work product that we send over to the Governor's Office, and whether or not we decide to override a veto in some situations. For that reason, to make sure we are solely focused on doing our work, I'm going to implement the following policy effective today for any bills that are reported out of committee to the Clerk. If you report a bill today to the Clerk of the Legislature, your bill will not show up on the agenda tomorrow. It will show up in the Journal tomorrow. On Wednesday of this week, it will be laid over for a day and will show up for the first time on the agenda Thursday morning. This process gives us a chance as a Legislature to read the bills that have been placed in the Journal, to consider amendments, and to thoughtfully proceed. This isn't a shotgun approach to lawmaking. This is a reserved, thoughtful opportunity for us to review the bills. People will say, well, why does it show up on the agenda Thursday? That's the first time I saw it. The agenda is not notice to the public that a bill is available for debate. An agenda from my office means that this is what we're going to try and do today. Now granted, today's agenda, we're not going to get through all those bills. If you want to know what's coming, pick up a worksheet. Look at the General File order. Worksheets are available on your Internet, on your gadget, they're available at the Clerk's Office. If you want to know what's coming up, read the Journal. The Journal is the constitutional method that we inform, not just legislators, but every citizen in this state what bills have been advanced or have been reported to the Clerk. I will put those bills in order on the worksheet on the agenda following that time line. So to reiterate, using today as an example, if a committee reports a bill to the Clerk today, it will show up in the Journal tomorrow, it will not be on the agenda. It will not show up on the agenda Wednesday. It will show up on the agenda Thursday. We need to be thoughtful, we need to be precise, and we need to have discussions about the policy. Because if we go too fast, we'll be back dealing with the same issues year after year and the effects on the public are something that we have to think about. We do a good job in here and we have a great success record in the Legislature of dealing with the state's toughest issues. We just need, I think, in my opinion, just slow down at the start of this session with so many topics on the agenda, deal with what we can deal with, and use the priorities. We've got a lot of work to do and I look forward to a successful session. Thank you.

PRESIDENT SHEEHY: Thank you, Speaker Flood. Mr. Clerk, we'll now move to the first item under General File.

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ASSISTANT CLERK: Mr. President, LB170 was introduced by Senator Fischer. (Read title.) The bill was read for the first time on January 7 of this year. It was referred to the Committee on Transportation and Telecommunications. That committee reports the bill to General File with no committee amendments. [LB170]

PRESIDENT SHEEHY: Senator Fischer, you're recognized to open on LB170. [LB170]

SENATOR FISCHER: Thank you, Mr. President and members of the body. LB170 eliminates a state subsidy provided to the Motorcycle Safety Education Act and updates requirements for motorcycle safety classes and certification of training instructors. The current Motorcycle Safety Education Act provides for reimbursement payments from the Education Fund to providers for each person who successfully completes a motorcycle safety course. Typically, the reimbursement is \$75 per rider. Since 1986, the Motorcycle Safety Education Fund has been funded through the diversion of revenue from the Highway Trust Fund in the amount of \$3 times the number of motorcycle registrations in the state. Likewise, the DMV Cash Fund has transferred \$3.50 times the number of Class M licenses issued to the Education Fund every year. The Motorcycle Safety Education Act is unlike any other driver training program administered by the DMV in that no other driver training program receives a state subsidy. LB170 would eliminate the Motorcycle Safety Education Fund. The remaining balance, a little over \$750,000, would be transferred over to the Roads Operation Cash Fund. The bill also updates the requirements for motorcycle safety classes and certification of instructors and trainers. Providers of safety courses will file an application for a permit with the DMV every two years and pay a \$100 fee. The department will have audit authority to ensure compliance with curriculum standards. The period of validity of the waiver from the driving skills exam issued to successful students is changed from four years to twelve months. The DMV would still have authority to reimburse up to two motorcycle trainers in the state for documented expenses connected with education needed to qualify as a motorcycle trainer. These trainers are required by national motorcycle training standards and are key to maintaining a strong motorcycle safety program in Nebraska. The motorcycle trainers will train the safety instructors, who in turn will instruct persons who want to obtain a Class M license to operate a motorcycle, and who will receive a testing waiver upon successful passage of the motorcycle course. DMV plans to update the training standards for the motorcycle safety courses for motorcycle trainers and for motorcycle safety instructors by revising existing rules and regulations using nationally available curriculums as a model for the motorcycle training standards. To allow for transition from the current reimbursement program to the training model based on the free market, like other driver training programs in the state, the bill allows for the grandfathering in of current trainers and instructors until January 1, 2014. This will allow for such persons to apply for new permits under the revised rules and regulations. Thank you, Mr. President. [LB170]

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PRESIDENT SHEEHY: Thank you, Senator Fischer. You have heard the opening to LB170. Mr. Clerk, do you have an amendment on your desk? [LB170]

ASSISTANT CLERK: Mr. President, Senator Heidemann would offer AM59. (Legislative Journal page 343.) [LB170]

PRESIDENT SHEEHY: Senator Heidemann, you're recognized to open on AM59. [LB170]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. I have an amendment here that will go to the bill. It does not change what the bill does, but it changed where the money will revert back to or will transfer to. On Friday, when this bill was on the agenda, I had some members of the Legislature come up to me and had concerns about where the money had came from and where it was going back to. We started to look into it at that time and found out that the majority of this money came from the Highway Cash Fund and the rest of it came from Department of Motor Vehicles Cash Fund. It would vary each year, anywhere from 22 percent to 27 or 29 percent from Department of Motor Vehicles. If you look at, on the average we came up with an average of about 25 percent came from the DMV and 75 percent came from the Highway Trust Fund. This amendment, being as it's going to be eliminated, we thought it would be fair if the money would transfer and revert back to where it actually came from. So out of the \$790,000, approximately \$600,000 would go back to the Highway Trust Fund from where it came, and 25 percent or approximately a little bit less than \$200,000 would go back to Department of Motor Vehicles Cash Fund. We're going to stand up here and in full honesty, I will say that we are able to as a Legislature lapse money from the Department of Motor Vehicles Cash Fund. And because of that, it's probably a thought that eventually through our appropriations process and budgeting process that we might go in and lapse that \$200,000 back to the General Fund. And at that time, it would allow us to do other things that as needs arise or maybe we won't be able to have to do guite as much cuts in one certain area; \$200,000 in the scope of things isn't a lot, but it's a step. If you have any questions, I'd be more than willing to help you on the part that I'm trying to do. I would give the rest of my time to Senator Fischer. [LB170]

SENATOR GLOOR PRESIDING

SENATOR GLOOR: Senator Fischer, you have 7 minutes 42 seconds. [LB170]

SENATOR FISCHER: Thank you, Mr. President and thank you, Senator Heidemann. I do speak in support of this amendment. The bill was brought to me with the money going entirely into the Roads Cash Fund. I think Senator Heidemann has made good points that with this amendment, the money will go back to the funds that it was originally diverted from, and it also gives the Appropriations Committee another option

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as they proceed through their process. So with that, I do support the amendment. Thank you, Mr. President. [LB170]

SENATOR GLOOR: Thank you, Senator Fischer. Senator Lathrop, you are recognized. [LB170]

SENATOR LATHROP: Thank you, Mr. President and colleagues, good morning. I turned my light on and I'm going to have some questions for Senator Fischer in a little bit, and I wanted to point out to the body what this bill does. And I'm not really sure, you know, it's going to kind of, for me, depend on some of the answers that I get from the Chair of the Transportation Committee. But I'm going to tell you one concern that I have and that's maybe because I've seen this movie before. And the movie I'm talking about is, where are we going to be when the money gets tight? And I appreciate, of course, always the work of Senator Fischer and the Transportation Committee and that's not what we're talking about today, whether they are hardworking or diligent and all that. They most certainly are. The question and the concern I have has to do with money. And I can tell you in a few months from now we're going to be fighting over scraps. There are going to be things that are important to you, very important to you, that you're going to see get cut out of the budget by the Appropriations Committee. And today, in this bill, we're going to see a lot of money being transferred. And I understand Senator Fischer and the Transportation Committee has a good rationale for that. And it might be worth a discussion, certainly worth a discussion, but you ought to be thinking about this. What is it that you have that you'd like to see funded because we have \$790,000 that are going to move from a training fund over to the Roads fund. And I have no problem with properly funding the Roads fund. That isn't the issue either. But it's whether this should happen now or be part of the appropriations process. Should we delay Final Reading or even Select File on LB170 until we get to some of our other budget concerns so that we have a better picture of where we're at from a budget point of view? And so those are some of the questions. I'm going to start out, though, I think, if Senator Fischer will yield, I want to ask some questions about eliminating this fund in the first place. [LB170]

SENATOR GLOOR: Senator Fischer, will you yield to a question from Senator Lathrop? [LB170]

SENATOR FISCHER: Yes, I will. [LB170]

SENATOR LATHROP: Senator Fischer, thank you, and I appreciate the courtesy. I'd like to visit with you or ask some questions, if I might, about historically the training that's gone on and the state subsidy of that training with a certain amount of a fee devoted to that purpose. And that's what has happened to this point in time, is that the case? [LB170]

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SENATOR FISCHER: This fee has been diverted from the trust fund and from the Department of Motor Vehicles Cash Fund, yes, for a number of years. [LB170]

SENATOR LATHROP: Okay. And if I can, just so that I understand, because I think there's some things that are going on that I can't even read in the bill and that is sort of how this all works. If a person wants to ride a motorcycle, do they have to get a second license or is it an endorsement on their driver's license? [LB170]

SENATOR FISCHER: It's basically an endorsement. It's a Class M license for motorcycles, but there is no training that's mandated by the state for that license. [LB170]

SENATOR LATHROP: And if I can, talk about the fees. If I am just going to get a driver's license so that I can operate my passenger car on the roads in Nebraska, how much is that fee going to be when I go in and get my license? Is it \$25? [LB170]

SENATOR FISCHER: Twenty-four dollars, I think, Senator, for the (inaudible). [LB170]

SENATOR LATHROP: Okay. And if I want to do that and ride a motorcycle, do I have to pay that fee twice or is part of that fee...is it just going to be \$24 one time? [LB170]

SENATOR FISCHER: I'm not sure on that, Senator. I believe it's just \$24 for your license and then you're certified on there basically that you have qualified also for that Class M. [LB170]

SENATOR LATHROP: Okay. So we're not...if I want to ride a motorcycle in the state, I don't have to pay the \$24 or \$25 twice, just once. [LB170]

SENATOR FISCHER: No. You do not. You do not have to pay it twice. [LB170]

SENATOR GLOOR: One minute. [LB170]

SENATOR LATHROP: Okay. And currently, if I want a motorcycle endorsement, \$3 is now being taken from that person's driver's license registration cost and it's sent to the training fund, is that right? [LB170]

SENATOR FISCHER: Three dollars is taken from the Roads Cash Fund that would go into there; \$3.50 is taken from the Department of Motor Vehicles Cash Fund and then that money is sent to this Motorcycle Education Fund. [LB170]

SENATOR LATHROP: Okay. So it's the three... [LB170]

SENATOR FISCHER: It's diverted from those two cash funds. [LB170]

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SENATOR LATHROP: All right. So from the \$24, \$3.50 is now going into the motorcycle training fund, is that right? [LB170]

SENATOR FISCHER: Correct. My counsel just told me, Senator, that there is a \$5 endorsement fee for that motorcycle Class M certification. I just wanted to clear that up. [LB170]

SENATOR LATHROP: Okay. So the motorcycle guy is going to pay closer to the \$30 to get the license for the motorcycle and from that \$3.50 is... [LB170]

SENATOR GLOOR: Thank you, Senator Lathrop. Time. Time, Senator Lathrop. (Laughter) The Chair recognizes Senator Christensen. [LB170]

SENATOR CHRISTENSEN: Thank you, Mr. President. Would Senator Fischer yield to a question, please? [LB170]

SENATOR GLOOR: Senator Fischer, would you yield to a question? [LB170]

SENATOR FISCHER: Yes, I will. [LB170]

SENATOR CHRISTENSEN: Senator Fischer, is there any reduced training requirements involved with moving this money around, there isn't, is there? Motorcycles still go through the training and everything that was done? [LB170]

SENATOR FISCHER: Yes, Senator Christensen. Just as with our driver education, it is the choice of the individual whether they want to take these classes or not and that holds also true for the motorcycle riders, drivers. [LB170]

SENATOR CHRISTENSEN: Senator, did you look at if this money isn't...right now that's used to educate, do additional education, that money that we're looking at transferring is used for additional education of motorcycle riders, correct? [LB170]

SENATOR FISCHER: I think I can honestly say to you that the money that we're looking at transferring, this big pot of money, has been sitting there because it hasn't been used. This money has been collected and it is not all being used. That's why it's accumulated into over \$750,000. Again this is a program that is not mandated by the state. I believe that Director Neth with the Department of Motor Vehicles when she spoke to the committee, we were informed that only one in four motorcyclists take this course. So the money is not being used, that's why it's there. [LB170]

SENATOR CHRISTENSEN: So did you give consideration, instead of taking the money out, just reducing the fee, because that might encourage more people to take the

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training? [LB170]

SENATOR FISCHER: I know that my opinion was, and I believe it was the consensus of the members of the committee since the bill did come out unanimously, was that this...it's not just about the money. This is also a question of equity. There are no other driver training schools that receive any kind of state subsidy because the state does not mandate these classes. [LB170]

SENATOR CHRISTENSEN: I understood that these...the motorcycle situation was different and that's one of the reasons why I wondered about reducing the fee because I know it is different driving a motorcycle than it is other vehicles. And that's why I wish more people took the course, and that's why I wondered if that line of questioning went on in the committee at all if they thought that would increase the amount of usage of it, because I think it is a good program. [LB170]

SENATOR FISCHER: I wouldn't say that it's not a good program. In committee, a member asked one of the schools that came in opposition to the bill, what was the average age of their student, what was the average income of their student. We don't require...or I guess we don't subsidize schools that are teaching our young people to drive. In regard to motorcycle schools, you have a wide variety of ages in order to afford a motorcycle. They do cost a lot of money. So in many cases, it's those of us who are in the baby boomer age that are able to afford those bikes and who do take these classes and are subsidized by the state to do so. When you look at driver training schools for our young people or new drivers, those classes are not subsidized because they are not mandated by the state. [LB170]

SENATOR CHRISTENSEN: Thank you, Senator Fischer. Thank you, Mr. President. [LB170]

SENATOR GLOOR: Thank you, Senator Christensen. Senator Utter, you are recognized. [LB170]

SENATOR UTTER: Thank you, Mr. President and good morning, colleagues. I would like to engage Senator Fischer in just a short conversation, if I may, please. [LB170]

SENATOR GLOOR: Senator Fischer, would you yield to questions from Senator Utter? [LB170]

SENATOR FISCHER: I'd be pleased to. [LB170]

SENATOR UTTER: Thank you, Senator Fischer. Can you tell me, are the motorcycle safety courses or the schools, are they primarily being run as a private business or is it...? What's the type of schools that are utilizing these, the safety training? [LB170]

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SENATOR FISCHER: I would say that they are all private. We do have...and here I'm going to argue with my committee counsel, never a wise thing to do, but we do have community colleges that offer those programs too. [LB170]

SENATOR UTTER: Is the subsidy back to the school regardless of whether it's community colleges or whether it's a private business been \$75 per student that has completed the school, is that the...? [LB170]

SENATOR FISCHER: The basic subsidy, yes, is \$75, Senator Utter, per student. [LB170]

SENATOR UTTER: Just for information purposes, the Central Community Colleges out in our area, on the average, the one in Hastings trains an average of about 225 riders a year. And so looking at \$75 reimbursement, why, that figure comes to about \$16,875 for them. I don't...I guess I don't want to minimize the importance of the training that the people...that these people provide and I clearly understand what Senator Fischer is saying with regard to the subsidization of these schools. I would like to ask...I would like to just talk to Senator Fischer one more time, just briefly, about the cash fund. [LB170]

SENATOR FISCHER: Yes, Senator Utter. [LB170]

SENATOR UTTER: The...if I add these figures up right, if I'm understanding the fiscal note correctly, why, at the end of this fiscal year they're expecting the cash fund, the Safety Education Fund, to have \$1,137,000 in it? [LB170]

SENATOR FISCHER: Yes, and I believe that's because of the registrations that will be coming in for this fiscal year. [LB170]

SENATOR UTTER: I think it's just an interesting fact that when we're going through times like we're going through today that all kinds of cash funds kind of sprout up that have got surprising amounts of money in it. And I guess I would...I don't argue with what we're trying to do with this cash fund, but I will tell you that as I have moved through the Revenue Committee and hearing of bills in the Revenue Committee and all of a sudden cash funds sprout up, I'm amazed at how many cash funds there are in state government hiding, well, I wouldn't say hiding, but they're in every nook and cranny, it seems to me like. I think that would be the subject of a really good study sometime to see where all of these cash funds are, how much they are, and what they're really doing with the money. I find in some instances that cash funds are kind of there for, in case we have an emergency of some kind in our agency. And I guess when we're charging fees to perform services for citizens, it seems to me like... [LB170]

SENATOR GLOOR: One minute, Senator. [LB170]

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SENATOR UTTER: ...it seems to me like the appropriate thing to do with cash funds is to use those funds that we charge the citizens to provide those services and not seek General Funds and save the cash funds. That's a little off the subject, and I apologize for that, but I don't know whether you find it the same way or not, Senator Fischer. [LB170]

SENATOR FISHER: Senator Utter, I think we have a lot of opportunities in front of us. With term limits it's difficult to find all these nooks and crannies as you describe them where we have funds available. But I think the opportunity we have now as we go forward in this situation we find ourselves with the economy, we can continue to look for these different areas and we can make those decisions on what government should be doing and what we should not be doing. [LB170]

SENATOR GLOOR: Thank you, Senator Utter and Senator Fischer. The Chair recognizes Senator Lathrop. [LB170]

SENATOR LATHROP: Thank you once again, Mr. President and colleagues. If I might, I'd like Senator Fischer to yield to some additional questions. [LB170]

SENATOR GLOOR: Senator Fischer, will you yield? [LB170]

SENATOR FISCHER: Of course. [LB170]

SENATOR LATHROP: Thanks, Senator Fischer. Before my time expired, we were talking about the history of this fund and the training and the money, if I might. And as I understood your description, \$3.50 from the fee paid by the motorcycle operator, who gets the special license, goes to the fund that is used to subsidize training. Is that right? [LB170]

SENATOR FISCHER: It's \$3.50 that is diverted from the Department of Motor Vehicles Cash Fund. It is another \$3 that is diverted from the Roads Cash Fund. [LB170]

SENATOR LATHROP: So is it a total of \$6.50 each time we have a license for a motorcycle operator that goes into the training fund? [LB170]

SENATOR FISCHER: The three...they both go into the fund. [LB170]

SENATOR LATHROP: Let me do it differently. I get a license to drive a motorcycle in the state of Nebraska and that costs me \$29.50, is that right? [LB170]

SENATOR FISCHER: Yes,... [LB170]

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SENATOR LATHROP: Okay. [LB170]

SENATOR FISCHER: ...and if you were a motorcycle driver, then \$3.50 comes out of that. For that Class M endorsement, \$3.50 comes out of that and goes into the Education Fund. [LB170]

SENATOR LATHROP: Okay. So every time somebody gets a driver's license with an endorsement on it for a motorcycle, \$3.50 comes out and goes into the training fund and that's the subject of your bill, am I right? [LB170]

SENATOR FISCHER: Plus every motorcycle registration that sends another \$3 into the fund. [LB170]

SENATOR LATHROP: Okay. [LB170]

SENATOR FISCHER: So we have \$6.50 total. [LB170]

SENATOR LATHROP: And so what you would like to do with this bill would be to take, eliminate that diversion of money into the training of these motorcycle operators, the subsidy, and put it into the Department of Roads and the Department of Motor Vehicles. [LB170]

SENATOR FISCHER: It wouldn't...basically, yes. But I think you need to also look at the bill that it's not totally eliminating the training. The Department of Motor Vehicles will still have the authority to reimburse two motorcycle trainers in the state, which they currently do. And then those two trainers go out and train the instructors who then work for these schools, which...I can give you a list of the amount of money certain of these schools received over the last three years, if you would like to see that. [LB170]

SENATOR LATHROP: Maybe later, but that's off the mark for me. What's happening with the money once we put it into the fund for training, we are subsidizing the cost of the classes that people can take if they want to take a class and be a more careful motorcycle operator. Is that right? [LB170]

SENATOR FISCHER: That would be correct. [LB170]

SENATOR LATHROP: And can you tell me, generally, as a general statement, what it costs to go to one of these classes before the subsidy? [LB170]

SENATOR FISCHER: We were told at the hearing by some of the operators of these schools that it can cost anywhere from \$150 to \$275 per student. [LB170]

SENATOR LATHROP: Okay, so... [LB170]

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SENATOR FISCHER: There's a variance there on what the individual schools charge for these classes. [LB170]

SENATOR LATHROP: All right. The fund, does it have a set amount that it subsidizes the cost of those programs? [LB170]

SENATOR FISCHER: It's \$75 per student. [LB170]

SENATOR LATHROP: Okay. So we're diverting the money that we talked about going into the fund and currently, if I want to take the class or I want my son to take the class before he starts driving a motorcycle, the state is paying \$75 to subsidize it and, in effect, encourage them to take the class... [LB170]

PRESIDENT SHEEHY PRESIDING

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR LATHROP: ...and they are picking up the balance. That's the current process. [LB170]

SENATOR FISCHER: That is the current process for the motorcycle schools, not the driver's schools. [LB170]

SENATOR LATHROP: Got it. [LB170]

SENATOR FISCHER: Just thought I'd throw that in. [LB170]

SENATOR LATHROP: I know...(laughter) I know you want to make your point in answer to my questions and that's okay, I guess. So do you have any statistics or did your hearing indicate whether these schools are effective in producing safer motorcycle operators? [LB170]

SENATOR FISCHER: We have no statistics on that. In fact, I brought that up. I was curious as to the percentage of motorcycle accidents, looking at the percentage of people who had taken this course versus those who hadn't. We have no information on that, Senator Lathrop. [LB170]

SENATOR LATHROP: You said you have no information on it? [LB170]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Lathrop. Senator Ken Haar, you're recognized. [LB170]

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SENATOR HAAR: Mr. President and members of the body, I have a few questions for Senator Fischer. But first of all what I'm trying to figure out is, are we still charging extra money but then just...are we still charging a fee basically, but then using that fee for another purpose? And so I'm wondering whether Senator Fischer would answer a few questions for me. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Haar? [LB170]

SENATOR FISCHER: Yes, I will. [LB170]

SENATOR HAAR: Thank you very much. First of all, at one point I drove a big mail truck for a summer job and I had to take a driver's test and so on. Did that cost me more to get that certification just the way it does if I ride a motorcycle? [LB170]

SENATOR FISCHER: I'm sorry, Senator Haar, did you ask if a regular driver's license of the Class O license costs more than a motorcycle? [LB170]

SENATOR HAAR: No. Okay, let me... [LB170]

SENATOR FISCHER: I'm sorry. [LB170]

SENATOR HAAR: No, that's fine. If I have...get a motorcycle license, it costs me \$5 more than to get a regular license, just a driver's license. Is the same true... [LB170]

SENATOR FISCHER: No, Senator Haar, that...if you have a Class O license, which is that \$24... [LB170]

SENATOR HAAR: Yes. [LB170]

SENATOR FISCHER: ...that means you can drive a car. If you also want to drive a motorcycle, then you pay \$5. If you just are getting the Class M license, I would have to look that up. [LB170]

SENATOR HAAR: No, that... [LB170]

SENATOR FISCHER: It would just be \$24 on its own. It's the combination of the two licenses that are \$24 plus the \$5. [LB170]

SENATOR HAAR: Okay. Is that true of other kinds of special licenses like for driving a big truck or whatever that you pay more in that combination? [LB170]

SENATOR FISCHER: Senator Haar, I can tell you in order to get a CDL license, which is to drive those big trucks, it's valid for five years and it costs \$55. So as a state, we do

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charge different amounts for different licenses or combinations of them. [LB170]

SENATOR HAAR: Why do we charge that fee? [LB170]

SENATOR FISCHER: It was a decision made by 25 votes in the Legislature. [LB170]

SENATOR HAAR: Okay. Okay. Does it actually take more paperwork or...? [LB170]

SENATOR FISCHER: When you're looking at CDL licenses, yes, it takes a lot more paperwork because the Department of Motor Vehicles has to deal with the federal government and all of their regulations. [LB170]

SENATOR HAAR: Okay. Now in terms of the trainers, from what I am hearing is that the state would still provide training for trainers, for motorcycle trainers. [LB170]

SENATOR FISCHER: The Department of Motor Vehicles would have the authority to provide for the reimbursements for those two trainers, who then go out and train the instructors for the various schools, yes. [LB170]

SENATOR HAAR: One of my constituents had a concern and said that without this funding the training for trainers would go down the tubes, but I hear that that's not the case. [LB170]

SENATOR FISCHER: I would disagree with that, Senator Haar. As I said earlier, in our driver training schools that we send our children to, that many people go to in order to learn to become better drivers on the road or those who get their licenses later, there is no state reimbursement there. And those schools seem to be doing just fine, and I would say that they are producing a number of safe drivers of those who choose to attend those schools. [LB170]

SENATOR HAAR: Okay. And I did take the motorcycle training course way back when. [LB170]

SENATOR FISCHER: I wouldn't doubt that you are very safe. I would ride with you. [LB170]

SENATOR HAAR: (Laugh) Well, I'm not sure I'd ride with me anymore, but... [LB170]

SENATOR FISCHER: Well, maybe not then. (Laughter) [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR HAAR: Now is the...do trainers need certification? [LB170]

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SENATOR FISCHER: Yes, they do. [LB170]

SENATOR HAAR: Okay. And the state provides that as well? [LB170]

SENATOR FISCHER: Department of Motor Vehicles would, yes, sir. [LB170]

SENATOR HAAR: Okay. Is that just the test or do trainers actually have to attend some kind of training sessions? [LB170]

SENATOR FISCHER: I can't tell you for sure what that is, Senator Haar, but they are national standards that have to be met. [LB170]

SENATOR HAAR: Okay. Okay. Well, I'll ask some more questions when I get time at the light. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Haar. (Visitors introduced.) Members requesting to speak to AM59 to LB170, we have Senator Krist, followed by Senator Langemeier, Senator Dubas, Senator Hadley, Senator Campbell, and others. Senator Krist, you're recognized. [LB170]

SENATOR KRIST: Thank you, Lieutenant Governor. I'm going to go a couple of different directions today because I think it's warranted. The first direction is, I believe that you cannot train too much. I believe that you cannot go through too many training programs no matter what you do, whether you fly or whether you ride your motorcycle or whether you ride your bicycle. And I think that an initial training program that costs as much as the motorcycle training program does, as an elective process, speaks to what the motorcycle rider believes is inherently required to get on that bike and ride. So I applaud them for going the extra mile even when big brother didn't tell them to do it, to get out there and train on a motorcycle. The second thing is what I heard Senator Utter say, if I'm not mistaken, and I might ask him to yield to a question if he would not mind. Senator Utter. [LB170]

PRESIDENT SHEEHY: Senator Utter, would you yield to Senator Krist? [LB170]

SENATOR UTTER: Yes, I will. [LB170]

SENATOR KRIST: Did you say that your community college systems were benefiting from the fee that was being paid to them? [LB170]

SENATOR UTTER: Well, what I said was, Senator Krist, is that they train on the average of about 225 riders a year and they receive the \$75...they have about 225 completions and they receive the \$75 subsidy for that program. [LB170]

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SENATOR KRIST: So this is a public institution we're talking about, not private? [LB170]

SENATOR UTTER: Yes, absolutely, Central Community College. [LB170]

SENATOR KRIST: Okay. Thank you, Senator. And finally, I find that Senator Fischer, like everybody else in this room, is trying to find funding for things that we think are important. I find these two areas to be noncompatible. If we want to stop charging the motorcycle riders and reduce the cost of the license or the registration and not put these into our funds, then let's be clear and let's do that. And then the license and registration will cost less. If we want to keep charging them and take the money instead of putting it in a cash fund and take it towards motor vehicles and take it towards transportation, then let's be up-front and say that's what we want to do. But I think that you could take that cash fund today and take it down to a reasonable number, transfer those funds into those two entities, and still continue to do what we're doing because, obviously, if we've got a million dollars at the end of this year, it's cost productive. And, oh, by the way, I'll draw one small parallel and I know I'm going to get an arrow right in the back and in the front, but when the folks in ag decide to put money away and call it a checkoff, we don't touch that cash fund and rightfully so. The motorcycle riders today have built up that amount of money by paying in that amount of money. So let's come to some agreement where transportation can take some money away, motor vehicles can take some money away, and we can continue the training program, and intend to readdress whether or not that number needs to be \$3 or \$3.50. But I don't see anybody, I don't see anybody today arguing that they don't want to continue the training program. What I see is that we don't want to subsidize it. I wonder if Senator Fischer would yield to a question. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Krist? [LB170]

SENATOR FISCHER: Yes, I will. [LB170]

SENATOR KRIST: I applaud what you're doing. I understand that right now a cash fund of that size is probably very inappropriate for where we are. Is there an option to continue the training program with some subsidized behavior and still change the cash fund or transfer the cash fund in a different way? [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR FISCHER: Senator Krist, I appreciate your questions. My point on this bill, it's with the money, but it's also a question of equity. The state does not mandate any driver's training course, any. But yet we are subsidizing the motorcycle education. The motorcyclists are not just donating the \$3 or the \$3.50 to this fund. They...if they have a combination license, they pay \$5 more; \$6.50 goes into this education fund. If we are

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going to be equal to everyone in this state, then shouldn't we be having a fund for driver's education and divert more money? I don't think we should because the state is not mandating those classes. And one in four only takes...chooses to take advantage of them. [LB170]

PRESIDENT SHEEHY: Time, Senator. [LB170]

SENATOR KRIST: Thank you. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Krist. Thank you, Senator Fischer. Senator Langemeier, you're recognized. [LB170]

SENATOR LANGEMEIER: Mr. President and members of the body, I rise in support of AM59 to LB170, if we so incline to move LB170. But I have...we've had a lot of discussion here about the transfer of funds. I have a little different way I want to go this time and on my next light I'm going to talk more about the transfer of funds, but if Senator Fischer would yield to a question. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Langemeier? [LB170]

SENATOR FISCHER: Yes, I will. [LB170]

SENATOR LANGEMEIER: Thank you, Senator Fischer. And I, too, rise in support of the training. What I have a...fearful of is, is on page 12. Currently, if you go take this training, you get to get your license without having to take the test. And that training in the old language was good for 48 months. This language takes it down to 12 months. And in Nebraska where you have six months where you can't drive a motorcycle, I'm fearful that taking it from 48 to 12 is just not realistic. So would there be...I guess, what is your thoughts on that? You already yielded, you can talk. [LB170]

SENATOR FISCHER: Thank you, Senator Langemeier. Four years is a long time. The reasoning that was brought to me on this to take it down to one year instead of four was to keep up to date on those national standards that I referred to earlier. [LB170]

SENATOR LANGEMEIER: Okay. Well, I still have a concern that 12 might be too short due to the limited motorcycle riding ability in Nebraska in the winter months, per se today. And so I would... [LB170]

SENATOR FISCHER: I would say if you would want to change that, I...as I said, that was brought to us by the Department of Motor Vehicles who were concerned about keeping up to date on the standards, but I also understand the point you're making. I'd...I would think we could reach an agreement on that. [LB170]

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SENATOR LANGEMEIER: Yeah. I appreciate that. And my concern is, is maybe 24 months is more realistic for Nebraska. [LB170]

SENATOR FISCHER: With our eight months of winter? [LB170]

SENATOR LANGEMEIER: With our eight months of winter that we just got done scooping. (Laughter) And so I might draft an amendment and we can have some more discussion when we get to that on that particular subject matter. Thank you, Mr. President, and thank you, Senator Fischer. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. Senator Dubas, you're recognized. [LB170]

SENATOR DUBAS: Thank you, Mr. President. Good morning, colleagues. I'm a new member to the Transportation Committee so this was one of the first bills that I was able to engage in and thought the testimony and everything that was brought forward was really good. I had a hesitation with this bill because, like Senator Krist, I don't think you can have too much education, especially if you're out on the roads and driving two-wheel and four-wheel and multiple wheel vehicles, so I had some struggles. I asked a lot of questions. But also when I saw the balance that has been built up in this account, it gave me pause to say, well, why do we have such a substantial balance, why has it grown? It appears to be an underutilized cash fund. Senator Fischer and I believe others have made the point that one in four riders are taking a motorcycle education driving course. So even with the subsidy, for some reason, we're not getting as many people engaged in furthering their education as we'd like to. Would Senator Sullivan yield...or excuse me, Senator Fischer yield to a question? [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Dubas? [LB170]

SENATOR FISCHER: I don't know, maybe we should ask Senator Sullivan. (Laughter) No, yes, I will. [LB170]

SENATOR DUBAS: You should have seen the look on her face. (Laughter) Thank you, Senator Fischer. I think you just brought it up in your last comment, but I want to make sure that it does get reemphasized. Outside of this subsidy to the drivers, trainers, and the courses, is there any other incentive for a motorcycle rider to take this training? [LB170]

SENATOR FISCHER: Well, as with any training, whether it's motorcycle or a car, you get a waiver when you go to the Department of Motor Vehicles and you won't have to take their driving test if you have passed this course. So that would save you time when you go to the DMV to get your license. Some insurance companies, not all, because

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ours didn't, but not all will give you a break on your insurance if you've taken driver's training classes. As I said, some do, not all. So there are good reasons to take these courses besides the fact that you do become a better driver, I would hope, after taking one. [LB170]

SENATOR DUBAS: Thank you, Senator Fischer. And I think any of us who have had teenage children to raise, I know when my kids were in school and driver's ed was offered to them, I know I had to pay a sizable sum of money for them to take the course, but I was...also received a nice little discount on my car insurance for them taking that course. So I think there are incentives out there that are similar for motorcycles. And it's my understanding, too, Senator Fischer, if you would yield and just make sure I'm making a correct statement. This subsidy, it's more or less an indirect subsidy to the riders, actually it's going to the people who are providing these courses and teaching them, is that correct? [LB170]

SENATOR FISCHER: That's correct, Senator Dubas. And as you know, the testimony we received from Director Neth with the Department of Motor Vehicles on the second to the last page in that testimony, she had listed out a number of the private entities, community colleges, what they had received over the last three years from this program. It goes to the schools. [LB170]

SENATOR DUBAS: Thank you very much, Senator Fischer. I think this bill that we're discussing today is a prime example of the types of discussions we're going to be having on a frequent basis in the next 80-some-plus days. I think we're looking at reprioritizing where money goes and how it's spent. We're looking at cash funds. We're looking at a lot of things. And if you're building up sizable cash funds, you know, the question has to be, why isn't it being used? Is there a better way to use that money? [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR DUBAS: Can we divert some of that to another direction? So I think these are questions we're going to have to be asking ourselves. We're reprioritizing where we want to put our money. Do we want motorcycle riders to be more educated? I would say yes. Are we willing to subsidize that training? I guess that's a question each and every one of us has to ask in here. Is that a priority to us? Is there a difference between riding a motorcycle and driving a car? I would say, yes, I think that there is. But again I think it just goes back to where is...what is the best use for the dollars that are being put into this. If we only have one in four riders right now taking education, is there something that we can do that would increase that number? Obviously, the subsidy isn't doing what we'd like to see it do. Is there a better way for us to go? And appreciate the discussion this morning. And the amendments, I think I will probably be supporting what Senator Langemeier is considering introducing, and thank you very much. [LB170]

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PRESIDENT SHEEHY: Thank you, Senator Dubas. Senator Hadley, you're recognized. [LB170]

SENATOR HADLEY: Mr. President, members of the body, good morning. I appreciate this first opportunity to speak. I can imagine the uproar if I were to put an amendment in that required every person who wanted a motorcycle license to go to one of these schools. There would be people just basically screaming that we were infringing on their rights by making them go to this school, making them get the training, making them get the education. I think one of the key facts is only one out of four does this and I think it's an equity issue. We offer all kinds of driver's licenses. Senator Fischer mentioned the CDL, commercial driver's licenses. These are people that are driving huge semis down our roads at 70, 75 miles an hour. If we're going to subsidize some training, shouldn't we be subsidizing that person to be sure that they're trained well? I know that they have to have training. They get training, but why do we subsidize a motorcycle rider when we don't subsidize that CDL license or a normal operating license? I think it is an equity issue. If the majority of the motorcycle riders, 70, 80, 90 percent were taking the training, that might be a different situation. But three out of four are basically subsidizing the one in four that doesn't. So I think it is an equity issue. Someone brought up the fact that some of this money does go to private businesses. I have a question about that. We're subsidizing private training. Lastly, I think Senator Dubas hit the nail on the head when we talk about cash funds--better way to use the money. I'm going to make just a little bit of a far reach here to answer some of the things that Senator Lathrop was talking about. If we can use this funding to help in the Highway Trust Fund, to help better our highways, what better use of that money to a motorcycle rider could there be? They are the ones who probably pay as big a price for roads not in repair, for roads that have problems. So it may not be a huge amount, but I think there is a link between the use of this money in the Highway Trust Fund and from where the money came from. With that, I would yield the remainder of my time to Senator Fischer, if she would like it. [LB170]

PRESIDENT SHEEHY: Senator Fischer, you're yielded just over 2 minutes. [LB170]

SENATOR FISCHER: Thank you, Mr. President and thank you, Senator Hadley. I would like to address the amendment that Senator Heidemann has offered and reiterate to the body that I think this is a good amendment. I think it addresses a number of concerns, and so I would ask that you support it. Thank you, Mr. President. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Hadley. Thank you, Senator Fischer. Members wishing to speak on AM59 to LB170: Senator Campbell, followed by Senator Utter, Senator Howard, Senator Lathrop, and Senator Ken Haar. Senator Campbell, you're recognized. [LB170]

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SENATOR CAMPBELL: Thank you, Mr. President and good morning, colleagues. Just a couple of facts that I wanted to reiterate and explore a little bit more. I also sit on the Transportation Committee, and when we talked about the fees with the schools, most of the community colleges charge around \$150. And I think Senator Fischer explained that. And most of the private schools can go as high as \$275. So there's a large range here of difference in what the motorcycle folks are paying in order to take the classes. The second point I want to amplify is that there are presently 11 schools in the state. Of those schools, four are community colleges. The rest, as best we could tell, were private businesses. And over the course of the last three years, we have provided money to these 11 entities in the amount of \$453,200. That's a lot of subsidy for being the only one that we utilize in the state for driver's testing. And the other part of this is, we want to keep emphasizing that a number of people do not take the class, but they do get their license because they pass the other test, and that the average age here is well into the late twenties or thirties, and I would have to say, probably, from some of my colleagues that are the aging baby boomers. Thank you, Mr. President. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Campbell. Senator Utter, you're recognized. [LB170]

SENATOR UTTER: Thank you, Mr. President and colleagues. I...there I see him. I want to engage Senator Heidemann in just a little bit of a conversation here. [LB170]

PRESIDENT SHEEHY: Senator Heidemann, would you yield to Senator Utter? [LB170]

SENATOR UTTER: And Senator Fischer, I don't want you to take offense at this, but they tell me he's the dollar expert and so I'm going to talk to him. Senator Heidemann, and I'm not sure what the dollar figures roughly would be based on your amendment but just looking at the original fiscal note here, I see where we're going to put into the Department of Motor Vehicles Cash Fund about \$118,000 from the special ed fund. And I guess just to shine a little light of transparency upon the cash funds, can you tell the body what the Motor Vehicle Cash Funds are used for and some kind of an idea of what's in that. I know there must be plenty of money in it because I understand that they're going to lapse some of those funds into our budget this year. Would you shed some light on that for the body, please? [LB170]

SENATOR HEIDEMANN: Department of Motor Vehicles Cash Funds is what they use to operate all of their operations, so you would be salaries and benefits, all their O&M money would come from their cash fund. They're an exclusive cash fund operation. They get no General Funds from us to help them out, so it's all generated by fees, goes into this fund, and everything that they do and all of their expenses comes out of DMV cash. [LB170]

SENATOR UTTER: So, Senator Heidemann, do they generate substantially more in

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fees on an annual basis than they use for operations? [LB170]

SENATOR HEIDEMANN: I'd have to look into that. I mean, if...I think it's in the Governor's proposal and I think that's what you was referring to. The Legislature has not made its decision yet whether we're going to lapse any of those funds. But if we are as a state able to lapse funds from a cash fund, it probably does mean that there are at times some excess funds. And I don't know if this is one of these funds where we actually lapse year after year. There are some funds like that, securities, insurance premium, we do on a yearly basis. I can't remember that we do with this fund on a yearly basis, but there evidently right now is some excess funds that we go in...we can go in maybe and try to grab. [LB170]

SENATOR UTTER: Senator Heidemann, if they ever ran short, let's assume that the fees weren't enough to pay for the operating expenses of the Department of Motor Vehicles and so there wasn't enough money there, what would happen then? [LB170]

SENATOR HEIDEMANN: Well, theoretically, you would never lapse any more money that would set yourself in jeopardy with...for a cash flow situation down the road. We are very, very careful to make sure if it's a cash funded agency that you would never put them in jeopardy as far as being short of money. [LB170]

SENATOR UTTER: I would never accuse you of being anything but very, very careful and that's a compliment. But I guess my question eventually related to the fact that if, in fact, something, the fees did not generate enough money to sustain the department, do they then come to the...for a General Fund appropriation? [LB170]

SENATOR HEIDEMANN: Two things could happen, probably, in that situation. You would come to the Legislature to find some General Funds or what normally happens in that instance, you would have a bill brought in that would up fees. [LB170]

SENATOR UTTER: Okay. Thank you very much, Senator. [LB170]

SENATOR HEIDEMANN: That's what you wanted to hear. (Laugh) [LB170]

SENATOR UTTER: Thank you, Mr. President. If there's any extra time, I would...well, I guess I won't because I think she left the floor. I was going to yield... [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR UTTER: ...my time to Senator Fischer, but, thank you anyway. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Utter. Senator Howard, you're recognized. [LB170]

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SENATOR HOWARD: Thank you, Mr. President. If Senator Fischer would be available to yield to a question or two. And she's coming our way right now, as we speak. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Howard? [LB170]

SENATOR FISCHER: I would be happy to. [LB170]

SENATOR HOWARD: Thank you. Senator Fischer, forgive me if I ask a question that's already been asked, but this is an area that I'm not...I've never been a motorcycle rider. I'm sure that doesn't surprise you at all, but just for my own knowledge, the funding right now, the amount of money that's in the funding, can you remind me of what that is again, the amount of money that's currently in the fund? [LB170]

SENATOR FISCHER: There's about \$790,000 currently in the fund. [LB170]

SENATOR HOWARD: That seems like a lot of money to be in a particular fund. I remember this summer when you had a special conference in Omaha regarding transportation, the roads, and looking for funding and requesting that people bring you their ideas. And it was a great conference and it was well attended and many people were interested in this area. And I just have to say I really appreciate that you've been able to locate a fund that's related to the roads issue that can be utilized for the roads and promote, I would say, the general safety for everyone. We all expect the roads to be safe when we drive on them. I think this is a twofold win in that you found this funding. This is a way to utilize this for the greater good, and you're not asking for any additional taxation or fees or a leverage of any kind. You're not going after additional gas taxation which would put a penalty on everyone. I would say, in my opinion, this really is what people expect us to be doing is to be looking at what is available. [LB170]

SENATOR FISCHER: Senator Howard, I appreciated your attendance at the Transportation Funding Conference in Omaha that you referred to and many of my colleagues, there were over 34 there, I believe, but I do have to be honest and tell you that I...this wasn't me who found this pot of gold. The Department of Motor Vehicles came to me with this bill and I thought...again, my first response was, it was an equity issue. We do not subsidize other driver training schools and I did not feel that the state of Nebraska should be subsidizing the motorcycle one, again because we do not mandate any training as a state. So while I, of course, appreciate, as we all do, any funds that can go into the Roads Fund, this was not my idea. I wish I would have thought of it but I didn't. [LB170]

SENATOR HOWARD: Good example of people that bring us good ideas that we can carry to the floor and utilize, as I said earlier, for the greater good. I appreciate that you brought this in. I remember years ago when my children reached the age of being

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interested in driving, and for the older child there was a driver's training through Omaha Public Schools which was useful and we took advantage of. But over the course of time, that was phased out, primarily due to cost. And I felt that the training was so important that I, of course, paid for private instruction for both of them to have that. But Senator Fischer makes a good point. If people are interested in taking this, and I would encourage them to do that, oftentimes it falls upon the person. And I admire people that go through this. I think there's the added benefit of, in many cases, an insurance cost break if you do that. I would see that as a real incentive. But I'm in agreement that this funding could be better used at this time for offsetting the cost of maintaining our roads... [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR HOWARD: ...and I thank Senator Fischer. Thank you. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Howard. Senator Lathrop, you're recognized. This is your third time. [LB170]

SENATOR LATHROP: Thank you, Mr. President and colleagues. Once again, if Senator Fischer would yield to some questions. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Lathrop? [LB170]

SENATOR FISCHER: Of course. [LB170]

SENATOR LATHROP: And I'm back. [LB170]

SENATOR FISCHER: You never go away. [LB170]

SENATOR LATHROP: Senator Fischer, we were talking about this fund in the education of the motorcycle operators and the fact that we now subsidize it and if this bill passes, we will not be subsidizing that cost. And I heard you say that one in four motorcycle operators are actually taking the course. Is that the case? [LB170]

SENATOR FISCHER: That's what we were told at the hearing, Senator. [LB170]

SENATOR LATHROP: And it's currently not mandated, but people do it so that they can lower their insurance rates. [LB170]

SENATOR FISCHER: It's hard to say why people do things. I would think that they do it to lower their insurance rates, again if their company chooses to do that. They may do it so they don't have to take the test when they go to the DMV. Or they may just have no clue how to drive a motorcycle, like me. [LB170]

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SENATOR LATHROP: Okay. You're right, we don't know what motivates people. What we do know, though, is that those people who actually take the course will have lower motorcycle insurance premiums, all else being equal. Is that your understanding? [LB170]

SENATOR FISCHER: No, Senator, it's not. I don't believe that every insurance company gives a deduction. As I said, our insurance company when our three sons were going through driver's training, when the schools still did it, they went through driver's training, passed that, and did not receive a lower rate. What helped in the case with our sons was that they were on honor roll and that lowered the insurance, not the class. [LB170]

SENATOR LATHROP: Okay. Your sons were taking driver's classes and not motorcycle classes, am I right? [LB170]

SENATOR FISCHER: Correct. [LB170]

SENATOR LATHROP: And so when I ask you about the motorcycle training course lowering one's insurance if they're going to ride a motorcycle, you go back to automobiles. And my question was, and I thought I heard somebody say it this morning, that if you take this class, generally, and insure your motorcycle, that your insurance is less because you've taken a safety class. [LB170]

SENATOR FISCHER: Generally, that probably is true, but not in all cases would be my argument to you then. [LB170]

SENATOR LATHROP: All right. Did you...do any states mandate this training? [LB170]

SENATOR FISCHER: I do not know of any. We haven't looked into it. I can't tell you that. [LB170]

SENATOR LATHROP: Okay. What we do know is that when you subsidize the training at about one-half, \$75, that we get one in four people will actually take the course. Do you know how many people will take the course if we do not subsidize it? [LB170]

SENATOR FISCHER: I have no idea, Senator. [LB170]

SENATOR LATHROP: We can agree that fewer people will take the course if they have to pay the full price rather than half of the price. [LB170]

SENATOR FISCHER: I can't say that I would agree with you on that. That would be whatever you attorneys would call it, conjecture at this point. It depends on what

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reasons people are taking the classes, Senator. I'm not... [LB170]

SENATOR LATHROP: Okay. [LB170]

SENATOR FISCHER: I'm trying to, you know, be serious here about it but it's difficult to... [LB170]

SENATOR LATHROP: I can tell you're being very serious. I'm not sure you're...okay, I feel like I'm arguing against common sense, but if...then, then let me just make this with what I have left on my third opportunity to speak. And this is my concern, if we have a fund of money and the purpose of the fund of money is to subsidize the cost of motorcycle training, then we should be asking ourselves, I think, if it's not getting used fast enough... [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR LATHROP: ...then we have an opportunity to do one of two things: either take the money over to a different purpose--fill potholes, build bridges, the things that the Department of Roads does--or we could subsidize further the training, maybe make it free, if we're accumulating money that fast. We'd have more people taking it and, presumably, fewer motorcycle accidents or fewer serious motorcycle accidents and that's a discussion I think is worth having. I just don't see yet. I understand that we're transferring money with LB170 and that seems to be the primary purpose, but I don't see an argument for stopping the subsidizing of the training. And here's a...I'm going to tell you, and it's interesting that we have some of the ABATE guys here today, obviously, I've stood up on the floor for a good number of years opposed to repealing the helmet law, but it comes up every year and it... [LB170]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Lathrop. Senator Ken Haar, you're recognized. [LB170]

SENATOR HAAR: Thank you, Mr. President. And I apologize to Senator Fischer for turning my back on...this is difficult. The first year I took Senator Harms's mike and they said I couldn't do that, so. I want to follow up a little bit on what Senator Krist was talking about because I think he's said closest to what my thinking is. There are three things we're going to have to consider as we go through budget cutting. One is, if there's a bloated cash balance somewhere, and I think we have to look for those, but then there's a difference between a fee and a subsidy. And I'm wondering since motorcyclists pay an extra \$5, what part of that...if we just cut out this training, shouldn't we reduce the fee? In other words, what does it actually cost to get...for me to get a motorcycle license beyond just a regular license? [LB170]

PRESIDENT SHEEHY: Senator Fischer, will you yield? [LB170]

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SENATOR FISCHER: Yes, I will. Senator Haar, interesting you should ask that. Our new colleague, Senator Bloomfield, came up and spoke to me a little while ago and as we all know, he's a truck driver. And he told me that that extra money that's charged for the motorcyclists, that \$5 fee, for the CDL drivers that pay \$55, of course, in their case it's a lot of national regulations they have to do, but he told me that that helps pay for the examiner that must be present when they come to do their driving test. The DMV has to hire an examiner, examiners to be present to test all of us. So we're paying \$25 for our operator's license. A motorcycle driver is paying \$24 for his license. If they want a combination with a Class O, Class M, it's another \$5, and that is to help with those examiners. We have an examiner who goes with us when we take a driver's test in a car. There's an examiner there for the CDL licenses, which are quite complex, and there's examiners there for the motorcycle riders. So I thank Senator Bloomfield for his clarification on why a lot of those fees are charged. [LB170]

SENATOR HAAR: Right. And I think that makes sense, but I'm wondering really is it \$5 extra or is it \$4 or is it \$3? In other words, as we charge fees for things, I think we have to be careful that we don't continue to charge that fee and then cut the service for the fee that's being charged. Now if the \$5 extra is fair for the extra examiners, I'm wondering whether you could get us that actual information from the DMV. [LB170]

SENATOR FISCHER: I will have committee counsel check with the Department of Motor Vehicles to see how they set those fees. [LB170]

SENATOR HAAR: Okay. Thank you. And then, again just to reiterate what I heard, the state DMV will still supply trainers for the motorcycle trainers. [LB170]

SENATOR FISCHER: Yes, they still have the authority to reimburse those trainers under this bill. [LB170]

SENATOR HAAR: Okay. Thank you very much. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Haar. Seeing no additional requests to speak, Senator Heidemann, you're recognized to close. [LB170]

SENATOR HEIDEMANN: Thank you, Mr. President and fellow members of the body. I think we've had a good discussion here and it's a good way to, I think, start out our bill process here that we have in the full body and we've had a good discussion. I will say that the amendment that you have before us will not change the bill. It actually, in my opinion, and some people have walked up to me, it takes the bill and it makes it better. It just is going to determine where the money is diverted back to. Under this proposal, it will put it back to where it came from and that is 75 percent Highway Trust Fund and 25 percent Department of Motor Vehicles Cash Fund. Approximately out of the \$790,000, it

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would be about \$200,000 to Department of Motor Vehicles, \$600,000 to the Highway Trust Fund. Once again, our interest in doing that is that at times we do lapse money out of the Department of Motor Vehicles Cash Fund and this will give us that opportunity to do that and to maybe help us out down the road. With that, I urge your support on AM59 to LB170. And then I actually will even go further and urge you to pass LB170. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Heidemann. You have heard the closing. The question before the body is on the adoption of AM59 to LB170. All those in favor vote yea; opposed, nay. Please record, Mr. Clerk. [LB170]

ASSISTANT CLERK: 45 ayes, 0 nays on the adoption of Senator Heidemann's amendment, Mr. President. [LB170]

PRESIDENT SHEEHY: AM59 is adopted. Mr. Clerk, we'll move to the next amendment. [LB170]

ASSISTANT CLERK: Mr. President, Senator Langemeier would offer FA2 to LB170. (Legislative Journal page 343.) [LB170]

PRESIDENT SHEEHY: Senator Langemeier, you're recognized to open on FA2. [LB170]

SENATOR LANGEMEIER: Mr. President, members of the body, I offer FA2. This is a follow-up to the conversation I had earlier. The current law states that these classes, once taken, are good for 48 months. LB170 takes that down to 12 months. My amendment would take that back up to 24 months. So they currently are four years, the proposal was go to one year. I'm offering FA2 which would take it to two years. So you'd have two years after you take the class to go in and get your license, and I'd ask for your support of FA2. Thank you. [LB170]

PRESIDENT SHEEHY: Thank you, Senator Langemeier. You've heard the opening of FA2 to LB170. Members requesting to speak are Senator Lathrop followed by Senator Fischer. Senator Lathrop, you're recognized. [LB170]

SENATOR LATHROP: Thank you, Mr. President and colleagues. I support FA2. I still have some questions for Senator Fischer if I can ask that she kindly yield. [LB170]

PRESIDENT SHEEHY: Senator Fischer, would you yield to Senator Lathrop? [LB170]

SENATOR FISCHER: Yes. [LB170]

SENATOR LATHROP: Senator Fischer, over what period of time...I'm going to ask a

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question that's going to be kind of a long one and...so that I can make the point that I'm trying to get to which is, how much each year are we accumulating in this fund from people not using or taking advantage of the subsidies? [LB170]

SENATOR FISCHER: About \$60,000. [LB170]

SENATOR LATHROP: And how much money is going into the fund? [LB170]

SENATOR FISCHER: Two hundred twenty-five thousand dollars. [LB170]

SENATOR LATHROP: And I'm not going to do the math on the mike or I'll end up embarrassing myself, but the difference between the \$225,000 and the \$60,000, \$60,000 is how much people are not using. That's the accumulation every year but...so we must be getting what, \$285,000 into the fund every year and we're using \$225,000? [LB170]

SENATOR FISCHER: I can tell you that the last...let's see, from fiscal year '07 about \$130,000 was spent. Fiscal year '08, \$182,000; fiscal year '09, \$141,000. So the last three years there's been a total of the motorcycle training subsidies in those last three fiscal years was \$453,000 about. [LB170]

SENATOR LATHROP: Is there anything that accounts for the wide disparity, \$130,000, \$182,000 and then \$140,000? [LB170]

SENATOR FISCHER: It depends on the number of classes that are given. I can tell you in fiscal year '07 when it was the lowest, Sarpy County has a training program and they did not take any money that year. The National Safety Council of Omaha did not take any money. The Nebraska Safety Council, Inc., did not take any money, and the University of Nebraska at Kearney did not take any money. You had seven entities that did take funds from that Motorcycle Education Fund, for that seven entities, a total of about \$130,000. [LB170]

SENATOR LATHROP: So generally, we have \$790,000 that's extra dollars that have accumulated and we add roughly \$60,000 to that every year. [LB170]

SENATOR FISCHER: More or less. It depends on the number of registrations, Senator. [LB170]

SENATOR LATHROP: You had a number of people that testified in opposition to this bill? [LB170]

SENATOR FISCHER: Yes. [LB170]

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SENATOR LATHROP: Can you tell me what the theme of their opposition was, if there was one? [LB170]

SENATOR FISCHER: If I recall, Senator, they were instructors. They were employed by these different motorcycle education schools. Their theme was they felt the courses were beneficial, that they felt that they should be able to continue them with the subsidy. [LB170]

SENATOR LATHROP: The committee statement includes Dillon Brothers Harley-Davidson and they'd be people that sell the motorcycles. [LB170]

SENATOR FISCHER: That's correct, we have... [LB170]

SENATOR LATHROP: Do they train too? [LB170]

SENATOR FISCHER: There's a...as I look at this list, I see a couple different Harley-Davidson dealerships that... [LB170]

PRESIDENT SHEEHY: One minute. [LB170]

SENATOR FISCHER: ...receive subsidies from the state for these training programs. [LB170]

SENATOR LATHROP: Did that include Dillon Brothers that came in, in opposition? [LB170]

SENATOR FISCHER: Yes, Dillon Brothers was the second largest recipient of these subsidies. [LB170]

SENATOR LATHROP: Did these folks testify that they thought the number of people taking the class would be fewer if we eliminate the subsidy? [LB170]

PRESIDENT SHEEHY: (Gavel) [LB170]

SENATOR FISCHER: I can't recall specifically, Senator. I'd have to look at the transcript, but I will say that that is what I took away from their testimony at the hearing. [LB170]

SENATOR LATHROP: And the last question I have for you, at least this time is, does the bill also provide for a new fee of \$100? [LB170]

SENATOR FISCHER: I believe so, yes. [LB170]

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SENATOR LATHROP: And tell us what that new fee is for. [LB170]

SENATOR FISCHER: I believe it's...I need to look at the bill, but I believe it's for the application for the trainers and the instructors. [LB170]

PRESIDENT SHEEHY: Time, Senator. Thank you, Senator Lathrop. Mr. Clerk, do you have items for the record? [LB170]

ASSISTANT CLERK: Mr. President, I do. New resolutions: LR57 from Senator McGill; LR58 and LR59 from Senator Janssen. Those will be laid over. I have notice of committee hearing from General Affairs, amendment to LB135 by Senator Langemeier. Senator Coash would offer LB157A. (Read by title for the first time.) I have amendments to LB157 from Senator Flood and from Senator Coash. Those will be printed in the Journal. Your Committee on Enrollment and Review reports that it has examined and reviewed LB67 and reports the same to Select File, LB158, LB18, LB59, and LB135, all to Select File. Name adds: LB52, Senator Larson; LB284, Senator McCoy; LB484, Senator Coash; LB548 (and LB389), Senator Smith; LB197, Senator Fulton; Senator Fulton to LB629, and LB230; Senator Pankonin to LB483. A reminder that Reference Committee will meet upon adjournment in Room 2102. (Legislative Journal pages 344-349.) [LR57 LR58 LR59 LB135 LB157A LB157 LB67 LB158 LB18 LB59 LB135 LB52 LB284 LB484 LB548 LB197 LB389 LB629 LB230 LB483]

Finally, a priority motion. Speaker Flood would move to adjourn until Tuesday, January 25, 2011, at 10:00 a.m.

PRESIDENT SHEEHY: You have heard the motion to adjourn until Tuesday, January 25, at 10:00 a.m. All those in favor say aye. Opposed, nay. We are adjourned.