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SPEAKER ADAMS PRESIDING

SPEAKER ADAMS: Good morning, ladies and gentlemen. Welcome to the George W. Norris Legislative Chamber for the forty-second day of the One Hundred Third Legislature, First Session. Our chaplain for today is Retired Pastor Mel Luetchens from the United Methodist Church in Murdock, Nebraska, Senator Kintner's district. Please rise.

PASTOR LUETCHENS: (Prayer offered.)

SPEAKER ADAMS: I call to order the forty-second day of the One Hundred Third Legislature, First Session. Senators, please record your presence. Mr. Clerk, please record.

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

SPEAKER ADAMS: Are there any corrections for the Journal?

CLERK: I have no corrections, Mr. President.

SPEAKER ADAMS: Are there messages, reports, or announcements?

CLERK: I have a communication from the Governor with regards to an appointment to the Commission of Industrial Relations. I have the Health and Human Services Committee reporting LB487 to General File with committee amendments attached; that's signed by Senator Campbell. Priority bill designation: Senator Mello, LB97; Senator Adams, LB438; Senator Ashford, LB464; Senator Seiler, LB299; Senator Wallman, LB637. Mr. President, I have a communication received from the state of South Carolina that will be on file and available for member review in the Clerk's Office. That's all that I have. (Legislative Journal pages 689-690.) [LB487 LB97 LB438 LB464 LB299 LB637]

SPEAKER ADAMS: Thank you, Mr. Clerk. We'll proceed to confirmation reports.

CLERK: Natural Resources Committee reports on the appointment of Lynn Berggren to Game and Parks Commission. (Legislative Journal page 690.)

Floor Debate March 14, 2013

SPEAKER ADAMS: Senator Carlson, as Chair of the Natural Resources Committee, you are recognized to open on the committee report.

SENATOR CARLSON: Thank you, Mr. President and members of the Legislature. We did have the confirmation hearing on Lynn Berggren to the Nebraska Game and Parks Commission. He is from Broken Bow. He's a self-employed general contractor in the construction and cement business. He's a graduate of Kearney State College, the University of Nebraska at Kearney. He's on the board of directors of the Custer Federal Savings and Loan Association; very active in his community. And this is a reappointment to the Game and Parks Commission. He represents District 6. And the committee, after the hearing, voted unanimously for his confirmation. And I would ask for your support of the confirmation of Lynn Berggren to the Nebraska Game and Parks Commission. Thank you.

SPEAKER ADAMS: Thank you, Senator Carlson. The floor is now open for discussion on the committee report. Senator Carlson, there are no senators wishing to speak. You're recognized to close. Senator Carlson waives closing. The question is the adoption of the report offered by the Natural Resources Committee. All those in favor vote aye; all those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 690-691.) 27 ayes, 0 nays, Mr. President, on adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Next item.

CLERK: A confirmation report from Health and Human Services regarding the appointment of Jeromy Warner to the State Board of Health. (Legislative Journal page 691.)

SPEAKER ADAMS: Senator Campbell, as Chair of Health and Human Services, you are recognized to open on your first report.

SENATOR CAMPBELL: Good morning. Thank you, Mr. President and members of the Legislature. The Health and Human Services Committee held a confirmation hearing on Tuesday, March 5, on the appointment of Jeromy Warner to the State Board of Health. Dr. Warner is an appointee to the Board of Health serving as a mental health professional member. Dr. Warner earned his Doctorate in Psychology at Argosy University in Arizona. And he now resides in Hastings, Nebraska, where he is the psychology coordinator supervisor at Mary Lanning Hospital. He also teaches at Hastings College. Prior to accepting his position at Mary Lanning, Dr. Warner worked for the state of Nebraska as a psychologist and received an award from the Governor as the Employee of the Year. The members of the Health and Human Services Committee voted unanimously to recommend the confirmation of Dr. Warner's

appointment to serve on the State Board of Health. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Campbell. Members, the floor is open for debate or discussion on the committee report. Senator Campbell, there are no lights on. Senator Campbell waives closing. The question is the adoption of the report offered by the Health and Human Services Committee. All those in favor vote aye; all opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal pages 691-692.) 31 ayes, 0 nays on the adoption of the confirmation report.

SPEAKER ADAMS: The report is adopted. Mr. Clerk, is there a second report?

CLERK: There is, Mr. President. Health and Human Services reports on the appointment of Elizabeth Neeley to the Foster Care Advisory Committee. (Legislative Journal page 692.)

SPEAKER ADAMS: Senator Campbell, as Chair of the Health and Human Services Committee, you are recognized to open on the confirmation report.

SENATOR CAMPBELL: Thank you, Mr. President and members of the Legislature. The Health and Human Services Committee held a confirmation hearing on Tuesday, March 5, on the appointment of Dr. Elizabeth Neeley to the Foster Care Advisory Committee. When the Foster Care Advisory Committee was formed, the Legislature required that of the five members, one member should have data analysis experience and one member should be from the public at large and three members should be from local foster care review boards. Dr. Neeley is the appointee with the data analysis experience. She was chosen from among a list of...from very strong candidates. Dr. Neeley is the director of Nebraska's Minority Justice Committee, a joint initiative of the Nebraska Supreme Court and the Nebraska State Bar Association, established to examine issues of racial and ethnic fairness in the courts. She is also the founder and director of Objective Advantage, a policy research firm that bridges the knowledge and methods of academia with local, state, and national policy issues. She was a senior research manager at the University of Nebraska Policy Center from 2007 to 2009 and continues to serve as a Faculty Fellow at the center. Colleagues, the members of the Health and Human Services Committee could not have been more pleased with the appointment of Dr. Neeley to the Foster Care Advisory Committee. She has extensive research facilitation and project management experience and we highly recommend her to you for confirmation. Thank you, Mr. President.

SPEAKER ADAMS: Thank you, Senator Campbell. Members, the floor is now open for discussion on the committee report. Senator Campbell, there are no lights on. Senator Campbell waives closing. Question is the adoption of the report offered by Health and

Human Services Committee. All those in favor vote aye; those opposed vote nay. Have all voted that wish to? Record, Mr. Clerk.

CLERK: (Record vote, Legislative Journal page 692.) 34 ayes, 0 nays on adoption of the report, Mr. President.

SPEAKER ADAMS: The report is adopted. Mr. Clerk, we'll move to Final Reading. Members should return to their seats in preparation for Final Reading. Mr. Clerk, the first bill is LB31. [LB31]

CLERK: (Read LB31 on Final Reading.) [LB31]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB31 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB31]

CLERK: (Record vote read, Legislative Journal pages 693.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB31]

SPEAKER ADAMS: LB31 passes. We'll now proceed to LB38. [LB31 LB38]

CLERK: (Read LB38 on Final Reading.) [LB38]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB38 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB38]

CLERK: (Record vote read, Legislative Journal page 693-694.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB38]

SPEAKER ADAMS: LB38 passes. We'll now proceed to LB70. [LB38 LB70]

CLERK: (Read LB70 on Final Reading.) [LB70]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB70 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB70]

CLERK: (Record vote read, Legislative Journal page 694.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB70]

SPEAKER ADAMS: LB70 passes with the emergency clause attached. We will now proceed to LB88. [LB70 LB88]

CLERK: (Read LB88 on Final Reading.) [LB88]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB88 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB88]

CLERK: (Record vote read, Legislative Journal page 694-695.) 43 ayes, 0 nays, 2 present and not voting, 4 excused and not voting, Mr. President. [LB88]

SPEAKER ADAMS: LB88 passes. We'll now proceed to LB283. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB88 LB283]

CLERK: 40 ayes, 1 nay, Mr. President, to dispense with the at-large reading. [LB283]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB283]

CLERK: (Read title of LB283.) [LB283]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB283 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB283]

CLERK: (Record vote read, Legislative Journal page 696.) 44 ayes, 1 nay, 4 excused and not voting, Mr. President. [LB283]

SPEAKER ADAMS: LB283 passes. We'll now proceed to LB628. [LB283 LB628]

CLERK: (Read LB628 on Final Reading.) [LB628]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB628 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB628]

CLERK: (Record vote read, Legislative Journal page 696-697.) 44 ayes, 0 nays, 1 present and not voting, 4 excused and not voting, Mr. President. [LB628]

SPEAKER ADAMS: LB628 passes. We'll now proceed to LB27. [LB628 LB27]

CLERK: (Read LB27 on Final Reading.) [LB27]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB27 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB27]

CLERK: (Record vote read, Legislative Journal page 697-698.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB27]

SPEAKER ADAMS: LB27 passes. We'll now proceed to LB117. [LB27 LB117]

CLERK: (Read LB117 on Final Reading.) [LB117]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB117 pass? All those in favor vote aye; all those opposed vote nay. Record. [LB117]

CLERK: (Record vote read, Legislative Journal page 698.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB117]

SPEAKER ADAMS: LB117 passes. We'll now proceed to LB165. [LB117 LB165]

CLERK: (Read LB165 on Final Reading.) [LB165]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB165 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB165]

CLERK: (Record vote read, Legislative Journal page 698-699.) 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB165]

SPEAKER ADAMS: LB165 passes. We will now proceed to LB337. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB165 LB337]

CLERK: 40 ayes, 3 nays, Mr. President, to dispense with the at-large reading. [LB337]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB337]

CLERK: (Read title of LB337.) [LB337]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB337 pass with the emergency clause attached? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB337]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 699-700.) Vote is 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB337]

SPEAKER ADAMS: LB337 passes with the emergency clause attached. We'll now proceed to LB398. [LB337 LB398]

ASSISTANT CLERK: (Read LB398 on Final Reading.) [LB398]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB398 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB398]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 700.) Vote is 45 ayes, 0 nays, 4 excused and not voting. [LB398]

SPEAKER ADAMS: LB398 passes. We'll now proceed to LB426. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB398 LB426]

ASSISTANT CLERK: 37 ayes, 5 nays to dispense with the at-large reading, Mr. President. [LB426]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB426]

ASSISTANT CLERK: (Read title of LB426.) [LB426]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB426 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. Record, Mr. Clerk. [LB426]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 701.) Vote is 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB426]

SPEAKER ADAMS: LB426 passes. We'll now proceed to LB484. [LB426 LB484]

ASSISTANT CLERK: (Read LB484 on Final Reading.) [LB484]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB484 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB484]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 702.) Vote is 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB484]

SPEAKER ADAMS: LB484 passes. We'll now proceed to LB510. [LB484 LB510]

ASSISTANT CLERK: (Read LB510 on Final Reading.) [LB510]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB510 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB510]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 702-703.) Vote is 44 ayes, 0 nays, 1 present and not voting, 4 excused and not voting, Mr. President. [LB510]

SPEAKER ADAMS: LB510 passes. We'll now proceed to LB616. Mr. Clerk, the first vote is to dispense with the at-large reading. All those in favor vote aye; all those opposed vote nay. Record. [LB510 LB616]

ASSISTANT CLERK: 34 ayes, 4 nays to dispense with the at-large reading, Mr. President. [LB616]

SPEAKER ADAMS: The at-large reading is dispensed with. Mr. Clerk, please read the title. [LB616]

ASSISTANT CLERK: (Read title of LB616.) [LB616]

SPEAKER ADAMS: All provisions of law relative to procedure having been complied with, the question is, shall LB616 pass? All those in favor vote aye; all those opposed vote nay. Record, Mr. Clerk. [LB616]

ASSISTANT CLERK: (Record vote read, Legislative Journal page 703-704.) Vote is 45 ayes, 0 nays, 4 excused and not voting, Mr. President. [LB616]

SPEAKER ADAMS: LB616 passes. While the Legislature is in session and capable of transacting business, I propose to sign and do hereby sign LB31, LB38, LB70, LB88, LB283, LB628, LB27, LB117, LB165, LB337, LB398, LB426, LB484, LB510, LB616. (Doctor of the day introduced.) Items for the record. [LB616 LB31 LB38 LB70 LB88 LB283 LB628 LB27 LB117 LB165 LB337 LB398 LB426 LB484 LB510]

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Health reports LB231 to General File. Priority bill designation: Senator Howard designates LB528; Senator Carlson indicates Natural Resources has selected LB388; Senator Avery,

LB362; LB629 by the Appropriations Committee. Finally, a new resolution, LR98 by Senator Nordquist, would congratulate the Omaha Central Eagles on the boys' state basketball championship. That's all I have at this time. [LB231 LB528 LB388 LB362 LB629 LR98]

SPEAKER ADAMS: Thank you, Mr. Clerk. (Visitors introduced.)

SENATOR CARLSON PRESIDING

SENATOR CARLSON: Mr. Clerk, next item.

ASSISTANT CLERK: Mr. President, the first bill on General File this morning, LB153, which was introduced by Senator Dubas. (Read title.) This bill was read for the first time on January 11 of this year, referred to the Revenue Committee. That committee reports the bill back to General File with committee amendments. (AM499, Legislative Journal page 638.) [LB153]

SENATOR CARLSON: Thank you, Mr. Clerk. Senator Dubas, you're recognized to open on LB153. [LB153]

SENATOR DUBAS: Thank you very much, Mr. President. Good morning, colleagues. Over the past several years, the Civic and Community Center Financing Act has certainly received its share of attention. This fund was created actually in 1999 as a part of the Convention Center Facility Financing Act. And from that act, 30 percent of the sales tax revenue that is generated in a designated area around the convention center in Omaha is distributed to the Civic and Community Center Program for use through grants to be used across communities all across greater Nebraska. In 2010, we passed the Sports Facility Financing Act which will add additional revenue to the Community Center Fund. In 2011, I introduced LB297 to expand the use of funds to include renovations of civic, convention, cultural centers, and libraries, and for renovations of buildings on the National Historic Register. It also modified the local match requirements. In 2012, we did LB994 which allowed for transfers from this fund to the State College Sports Facility Cash Fund. But during the debate on that particular bill last session, there was a lot of confusion and not clear direction or an understanding to determine how much money is actually being generated from the program and how much is actually being appropriated into the fund. So Senator Harms and I...and I would like to thank Senator Harms and his staff for all of their help and support on this particular issue, but we spent a great deal of time last summer working on this issue, meeting with the Department of Economic Development to determine why aren't more projects and grants being approved from this fund. And as I said, as more money continues to come into this fund, through now the addition of the Ralston Arena and soon the addition of the Pinnacle Arena, it's going to be very important that we make...number one, make our communities aware that this program is available, these

Floor Debate March 14, 2013

grants are available, and encourage them to submit worthwhile grant applications. So we went through this program, the Civic and Community Center Program, with great detail to evaluate the requirements, determine what changes needed to be made. and yet stay true to the original intent of the legislation. So while I thank Senator Harms for his help, I'd also like to thank the league--they were very helpful on this--as well as the Department of Economic Development in helping us understand how this all works and what the changes would mean. There will be a committee amendment that we'll be talking about shortly, but I guess I'll kind of just hit on the high parts of the amendment. The amendment looks long, but it's really just a lot of...did some rearranging and not a lot of real...a long list of changes, I'm trying to say, to the actual bill. So, you know, what the amendment will do is add recreation centers. And I guess, maybe I'll finish my introduction on the bill. let the amendment be introduced so that we're all on the same page and talking about the same thing to try to alleviate some confusion and go from there. But again, this is an issue that I've been working on for several years in the Legislature. Senator Harms has been very supportive. And, hopefully, with these changes we put... I think up until now we've kind of been nibbling around the edges. I think we really took a real in-depth look at the program and made changes that will carry us into the future and really make this a viable program for communities all across our state. So with that I would close and wait for the introduction of the amendment. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. As the Clerk mentioned, there are committee amendments. Senator Hadley, as Chair of the Revenue Committee, you're recognized to open on AM499. [LB153]

SENATOR HADLEY: Mr. President, members of the body, this bill was introduced by Senator Dubas and heard by the Revenue Committee on February 13. The bill amends the Local Civic and Community Center Financing Act. The act was passed at the same time as the Convention Center Facility Financing Act. These laws were part of LB382 in 1999. Under the current law, a portion of the state sales tax turnback, which is committed to financing the convention center facility in Omaha and all other similar facilities built with state sales tax turnback funds, are dedicated to a state fund administered by the Department of Economic Development. That fund can be used to assist other communities throughout the state with the development of a civic...and community center throughout the state. Senator Dubas' bill would amend the language of this act to allow more diverse type of projects to be financed with this fund including recreation centers. The committee worked with Senator Dubas to amend the bill. The amendments clarify the concepts found in the original bill. The committee amendment also added language that limits the size of the grants in certain limited circumstances. And language clarifying the reporting requirements was added by working with the Department of Economic Development. With that I would encourage your green vote on this committee amendment and on LB153. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Hadley. Members, you've heard the

Floor Debate March 14, 2013

opening on LB153 and the underlying amendment, AM499. The floor is now open for debate. Senators wishing to speak include: Harms, Burke Harr, Johnson, Chambers, and Dubas. Senator Harms, you're recognized. [LB153]

SENATOR HARMS: Thank you, Mr. President, colleagues. I rise in support of AM499 and the underlying bill, LB153. There was a lot of time and discussion that took place over this. Senator Dubas brought a lot of people to the table. My biggest concern originally was that a lot of our rural communities just were not using the funds; don't know how to use the funds. And then, in fact, I think it's a key to some very necessary things to where we can actually restore some of the issues that we have, some of the buildings that need to be fixed, roofs, and whatever it may be. And I don't know if people really realize how important these kinds of centers are for rural Nebraska. It's like the public schools, and it's like...like the post office. They're a central point of gathering. In rural Nebraska we don't have that opportunity to do this. And by being able to create some of these centers or develop some of these centers, or remodel them so that they're useful, is really, guite frankly, important. What these things...what it does for us that it...it fosters interaction, it fosters communication, it fosters growth for children and families. And in small towns that is really important and in a small community in rural Nebraska we're looking for building blocks, we're looking for things that will keep and entice people to stay there and to be a part of that and they need to have a central place to go and to be a part of different types of activities. And this is critical for us. And when we reviewed this, this summer, what we really found...or what I felt I had found when we were looking at this, we seemed to move towards all of the bigger projects and some of these smaller projects are being lost. And Senator Dubas really took the leadership role. And I'm thankful that she did because it opened my eyes on how these funds were being used and actually how they were being evaluated. We went through the whole process of how does the Department of Economic Development evaluate this, what criteria do they use, what decisions are they making? And I think overall it was really healthy for us. I think it's healthy for this Legislature. I think now for the first time, this bill as amended and this bill as approved, we do have an opportunity then to see some really excellent things happen for rural Nebraska. And, Senator Dubas, I appreciate what you've done here. I remember on more than one occasion, as Senator Chambers said in his...my first experience of two years with him, that rural Nebraska gets the crumbs; that rural Nebraska does not pursue these issues. Well, we are. We're not going to get the crumbs; we're trying to get this set up so that we have the opportunity to grow; we have the opportunity to develop our communities. And these centers are important; these activities are important for us. And the nice thing about this is that we've got this designed so it will attract not only people within our communities, but people from the outside. And that's not been true at this point. So, Senator Dubas, thank you very much. And I would urge you to support AM499, as well as LB153. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Harms. Senator Burke Harr, you're

Floor Debate March 14, 2013

recognized. [LB153]

SENATOR HARR: Thank you, Mr. President, members of the body. I am in strong support of this amendment and the underlying bill. It is important that we do everything we can for community enhancement, that we have strong centers around which communities can grow. I don't think it's always necessary to limit that to just a rec center and maybe down the road we can work on that. But we need to find ways to diversify economies in greater Nebraska. And I think this is a good first step to creating a sense of community and enhancing what already exists. With that, I would ask if Senator Dubas would yield to some questions. [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR HARR: Thank you, Senator Dubas, and good day. I have a question for you. Now I'm looking at this bill and there is nothing in there that specifically prohibits this fund from being used for operating costs. Is it your understanding that this fund cannot be used for operating costs? [LB153]

SENATOR DUBAS: No, it cannot be used for operating costs. This is for actual constructions. [LB153]

SENATOR HARR: Okay. Thank you for the clarification. Now I have a question about these rec centers. It is rather open ended. Would this be allowed to be create gyms, gymnasiums for basketball for small towns? Well, not just small towns, any town that is eligible for these funds that could then be rented to say a public school for a dollar a year? [LB153]

SENATOR DUBAS: If it's a municipally owned facility, and a recreation center can include a lot things, and a gymnasium certainly could be included in a recreational center. [LB153]

SENATOR HARR: So there would be nothing to prohibit that, is there? [LB153]

SENATOR DUBAS: No. [LB153]

SENATOR HARR: Okay. And I appreciate that. I guess my...what do you foresee these rec centers looking like if you could just describe? [LB153]

SENATOR DUBAS: Well, I guess my thought process when I looked at including recreational centers was something that is going on in my hometown, or an attempt was made in my hometown. Our swimming pool needs to be renovated, actually probably

Floor Debate	
March 14, 2013	

need a whole new swimming pool. And so the community thought, well, rather than just build a swimming pool, why don't we look at building a recreational facility where it includes a swimming pool inside the recreational facility and it would include a walking track. And I think they had a small gymnasium in it as well. I don't remember the exact plans. But that was what I was envisioning as including a recreational center. These are the types of things that could meet people's physical needs as far as exercise and those types of things; a place for the community to gather to maybe hold events that would attract residents from outside of the local community either through, you know, tournaments or those types of events. [LB153]

SENATOR HARR: Okay. Would a freestanding pool in and of itself qualify as a rec center? [LB153]

SENATOR DUBAS: That would not be my intention, no. [LB153]

SENATOR HARR: Okay, I appreciate that. I...Senator Schumacher is probably tired of me saying this, but I'm a huge fan of the rec center...excuse me, the swimming pool they have in Columbus. I think that really does, really, wonders to help develop that town. We travel from Omaha to Columbus two or three times a year to use that and I would like to see something similar to that, but I appreciate what you've done on this bill and I plan at this point to be supporting it. So thank you very much. [LB153]

SENATOR CARLSON: Thank you, Senator Harr and Senator Dubas. Senator Johnson, you're recognized. [LB153]

SENATOR JOHNSON: Thank you, Mr. President, and thank you to the body. I support this bill. I support it partly because I made that my priority bill. In my experience of going out with economic development programs as an official evaluator for economic development, the Nebraska Community Improvement Program, I saw a lot of communities that had buildings that were now vacant, some of those maybe being old schools, auditoriums where they could reenergize activities within the community, help preserve historic buildings and things like that. I like the bill because it does clean up part of the process as far as better definition of projects available. But the main thing I believe it does is to expand the application process so that more communities would be available to utilize these funds. Thank you for your time. [LB153]

SENATOR CARLSON: Thank you, Senator Johnson. Senator Chambers, you're recognized. [LB153]

SENATOR CHAMBERS: Mr. President, members of the Legislature, I haven't really had a chance to thoroughly go through this bill because I've been occupied, as some of you may know and others may regret, on another bad piece of legislation, so I had to flush that from my mind to try to focus on this bill. And I would like to ask Senator Dubas a

question or two if I may. [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR CHAMBERS: Senator Dubas, this grant would be for the creation of a recreational facility, is that correct? [LB153]

SENATOR DUBAS: That is one of the uses it could be used for, yes. [LB153]

SENATOR CHAMBERS: Okay. What else? [LB153]

SENATOR DUBAS: It can be used to build community centers, a civic-type center. We've got, you know, some towns have used it like as a cultural center. [LB153]

SENATOR CHAMBERS: And all of that would be in this bill, the grant being discussed could be used for any one of those projects or could it be used for several at the same time? Could they get a grant only for one project at a time? [LB153]

SENATOR DUBAS: Only one project per...in a community, yes. [LB153]

SENATOR CHAMBERS: So it's not a situation where they could qualify for a certain amount of money, then they could apply that in any way they choose to, to different projects. They would apply on the basis of a specific planned project and then they would have to use it for that purpose. [LB153]

SENATOR DUBAS: Absolutely. [LB153]

SENATOR CHAMBERS: I think I read something about consideration would have to be given to whether or not this item would be...once it's in place, it could be sustained, it would contribute to keeping people in that area, and in other words, it couldn't turn out to be a pink elephant? [LB153]

SENATOR DUBAS: No, and in fact, we also included that a grant could be applied for, for planning, specifically to avoid creating those kinds of pink elephants. [LB153]

SENATOR CHAMBERS: And that's in...I think that's Section 6 where it's specifically set aside for the engineering or architectural or whatever kind of planning goes into the... [LB153]

SENATOR DUBAS: Yes. [LB153]

SENATOR CHAMBERS: Okay. And the result of that planning has to be a credible idea that makes sense for the area where it is going to be built. [LB153]

SENATOR DUBAS: Yes. [LB153]

SENATOR CHAMBERS: Thank you. Members of the Legislature, based on what I've become aware of so far, I have no objection to the bill. There might be other questions and other issues, but I'm acknowledging that this is one of those examples where I think that I'm on the right track, but if other information comes up, then I may change my position because I want to do what I think is right. But I've got something that is a pet peeve of mine and it relates to a lack of appreciation of the value of the arts. I'm not going to go into it this time I'm speaking, but I'm going to go into it on this bill. And one thing that is helping me is the fact that the church has just chosen a new Pope. And I don't even care about his philosophy; I don't care about the philosophy of anybody who voted for him, but I'd like to ask...I got to find somebody who I know is a Catholic. Would somebody...oh, Senator Lathrop, I believe. Senator Lathrop,... [LB153]

SENATOR CARLSON: Senator Lathrop would you yield? [LB153]

SENATOR CHAMBERS: ... I'd like to ask you a question because you may know the answer. [LB153]

SENATOR LATHROP: I'd be happy to yield. [LB153]

SENATOR CHAMBERS: Now the conclave of the Cardinals was in the Sistine Chapel, is that correct? [LB153]

SENATOR LATHROP: I believe so. [LB153]

SENATOR CHAMBERS: Do you believe or you know? [LB153]

SENATOR LATHROP: No, that's what I read. I wasn't there though. [LB153]

SENATOR CHAMBERS: No, but I meant...I would be correct in saying that the conclave occurred in the Sistine Chapel. [LB153]

SENATOR LATHROP: Yes, you would. [LB153]

SENATOR CHAMBERS: Okay, thank you. That's what I wanted to be sure of because I had read it too. But based on what I'm going to say afterward, I want to be sure that I've got the right building. [LB153]

SENATOR CARLSON: One minute. [LB153]

Floor Debate March 14, 2013

SENATOR CHAMBERS: And remember, I said I have some things I want to say about art. The Sistine Chapel is famous around the world. Even a person such as myself, who may have been called by Christians a pagan, I think that is what you all call people that aren't Christians. I could be called by the Muslims an infidel. I could be called by people who believe in Judaism...I guess they still refer to non-Jews as Gentiles. But whatever the most derogatory term is that can be applied to somebody not a member of a particular religion, that term could be applied to me and I embrace it. And I get all that out of the way preparatory to my making a few remarks about art as exemplified by the Sistine Chapel. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Chambers and Dubas and Lathrop. And, Senator Dubas, you're recognized. [LB153]

SENATOR DUBAS: Thank you, Mr. President. I neglected, when I was passing out my thank-yous, to thank, especially, Senator Johnson for prioritizing this bill. I truly appreciate it and appreciate his recognition of what this means for communities such as his own of Wahoo and those across the state. I'll go into a little bit more now about what the amendment is looking at doing. We are trying to expand the use of this program, but stay true to the original intent of the program. So, you know, civic and community centers, there are only so many of those you can build across the state. Once you kind of reach that saturation point, then what is it that it can be used for? We included renovation of historical buildings because we have a lot of historical buildings across the state. But we added the use of recreational centers. And that is defined as something that is used for athletics, fitness, sports activities, or recreation. Again, must be owned by the municipality. I use that example from my hometown when I was answering the question from Senator Harr. The community worked really, really hard. They were successful at raising some significant local funds. But it still wasn't enough to give them the ability to move forward with the project. And if they would have been able to access a grant, such as what we're offering through this program, it might have been just what they needed to, you know, put them over the top. They did a great deal of planning; and a lot of thought was put into what they were doing. The bill also allows this grant to be used for demolition of substandard and abandoned buildings. And again, we know, especially, in smaller rural communities, old buildings are becoming a problem. And demolishing them aren't as simple as going in and either just starting them on fire or tearing them down, especially if there is asbestos or any of those types of things that require additional special treatment. And so that is an issue for our small communities, our rural communities. And if they want to build something new on top of an old building, this would allow them to get rid of that old building and handle getting rid of that old building. Also, the grant can be used for engineering and technical studies directly related to the project. Again, in reference to the question Senator Chambers asked, it's very important to have a well-thought-out plan so that you don't get yourself into a position where you put money, state as well as local, into a project that is going to end

Floor Debate March 14, 2013

up not being what you had intended it to be. And then finally, with the changes proposed in this program, and the likelihood of its growth in the future, I've included the ability for the fund to pay for a half-time employee at DED who would be directly related to the administration of this fund. The current criteria for these grants relies very heavily on the ability of it to attract people from out of state. And that's where the department was telling us that, you know, they were receiving a lot of really good grants, but they just didn't rise to this level of would they attract people from out of state. And that's just not going to happen in our more rural communities. They're going to build things and they're going to be able to attract people from the region, but to really be able to attract significant numbers of visitors from out of state is just not going to be true, probably, for the majority of these programs. So we've revamped the criteria to look at retaining existing residents by developing and enhancing the potential for economic growth; how the project can impact new resident attraction; and attracting visitors from inside the state. There is still that outside state component, but it broadens it to allow for that attraction from the local and regional area. And also that these requirements are not in any particular order of preference. They're scored equally; none are weighted higher than the other. All of the applications, including the application for engineering and technical studies, will be required to meet the criteria of financial support in the form of an equal, local match. [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: And that match...of that local match, 50 percent of that has to be in cash. And again, municipalities are the ones that must apply for these grants and that facility has to be located in a municipality. And then finally, we've changed the reporting requirements. And I don't know that I'm going to be able to get into a lot of detail on those reporting requirements in my final...probably less than one minute, so I have pressed my light and I'll be talking a little bit more about the reporting requirements and the finances, because I know there was a lot of questions that were raised in the last session about how much money is being generated by this program? How much is being appropriated? Just some confusions, so hopefully through these additional reporting requirements we're going to clear up that confusion on the financial aspect of this. So I'll address that my next time at the mike. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. Members, please keep your side conversations down a bit on the volume so those that wish to hear the testifier can hear. Those still wanting to be heard are Senators Kintner, Janssen, Crawford, Pirsch, and others. Senator Kintner, you're recognized. [LB153]

SENATOR KINTNER: Thank you, Mr. President, and members of the body. Well, as I read this, looks like it is pretty good; intentions look pretty good; got a few questions. Senator Dubas, would you yield for a question or two? [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR KINTNER: As I look at what the recreation center means, the facility will be used for athletics, fitness, sports activities, is there anything to prevent that from competing with a private club, a health club, a fitness club? [LB153]

SENATOR DUBAS: No, but I know in probably the vast majority of our communities across the state, they don't have those types of facilities to compete against, and that is probably why they're looking at building something like that, because they don't have access to any other type of fitness facility. [LB153]

SENATOR KINTNER: And that would go for like a meeting hall, a hall that would compete with a private banquet hall, would it be competing with a banquet hall? [LB153]

SENATOR DUBAS: No, I wouldn't envision that. You know, again, looking at a rec center and what that rec center is going to do versus a meeting hall or a banquet hall, it's looking at serving food or those more types of formal events. I don't see this providing those types of venues. [LB153]

SENATOR KINTNER: Well, you know, that's my only concern is that we're not subsidizing competition with taxpayer money for the private sector; as long as it's not doing that, I think I'm happy to support this. [LB153]

SENATOR DUBAS: No, again, I don't see that happening with...you know, you're looking at community centers. Those community centers might be used for wedding receptions and what have you, depending on how big they are. But, again, in more rural settings where you don't have access to those types of facilities, that is what this...building these types of community centers, rec centers, cultural centers, what have you, are kind of filling a void that isn't out there. [LB153]

SENATOR KINTNER: Thank you very much. I yield the remainder of my time to Senator Dubas. [LB153]

SENATOR DUBAS: Thank you very much, Senator Kintner. I appreciate your questions and the yielding of time. I will kind of go into the financial aspects that I had referenced earlier. Again in our debate last session, there was just...there were a lot of numbers being thrown around as how much money is actually being generated through that 30 percent revenue, how much is actually being put into the grant program? So, you know, numbers that have been presented to us is right now there is over \$3 million that have been generated through that 30 percent revenues. But not all of that \$3 million has been put into the fund to access for the grants. So DED is making a request for funds and in

Floor Debate March 14, 2013

letters that they have been sending back to people who haven't...who they haven't approved a grant on, they're saying, well, you know, we've received a lot of grant applications, but we don't have the funds to approve all of them. Well, the funds are there; they just haven't been requested, they haven't been moved over into DED's program to be able to award grants. So language in the bill says, you know, that nothing in this bill limits their requesting more money, requesting more of that \$3 million to come into their department so that they can award more grants. And that's...I think that's where we had some confusion, because we heard there is this much money; no, there is only this much money. So there is \$3 million of uncommitted funds, but there is over a million dollars that have been appropriated or moved over into DED to actually use for grants. As of February of this year, there is a little over \$1.2 million as the current balance. They have some remaining commitments of about \$328,000; so that leaves an unappropriated...uncommitted appropriation balance of about \$873,000. So as grants come in, especially under... [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: ...the expanded use of these grants, it is our...my intention that more of those uncommitted funds will be moved into the program so they will be able to, under the new criteria and the expansion of use, have access to more of those dollars so that they can approve funds. So, I'm hoping that clears things up a little bit. And again, when I get into the discussion about the criteria, that will help future legislators understand exactly where this fund is at, what is available and what is being appropriated. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. Senator Janssen, you're recognized. [LB153]

SENATOR JANSSEN: Thank you, Mr. President, members. I would like to...I know Senator Burke Harr is not here anymore, but remind him he could save quite a bit of money by going to Fremont's water park instead of driving all the way to Columbus. So if he is listening, I would be happy to entertain him in Fremont someday at our water park there. I do have a quick question for Senator Dubas, if she would yield. [LB153]

SENATOR CARLSON: Senator Dubas, will you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR JANSSEN: Thank you, Senator Dubas. Was this originally a 2010...a library bill for libraries? [LB153]

SENATOR DUBAS: Speaker Flood at the time, they had a library project going on in their community, and while we thought the original language would allow for the...for

<u>Floor Debate</u>
March 14, 2013

libraries if they're owned by the municipality to apply for a grant if they're looking at expanding its use under the criteria, but he wanted to make sure that they were, so we included specifically libraries as being able to apply for these grants. [LB153]

SENATOR JANSSEN: Okay. And I wasn't fully aware, so I'm asking, and I was present, not voting, so I had some questions on this particular bill, and that's not saying I don't support what you're doing here. So now we're doing recreation centers included in this for local communities. Is there a plan to expand it beyond recreation centers after this? [LB153]

SENATOR DUBAS: I have no further plans. But I think as we look at this fund's continued growth and revenues, and making sure that rural communities are using the fund the way it is intended, there may be further expansion. I really wanted to stay as true to the original intent of the program as I could. So we made the expansion, still trying to make that connection to arenas and civic centers and cultural centers and those types of things. [LB153]

SENATOR JANSSEN: So is that...and that's actually my final question. Is this, in your opinion, within the original intent? Are rec centers within the original intent of the 2010 bill that we passed? [LB153]

SENATOR DUBAS: Of the 2010, you know, that was probably something that hadn't been looked at or discussed. But through the course of the work that we did over the summer and looking at...do we need to expand further uses? What would those further uses look like? And we felt that recreation centers have some connection to like arenas and sports facilities, and so we took it that direction. [LB153]

SENATOR JANSSEN: I appreciate your time, Senator Dubas. And with that I would yield the balance of my time to Senator Price. [LB153]

SENATOR CARLSON: Thank you, Senator Janssen and Senator Dubas. Senator Price, you have 2 minutes. [LB153]

SENATOR PRICE: Thank you very much, Mr. President, members of the body. Would Senator Dubas yield to a few questions, please? [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR PRICE: Thank you, Senator Dubas. I have a couple questions in reading this. Can I get a gavel please? [LB153]

SENATOR CARLSON: (Gavel.) [LB153]

SENATOR PRICE: Thank you. In reading in Section 8, which started on page 7, line 9-10, and then again in 12, you talk about "likelihood of retaining and potential for economic and development." It sounds as if we're predicating a grant to be award based on rather subjective measurements. Do you have any particular measurement tools that would talk to how they would measure "likelihood of retaining or potential for"? [LB153]

SENATOR DUBAS: Well, you know, it kind of goes to the original criteria that we're looking to change, how would a particular project attract outside...or out-of-the-state-type of visitors and how would you measure that? So we thought looking at, say, a recreational center; what's that going to do to keep people in the community? [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: We know amenities are an important part of people's decision making in where they're going to go and stay. [LB153]

SENATOR PRICE: All right, great. And before the time is up, I'd like to refer to page 8, we have line 16 and line 20 where it says "located in a municipality." Okay, is the municipality the only political subdivision there is? Because when we go...and I'll finish, then let you finish. It says...in line 20 we talk about local funding. Is local funding a municipality? So if I have a county putting in the dollars, is a county a municipality? I'm just wondering about some lexicon issues here we have, where we say it has to be in the municipality, but we'll take local funding. There could be a disconnect. Could you address that? [LB153]

SENATOR DUBAS: I think that is a good point that you raise, because these facilities do have to be located in a municipality. So I'd like to have an opportunity to make sure that I'm giving you the correct answer... [LB153]

SENATOR CARLSON: Time. [LB153]

SENATOR DUBAS: ...and I will get that for you. [LB153]

SENATOR CARLSON: Thank you, Senator Price and Senator Dubas. Senator Crawford, you're recognized. [LB153]

SENATOR CRAWFORD: Thank you, Mr. President, and colleagues. And I would like to thank Senator Dubas for her work on this bill, and Senator Harms, and thank Senator Johnson for prioritizing the bill for this discussion. I have heard from the city of Bellevue

<u>Floor Debate</u>	
March 14, 2013	

in my district; they're very excited about the potential of this bill and ways that it might be able to be used in our community. And so I thank all those who have been working hard on this bill to expand it to recreational centers, that is of interest to them, and also in terms of expanding and clarifying the criteria. I'm rising to...so I'm rising to support the bill and also I wanted to ask Senator Dubas just a few questions about making sure that the funds are available for these great ideas and grants in the communities. [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR CRAWFORD: Thank you. We had a little discussion off the mike about one component of the bill, and I believe that is on page 4 of the bill. There is a clause that says, "expenditures from the fund shall not be limited to the amount appropriated." And so I just had asked for you to explain what that meant and I wonder if you wouldn't mind doing that for the record. [LB153]

SENATOR DUBAS: I certainly will. I kind of got into it my last time at the mike, but when you look at how much money is being collected, actually collected from that 30 percent from around that designated area, around the existing arena in Omaha, so we're looking at over \$3 million of that money that is being generated. But how much of it is actually being transferred over to DED to be used for these grants is where we ran into some problems in the recent past. And so that language will say that we aren't limiting DED to just the amount of money that they're asking for a transfer. We're saying that they should have...they should be looking at that full amount in making a determination as to how much money they want to put into the program to be able to support grants. [LB153]

SENATOR CRAWFORD: And are there any other provisions of the bill which help to...help us ensure or provide added oversight to ensure that they are, actually, using that permission to transfer money over when there is demand for good grant ideas in the communities? [LB153]

SENATOR DUBAS: I don't want to use up your time. I mean there are things that I will address on my time if you would rather I do that, but we have put in quite a few more reporting requirements that will help us keep tabs on that. [LB153]

SENATOR CRAWFORD: Okay. [LB153]

SENATOR DUBAS: So again, I don't want to use your time up. [LB153]

SENATOR CRAWFORD: Excellent. All right. [LB153]

SENATOR DUBAS: I can address that my next time at the mike. [LB153]

SENATOR CRAWFORD: Okay, excellent. And I appreciate that. When we did some initial searching on this fund, because of some interest, you know, we learned that there are far more applications to the funds than grants provided and, as we've heard on the floor, several ideas in different communities, ways that it can be used. And so my concern is to make sure that...that we, as the Legislature, are providing the mechanisms and the oversight to make sure that this money does get provided to...to those community centers and recreational centers in our communities so that we do have this economic development and community development happening. And again, I thank you for your work on the bill and would yield the remainder of my time to Senator Dubas. [LB153]

SENATOR CARLSON: Thank you, Senator Crawford. Senator Dubas, 1 minute, 15 seconds. [LB153]

SENATOR DUBAS: I'll just read from a letter that kind of will highlight what Senator Crawford just talked about this morning. I received a letter from a community who had applied for a grant. They wanted to update and modernize their existing community center; had not been...the interior hadn't had any updates for over 30 years. The kitchen area was estimated to be 50 years old. [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: They completed a preapplication requesting \$12,000 in grant funds. And then they received a letter from DED saying, if you remain interested and applied for a grant, send a complete form. They did that. But then they received the letter that it was 1 of 21 which received final application. The amounts requested for those 21 projects far exceed the appropriations by the Legislature to award the grants from the fund. So, therefore, they didn't get it. Now this was probably something...and I know of this facility, it would certainly fall under that criteria and meet those needs. But simply because there wasn't enough money that had been pulled over into DED to award grants, they were denied. And I heard these stories over and over and over again. So if the money is there... [LB153]

SENATOR CARLSON: Time. [LB153]

SENATOR DUBAS: Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. Senator Pirsch, you're recognized. [LB153]

SENATOR PIRSCH: Thank you, Mr. President, and members of the body. So a little

Floor Debate March 14, 2013

history, in the late '90s, this body responded, I think principally, to a concern of...in Omaha, a desire in Omaha to build the...what is now the CenturyLink Center, created...I think Senator Ashford was instrumental in this, the Local Civic, Cultural, and Community Center Act, and the deals that were struck at that time included the sales tax remaining such that they could pay down...at least that is how it was constructed, my understanding, the bonds. And then as part of that deal, that 30 percent of the sales tax generated would go for the usage of, I guess, the rest of the state. And I'm not sure at that time that there was much thought about...as to how to allocate that 30 percent, those dollars, or what type of expenditures would be on it. So, ultimately, it was decided, I think, pretty strictly, pretty narrowly, that those dollars would be eligible for those communities, not in Omaha, that would use it for community centers, civic centers, and cultural centers, which is a very narrow universe of possible expenditures. I think as time has gone on, the question...and I really do appreciate Senator Dubas, and this issue has been raised, I think, many of the years that I've been here, the usages of this 30 percent. And this, obviously, is an expansion which I supported, voted for this particular expansion in committee, and I do... l like it as far as it goes. I just wonder, you know, I guess with respect to these 30 percent of the turnback, which will grow, I think, as has been pointed out, we want to make sure that that money is used and achieves the best returns for these communities that it can. So, with respect to this enlarging, it does add one new category, recreational center, and that is good as far as it goes. I guess the one thing that I am wondering is, should we be...if the whole...look, our rural communities face a lot of challenges and need, I think, tools in the toolbox in terms of looking at what...and they all have unique needs and what their own particular economic development should look like. And so I'm not sure that we have expanded the tools and the permitted uses to the full extent that we could or should to give these rural communities the best help that we can. And so when you look at other permitted uses, whether it is job training funds, or helping to get pad-ready sites, or to help recruit individuals, work force, possibly, former residents back to their areas, efforts for tourism, etcetera, etcetera, there is a full universe of other things that rural communities could use these monies. And I wonder...and I've pretty well have burned through my time here. [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR PIRSCH: But I might just ask Senator Dubas in closing if she would address... [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR PIRSCH: And I'll yield the balance of my time. But would it make sense to look at enlarging this permitted uses for rural areas so that they can identify...I mean,

have greater freedom and flexibility in determining, as we go forward in the future, what may work best for their community and utilize those dollars in a higher manner? And so, maybe...and I know I didn't give you any time, so I'll come back...unless you want to address it on your time, I'll come back on my own time and ask that same question. Thank you. [LB153]

SENATOR CARLSON: Time. Thank you, Senator Pirsch. Senators still wishing to speak include Chambers, Kolowski, Dubas, Price, and Ashford. Senator Chambers, you're recognized. [LB153]

SENATOR CHAMBERS: I'll pass for now. [LB153]

SENATOR CARLSON: All right. Senator Kolowski, you're recognized. [LB153]

SENATOR KOLOWSKI: Thank you, Mr. President, members of the body. I stand in support of this bill and I thank Senator Dubas for bringing this forward. I think it is extremely important as we look at the impact of community centers and recreational centers in those communities. The spin-off is very evident and very much upon the agenda that we have in this body this particular year. I speak to the many health issues that will be coming up and decisions we'll have to make concerning the various health insurance policies and the various alternatives that we'll be looking at this year. It really impacts families and individuals as we look at the ability to recreate in safe and secure environments. And I hope we'll also tie these into the schools as best as possible as we have opportunities to also align them with different school functions or other community functions. I also speak from the aspect of the NRDs and what they've done, especially in the metro area with the construction of reservoirs, but also tying the entire bike path connections in the metro area together and also recreational fields and other opportunities that are major ... major benefactors to our population as far as the use of those facilities for our health and recreation purposes. So I thank, again, Senator Dubas and I yield the rest of my time to her. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Kolowski. Senator Dubas, 3 minutes. [LB153]

SENATOR DUBAS: Thank you very much, Senator Kolowski, for the support and for the time. Let me hit just a little bit on the criteria, because that might go into addressing some of the questions about the money and where it is at and where it needs to go. We felt very strongly that if we put more defined reporting requirements in, that that would help us, and help DED, in making the requests for more money. So now the department is going to be required in a report to the Legislature to provide the reasons why a full application was not sent to a municipality who had submitted a preapplication. They need to include the total amount of the sales tax revenue that is generated for the fund; the total amount of the grants applied for; the year-end balance of the fund; and an

Floor Debate March 14, 2013

explanation as to the reasons why not all of the funds were committed, if there is a balance; and the amount of the appropriated funds actually expended; and then the department's current budget for administration of the act and the grant summaries. So this is going to give in one place, in one report, because right now if you look for a report on this specific program, you're not going to find a whole lot. You know, you may find the grants that have been awarded and what they've been used for, but as far as really finding good financial information, good information about the grant applications and why they were approved, maybe why they weren't, there is just not that information out there. And trying to access it, we found last year, was pretty difficult. So I hope by putting these more detailed requirements...reporting requirements in place, that will give DED the direction that they need to make sure that more of those funds are being moved over into the fund and, hopefully, allows them to then approve more of the grant applications through the expansions that we've made as far as rec centers and taking away that main criteria.. [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: ...of recruiting...or attracting people from outside of the state, because they told me that was one of the reasons that so many of the grants, they felt, fell short because there wasn't that out-of-state attraction component. So by putting the criteria for the grant awards, changing it up a little bit, not giving them any particular preference, hopefully that will...because my understanding is, there were a lot of very good quality grants that were being sent in, but just because the full amount of money hadn't been moved over into DED, they weren't able to award those grants. So, I feel very strongly that these reporting requirements will give us that opportunity as a Legislature to understand what is going on, and, hopefully, will help DED, as well, make that determination that through these changes we're going to be able to award more grants and, therefore, we're going to request more of those funds to be transferred over. And I'll address that a little bit more on my time. [LB153]

SENATOR CARLSON: Time. [LB153]

SENATOR DUBAS: Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. I've had another request to really ask that you keep those side conversations at a lower level so that people can hear. (Visitors introduced.) Senators still wishing to speak include: Dubas, Price, Ashford, and Lathrop. Senator Dubas, again you're recognized. [LB153]

SENATOR DUBAS: Thank you, Mr. President. I'll continue to talk about the money and what is being generated and where it's going. And in the original language of the bill, we had put some stronger language in there about making sure that all the money that is being generated is actually being moved over into the fund. We ran into some

Floor Debate March 14, 2013

separation of power, constitutional kind of issues with particular language, because in the area regarding the Governor's powers it says that no appropriations shall be made in excess of the recommendation contained in such budget. So, if the department isn't asking for more money because of that constitutional issue, we ran into some problems with putting language in making that more definite. And again, I hope that we have addressed that through the reporting requirements, through the changes in how grants are evaluated so that the department will recognize that, you know, we have a lot of money available in that fund, and it is intended for some very specific uses, and the needs are certainly out there just by virtue of the fact of the number of final grants that were sent in, but the number that actually were not approved. And so...very viable grants that were not approved. So it is just imperative that, you know, DED recognizes the importance and the value of this program, especially to greater Nebraska; what it means to our economic viability, what it contributes to our communities to be able to, not only keep their current residents, but look at attracting new residents into the area. We know that many of our young families want to return to their home communities, or want to live in the smaller communities, but they've lived in a larger town or city for awhile and they've gotten used to some those amenities, like a recreational center or, you know, a cultural center, or a museum, those types of things. And so if we can put these kinds of facilities on a smaller scale, at least, into these rural communities, that's going to give them just one more reason why, not only will they return home, but, you know, stay at home too. So, this is a great program and it's one that, unfortunately, just hasn't been used to the degree that it should. And as these additional arenas come on and more money is generated, you know, it's use it or lose it, that's pretty much the mantra around here. And if we have the ability to use it, which I'm very confident we do, we need to make sure that we've got the criteria and the statute and the enabling legislation in place that allows for that use and gives communities the access to these much needed funds. So, you know, will there need to be changes made in the future? I would see this as an evolving type of a program. But I feel, because of the amount of time that we put into it, working with DED and Senator Harms's office and all of those others who, you know, spent time with us and helped us evaluate what was going on, that we'll actually be able to step this program up. The League of Municipalities have been staunch supporters of this, and I know they're going to work to get the word out and help communities across the state. The grant application isn't a real cumbersome one, it's pretty straightforward. But yet, you know, it still takes some time and maybe an understanding of how you need to put that grant application together so that it is recognized as a good grant application and DED will give it the attention that it deserves. So, you know, my understanding is the League is going to keep working with their communities and providing them support and assistance to put these applications forward either through the preapplication process or when the request... [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR DUBAS: ... is made to submit a final application. Again, they've been staunch

Elear Debata
<u>Floor Debate</u>
March 14, 2013

supporters of this program and pretty protective of it for very legitimate reasons for a long time. And I appreciate their support of the work that I've done, and the work that has gone on in the past, and truly do believe that they're going to work with their municipalities to make sure that, number one, that they're aware that it is there; number two, how to use it; and, number three, put together quality applications that will give DED the indication that there is a very real need that can be met through this program and they have the ability to help meet that need. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. Senator Price, you're recognized. [LB153]

SENATOR PRICE: Thank you, Mr. President, members of the body. Last time I rose up kind of hastily to bring up some points. And in reading through the amendment, I...I want to say, first and foremost, I support the concept we're trying to go through here because I've been to small towns; my in-laws live in a small town and I remember going to Ord and other...Imperial, and places, you know, that while they may not be small towns, it is all relative. But the question I have...and I'd like to have a conversation with Senator Dubas if she will yield? [LB153]

SENATOR CARLSON: Senator Dubas, would you yield? [LB153]

SENATOR DUBAS: Yes, I will. [LB153]

SENATOR PRICE: Thank you, Senator Dubas. So my question, when we talk about municipalities, and I understand you're working within the construct of the existing act, but I am kind of concerned in that when I look at a municipal...some smaller cities, and the "regionalization" we have, it may be that there is a county/city partnership. And so the question I would have is, how do I get 50 percent when I have a joint venture? Could we...could we possibly be hindering that opportunity for a county/city type of effort? [LB153]

SENATOR DUBAS: I really appreciate that question, because I attended a lot of conferences where they talk about we've got to stop looking at our individual communities and need to look at things more regionally. So, I think that's a great point that you bring up. Right now the intention of the bill is more focused on the municipality. I'm trying...I haven't gotten an answer back yet. I'm trying to get some more clarification on would a county be able to infuse some of their dollars as far as...for the use of those local match. I don't have an answer for you just yet. [LB153]

SENATOR PRICE : Well, I would encourage and if we can do...whatever I can do to help, I'll do that, because I know that...and another thing...and thank you, Senator Dubas, I'm just going to ramble for a little awhile now. Another consideration is the dollar value. If we...we notice by the municipality's size, that is something that kind of controls

Floor Debate March 14, 2013

the dollars that are available. But yet, when I have a construction project, if I'm doing a construction project in Bellevue, or I'm doing in Grand Island, or I'm doing it in Scottsbluff, I would say that the costs are fairly similar. But there's...still the same if I do it in Wisner, and if I do it in West Point. So I'm concerned that by having the cost limited by size, I'm not going to be able to get the same type of things done in the smaller communities. And that...that's why I want to see the partnership be allowed there. Obviously, you can't buy or demolish too many buildings for \$2,000. I don't think you can actually buy a shuffle board for \$2,000. So, I'd like to see an opportunity to expand it to where if we...the dollar thresholds can be increased if the project is a capital improvement project versus something that goes inside the building because capital improvements have built-in costs. If we just use wage-grade standards, you won't be able to build much. And I think that might drive some things. So, I'd encourage my colleagues to consider their districts, to consider the villages and towns and counties there and say, how much can you get done if you wanted actually to do construction versus buy something for inside, and, how do we work to have partnerships so Hooper can partner with a county to get something done, because there are a lot of people who nowadays says we... know people might not believe that in the larger suburban areas, but there are a lot of people living in rural Nebraska who would like to have access. And so they would have...like to participate, and so I'd like to be able to see that... [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR PRICE: ...partnership aspect investigated and make sure that we're not hogtying ourselves here before we even get out of the gate. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Price. Senator Ashford, you're recognized. [LB153]

SENATOR ASHFORD: Thank you. Much has been said, and no more need be said really about these amendments; they're very well thought out and answer a number of questions that have been raised over the years concerning the 30 percent fund which this Legislature approved many years ago as part of the funding of the Qwest Center project. It has been an amazing success because of the communities that have used it. I think with Senator Dubas' strengthening of the bill, working with Senator Harms and others, that we've made this a better...a much better funding mechanism for communities. It's a...I think we are unique...I know...I believe...I know we're unique in the country in this kind of a statewide sharing in the success of our major urban areas, convention centers, and arenas. And in fact, I have...I've spent a lot of time in the summers, or I try to, not as much as I'd like, in northern Minnesota where there are a number of old mines that are being converted into museums and other facilities for tourism. And I last summer had the opportunity to chat with the state senator from the Iron Range area and we had a long talk about the turnback concept as they look into

Floor Debate March 14, 2013

expanding their arenas in the Twin Cities of Minneapolis and St. Paul. And he was really blown away by this concept and thought it was a great idea; and I don't know whether he has done anything with it this session of the Minnesota Legislature. But I...the one...the other piece I would like to mention very briefly--I think I'm mentioning this to myself, Senator Carlson; it's okay, it's not a problem; it's not that important--is that the part of the amendment that deals with historic structures and renovating historic structures, I think, when we originally did the 30 percent fund years ago, the historic structure fund, part of it was, at least a dream that we could...and I do think that some of the money that has been used for many of the projects in rural Nebraska has gone to historic structures. But I'm glad that we are including that in this, specifically in the amendment as there are...we are...the state is, obviously, as we all know, replete with historic structures that are tourist attractions, that were homes and offices of remarkable Nebraska citizens and families and institutions. So with that, Mr. President, I would urge the adoption of AM499 and the advancement of LB153. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Ashford. Senator Lathrop, you're recognized. [LB153]

SENATOR LATHROP: Thank you, Mr. President, and colleagues. I stand in support of LB153 and the amendment, AM499. I just wanted to make an observation while we're talking about this. This is an example of the urban senators and the rural senators getting together and doing something very good for both of our areas of the state...can you guys take that somewhere else...doing something beneficial to both areas of the state. The turnback process is provided for arenas in Lincoln, Omaha, and Ralston. Those are engines of economic development in our communities and they would not be...we would not have that financing ability without the support of our rural colleagues who share in the revenue. And that is in the 30 percent pot. What this bill does is to expand the use of that 30 percent pot for a very, very legitimate purpose, I believe, recreational facilities in rural Nebraska. So oftentimes when we hear, whether you're in Natural Resources or in Ag Committee or just on the floor of this Legislature, the concern of greater Nebraska for the loss of the young people who leave rural Nebraska and go to the big cities. And we have to make it attractive in so many ways with economic development, and I think we'll do that with some of the projects that we have coming up in wind energy, for example, but also, making the small communities, those towns, something the kids want to stay because they have the amenities that they want and they look for after they've been to the university. They come down here, they have a great facility, they get an education, and then they go back home and they don't have recreational facilities. That's important to keeping those people, getting them to come back to greater Nebraska. I fully support this. I think it's an appropriate expansion and I'll also say, because this body has been there and supported the city of Omaha, the city of Lincoln, and Ralston, or other communities that want to take advantage of LB179, now that fund is starting to grow and it can be a...it can be used and should be used to keep young people, young families, in greater Nebraska, living in those small towns, starting

businesses in those small towns, and for that reason I'm fully supportive of LB153. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Lathrop. Senators still wishing to speak include Sullivan, Harms, and Price. Senator Sullivan, you're recognized. [LB153]

SENATOR SULLIVAN: Thank you, Mr. President. Good morning, colleagues. And I stand in full support of LB153 and the amendment, AM499. And I thought it might be helpful just to kind of put a face on what might be the results of this legislation, should we choose to pass it. People have often asked me, in fact, I was asked in this body last year, well, what are you going to do when you get done with your term here in the Legislature? And it wasn't a flippant remark, but I said, you know, I'm going to go back and save Cedar Rapids. Obviously, I'm not...and can't save Cedar Rapids on my own, but I am committed, as you all know, to rural Nebraska and our small towns. And as I've looked at this piece of legislation and the amendment, I'm excited. This week and next the MeloDrama is going on in Cedar Rapids and I helped start that 20 years ago. And I was talking with the person who organizes it now, and she said, you know, Kate, if we had known 20 years ago that this was going to be so popular and go on for so long and had saved our money we could be building or adding onto our community center. Well, the MeloDrama, the tickets sell out as soon as they go on sale. The stage is set in our community center and chairs are crammed in there. And for two weekends people come from far and wide to attend this little production. And in our estimation, it's a very nice cultural event in this community. But not only that, it lines...the cars are lined on Main Street; the people have dinner at the local restaurant before they go to the play. They probably buy some things at the convenience store on their way out of town. So it's a big deal for the community. And it could be an even bigger deal if they take advantage of some of the revenues that could result from this piece of legislation. We also have a large school that at one time had been a convent and a high school and an elementary school that now sits vacant across the street from our lovely, cathedral-like Catholic church. That facility, the vacant school, probably at one point needs to be demolished and something else put in its place. So what I'm trying to tell you is that there are lots of ways that a community could put these funds to good use. And I like the technical assistance component. And when Senator Price talked about collaborating with and making it possible to maybe leverage some support from the county, I could see that that component, especially, we could go after some support from...for example, in Cedar Rapids, the Boone County Development Agency might be able to provide some technical assistance in doing some planning. So all in all, I guess my point in rising to discuss this is to put a face on it...that there are communities, like the one that I live in, that could conceivably put these monies to good use and really make a difference in communities. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Sullivan. Senator Harms, you're recognized. [LB153]

SENATOR HARMS: Mr. President, I'd like to call the question, please. [LB153]

SENATOR CARLSON: Question has been called. Do I see five hands? I do. Question is, shall debate cease? All those in favor vote yea; all opposed vote nay. Record, Mr. Clerk. [LB153]

ASSISTANT CLERK: 29 ayes, 1 nay to cease debate, Mr. President. [LB153]

SENATOR CARLSON: Debate does cease. Senator Hadley, you're recognized to close on AM499. [LB153]

SENATOR HADLEY: Thank you, Mr. President. I think we've had a great discussion on the bill. I think we've talked about the advantages of the bill. And I want to echo what Senator Lathrop said. I think, again, this is a bill that shows that urban and rural can work together to do the best. And this really is important for small towns. I don't know whether all of you have been out in small towns, but recreation centers, civic centers, and such as that, they can be the life of a small town. So I would urge you to have a green vote on this amendment, it makes it a better bill, and then a green vote on the bill itself. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Hadley. Members, you've heard the closing on AM499 to LB153. The question is, shall AM499 be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB153]

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB153]

SENATOR CARLSON: AM499 is adopted. Members, we return to debate on LB153. Senators wishing to speak include Senators Mello and Price. But I give the mike to Speaker Adams for an announcement. [LB153]

SPEAKER ADAMS: Thank you, Mr. President. Members, I'll make this very quick so that we can get back into the flow of Senator Dubas' bill. As you are well aware, we are at priority deadline. And I just want to reaffirm some things with you. First of all, on the 25 Speaker priority designations that I have, the deadline for those is today at 5:00, not after that. All right? No exceptions. I've got to have it by 5:00 today. And I will only consider those priorities that the primary introducer of the bill is the one that is asking for the Speaker priority. Okay? My selections that I'll make are not going to get done before you have to make committee and senator priority designations for tomorrow, so realize that. All right? As you're maneuvering and deciding how you're going to get things prioritized, just realize I'm going to have a long list to go through this weekend, so not by tomorrow. Okay? For your priorities, senator, as well as committee priorities, the

Floor Debate March 14, 2013

deadline is by adjournment tomorrow; not 5:00, but by adjournment tomorrow. And there must be a letter designating the priority both in my office, as well as the Clerk's office. All right? And if a senator or a committee is designating a bill that was introduced by another senator, a letter that gets turned in has got to have the principal introducer of that bill's signature on it, said it's okay to do this. So I hope that clears things up as we head into this final leg of getting those priority designations in. Today, 5:00 for Speaker; tomorrow, by adjournment for senator and committee priorities. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Speaker Adams. (Visitors introduced.) We return to debate on LB153. And, Senator Mello, you're recognized. [LB153]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I rise not to speak any...remotely at all on LB153. But it appears that we're at that point of session, as the Speaker just discussed, in which priority bills are being selected. And which no doubt, as I've looked at some preliminary priority bills, there are priority bills with significant fiscal notes that, ultimately, I know everyone in this body has read the Appropriations Committee preliminary budget. On page 4 you'll notice at this moment in time there was only \$16 million left for any other potential fiscal notes outside of the preliminary budget the Appropriations Committee had submitted. For new senators, when we consider priority bills and we consider legislation prior to the budget, if your piece of legislation has a cost, and not just, I should say, an appropriation for a new program, but the Revenue Committee well knows this, any bill that reduces revenue is treated the same way as any bill that tries to appropriate money. Those bills, ultimately, no matter how far they may go, past General File or Select File, are held on Final Reading until after the budget is passed. That ultimately allows and ensures that the Legislature will pass a balanced budget, as well as ensuring that our General Fund financial status is able to balance out other priorities of individual senators. At this moment in time, I believe we're Day 42, we're not at the point, ultimately, that we'll be at in later May when we, ultimately, do pass a budget and, ultimately, we will be taking up pieces of legislation with A-bills and/or revenue loss pieces of legislation. But it's important to know now, as we're starting the process of prioritizing bills, not everyone's bill will pass. If a senator wants to try to eliminate taxes that cost \$30 million, the likelihood is that won't pass, because there just not money to do it, unless that senator is willing to specifically issue a line-item cut on the floor of reducing K-12 education funding, higher education funding; eliminating funding for the Department of Ag, or the Department of Economic Development. These things happen for a reason and they happen in a process which, ultimately, has the Legislature determine what our priorities are outside of the budget. It's a good reminder and it's a good... I should say, process reminder more than anything else as we're considering where to go. No doubt I support a lot of the bills that colleagues have brought forward. I think they're good pieces of public policy. But my role as the Appropriations Chair is not always to make a determination what is good and bad public policy, but ultimately, how do we have a

Floor Debate	
March 14, 2013	
Walch 14, 2013	

balanced budget at the end of the session, and how do we still provide enough funding available for any potential new initiatives and new spending priorities. It's a good reminder now, I know the Revenue Committee has been "Execing"; I know the Education Committee has been "Execing." It's worthwhile to know that not all those bills will pass. Actually, the likelihood is a significant number of those bills will not pass because the money is just not there. And it's going to be incumbent upon the entire Legislature to make the determination of what bills actually are our priority. And I can't say it enough because I know there are a couple bills that are on the agenda today, that after LB153, that I generally do support. I think they're good public policies. But both of those bills may have fiscal notes. And if those fiscal notes, ultimately, are General Fund impacted, they will be held until after the budget is passed. No matter how worthwhile, no matter how good of a public policy we may be discussing,... [LB153]

SENATOR CARLSON: One minute. [LB153]

SENATOR MELLO: ...they, ultimately, take second priority to the budget, in which at that moment in time the 49 of us can determine, ultimately, what are those priorities amongst the bills that have reached that stage of the session. It is just a simple reminder as senators are finalizing what they're going to prioritize that as the Appropriations Committee is working our way through agency hearings, as we move, ultimately, to full-day sessions and post-hearing adjustments that I have to be the bearer of bad news that, ultimately, not everyone's bill with a fiscal note will pass. Some will not; and some may be held over for next year. That's not my sole determination, that's the body's determination. But it's good to make sure that everybody knows that now as committees are starting to Exec, as senators are trying to make their argument of why some bills should come out opposed to others, because, ultimately, we all can't get what we want at the end of the day. And my hope is, if we try hard enough though, a lot of us may try to be able to get... [LB153]

SENATOR CARLSON: Time. [LB153]

SENATOR MELLO: ...something that we would like to see happen. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Mello. Senator Price, you're recognized. [LB153]

SENATOR PRICE: Thank you, Mr. President, members of the body. Back to discussion on LB153, I've done some meetings and talking with people off to the side and the concept of the local monies raised versus having to have the facility in a municipality itself, this is original language, it actually is open enough to do what I was hoping that it would do. By leaving that language there like that, what we will be able to do is...the...an entity entering into this grant process will be able...as long as that money is raised

Floor Debate March 14, 2013

by...let me back up, local, being larger than a municipality, as long as a municipality brings forth that pot of money from wherever they gather it. So if they get a donation from a private citizen or another organization, those dollars will be counted towards that 50 percent, so that's fine. So we got where ... where we need to be with that. The other guestion I had raised was working, perhaps, between a county and a municipality. That is already answered also because the city or the municipality can enter into an interlocal agreement with a county and thereby create that partnership necessary for being the conduit, if you would, for their 50 percent. So that is already there; that language already exists. And sometimes they follow that KISS principle and we're going to keep it simple because it works and it's there right now. And I'm glad that we had that conversation to make it a matter of record so everybody understands how the funding mechanism works and how you can do that in a larger region, if we want to go into a regional approach. And I thought I owed it to Senator Dubas and the body to clarify those points to ensure that we're not wasting any time on things that already work. And with that I will yield the balance of my time back to the Chair. Thank you, Mr. President. [LB153]

SENATOR CARLSON: Thank you, Senator Price. There are no other lights on. Senator Dubas, you're recognized to close on LB153. [LB153]

SENATOR DUBAS: Thank you so much, Mr. President. Thank you, colleagues, for all of your support. A special thanks to my urban colleagues recognizing that this isn't necessarily rural/urban split issue, you know, a rising tide raises all ships, all of those kinds of cliches, but this is really an important program. And it's not flashy and it doesn't have a lot of bells and whistles. And it doesn't have a lot of ribbon cuttings where the, you know, press from across the state are there. But it's no less important to our communities across greater Nebraska than any of those other projects that do have the bells and whistles and ribbon cuttings and everything. They generate a lot of excitement in the communities, and not only keeping our existing population, but the ability to recruit new people, either bring them back home or new people into the area. So, again, I just really appreciate all the support. Again, a special thanks to Senator Johnson for making this a priority indicating what this means to rural communities. And would just ask for your green vote on LB153. Thank you. [LB153]

SENATOR CARLSON: Thank you, Senator Dubas. Members, you've heard the closing on LB153. And the question is the advancement of LB153 to E&R Initial. All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB153]

ASSISTANT CLERK: 35 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB153]

SENATOR CARLSON: LB153 does advance. Mr. Clerk, items for the record or announcements. [LB153]

ASSISTANT CLERK: Mr. President, I do, thank you. Priority bill designations: Urban Affairs has selected LB66 and LR29CA; Senator Watermeier has selected LB308; Senator Wightman has selected...reports that LB612, by the Executive Board, along with LB242; Senator Sullivan has selected LB497; Senator Chambers, LB543. The bills that were read this morning have been presented to the Governor at 10:25 a.m. (Re LB31, LB38, LB70, LB88, LB283, LB628, LB27, LB117, LB165, LB337, LB398, LB426, LB484, LB510, LB616.) Amendments to be printed: Senator Karpisek to LB259; Senator Nordquist to LB306. New resolutions: LR99 by Senator Johnson; LR100 by Senator Johnson; LR101 by Senator Karpisek. Those will be laid over. Your Committee on Education reports LB178, LB179, and LB593 as indefinitely postponed. Committee on Revenue reports LB281, LB97, LB308, and LB341 all to General File. I have a Reference report from the Executive Board for the appointment of Sarah Pillen to the Commission of Industrial Relations. That's all I have at this time. Mr. President. (Legislative Journal pages 705-716.) [LB66 LR29CA LB308 LB612 LB242 LB497 LB543 LB31 LB38 LB70 LB88 LB283 LB628 LB27 LB117 LB165 LB337 LB398 LB426 LB484 LB510 LB616 LB259 LB306 LR99 LR100 LR101 LB178 LB179 LB593 LB281 LB97 LB308 LB341]

SENATOR CARLSON: Thank you, Mr. Clerk. Next item.

ASSISTANT CLERK: Next bill is LB429, which was introduced by Senator Crawford. (Read title.) The bill was read for the first time on January 22 of this year. It was referred to the Government, Military and Veterans Affairs Committee. That committee reports the bill to General File with committee amendments. (AM390, Legislative Journal page 615.) [LB429]

SENATOR CARLSON: Thank you, Mr. Clerk. Senator Crawford, you're recognized to open on LB429. [LB429]

SENATOR CRAWFORD: Thank you, Mr. President, and good morning, colleagues. I bring LB429 to the floor as my priority bill this session. LB429 builds on the success of the Taxpayer Transparency Act, which many of you in this body enacted in 2009. That act improved the transparency of our state spending by making state revenue and spending information available on a user-friendly public Web site,

<u>NebraskaSpending.gov</u>. LB429 expands transparency for the taxpayer to government contracting by allowing citizens to find and read state contracts on that same <u>NebraskaSpending.gov</u> Web site. LB429 requires all departments, agencies, boards, and commissions to post their contracts on-line, on the Department of Administrative Services' Web site, which then links to the <u>NebraskaSpending.gov</u> Web site. Increasingly, governments rely on contracts to conduct the work of the state. In the state

Floor Debate March 14, 2013

of Nebraska there are thousands of current service contracts in place. Active service contracts within the Department of Administrative Services alone account for over \$127 million. LB429 will allow citizens to see how their hard-earned money is spent, who receives contracts, and what contractors are asked to do with that money. As originally drafted, LB429 provided that all contracts or subcontracts paid with state funds shall be posted to the Department of Administrative Services' Web site and that the Web site shall allow searches by vendor, by agency, board, commission or department, and by dollar amount. This Web site will link to the NebraskaSpending.gov, the Web site created by the Taxpayer Transparency Act of 2009. In the days leading up to the bill's hearing in front of the Government, Military and Veterans Affairs Committee, we talked with various stakeholders, including the Department of Administrative Services, Nebraska Department of Roads, the State Patrol, and the Department of Health and Human Services and the Policy Research Office to discuss LB429 and its implementation. These discussions continued following the hearing. AM390, which will be introduced by the committee, is a result of these conversations. Government's authority to rule originates in its citizenry. This authority requires accountability to citizens. Greater transparency, like the kind prescribed in LB429, gives citizens access to information to hold government accountable. LB429 provides a tool for citizens and those who work for citizens to hold government accountable, including those of us in this body and the media, allows us to more easily gather information about who gets contracts, how much they are paid, and what they are obligated to do. It will be up to us to use this information well, to ensure that contractors and the government entities offering contractors contracts are being held accountable. LB429 provides transparency for contracts, which comprises a significant portion of state spending. No opponents testified at the hearing for the bill. Once amended, LB429 will provide a substantial improvement in transparency at a reasonable cost. I will discuss the amendment and its impact on the fiscal note and expected cost of the bill in more detail in just a moment, after the committee introduction of the amendment. With that, I urge you to vote yes to advance LB429 to Select File, to make Nebraska state government more transparent and open to its citizenry. [LB429]

SENATOR CARLSON: Thank you, Senator Crawford. As the Clerk mentioned, there are committee amendments. And, Senator Avery, as Chair of the Government, Military and Veterans Affairs Committee, you're recognized to open on AM390. [LB429]

SENATOR AVERY: Thank you, Mr. President. Good morning, colleagues. The committee amendment strikes the original sections of the bill and replaces them with the following provisions. The amendment requires, beginning July 1, 2014, that the State Treasurer's Web site, required under the Taxpayer Transparency Act, will include a link to the Web site of the Department of Administrative Services. The Department of Administrative Services' Web site will include a database that includes a copy of each active contract that is a basis for a state expenditure, including any amendment to such contract. The amendment also requires contracts to be included in the database, and all

Floor Debate March 14, 2013

references to subcontracts are removed. And I'm sure that Senator Crawford will address this in her following comments. That does affect the fiscal note rather substantially. And I'll repeat that. The amendment also requires contracts to be included in the database, and all references to subcontracts are removed. All agencies and departments of the state will provide to DAS, in electronic form, copies of the contracts, beginning with contracts that are active on and after January 1, 2014. DAS will also have a database that includes copies of all expired contracts that were previously included in the database referred to above. The amendment allows agencies to redact certain information in the contracts, such as Social Security numbers or federal identification numbers, protected health information, information that may be withheld under the public records laws, or any information that is confidential under current state or federal law. Contracts entered into by the Department of Health and Human Services that are letters of agreement for the purpose of providing specific services to a specifically named individual or his or her family are exempt from the requirement that these contracts be included in the DAS Web site. DAS will adopt policies and procedures regarding the creation and maintenance of the databases and the process for agencies and departments to provide copies of the contracts. The committee advanced the bill on a 7 to 0 vote, with one member present but not voting. At the public hearing on the bill there were three proponents, including the Treasurer, Mr. Don Stenberg. The idea for this bill was based upon an interim study conducted by the Government Committee last year. And during that hearing, Treasurer Stenberg discussed the lack of information regarding contracts on his Nebraska transparency Web site. He also provided the committee with a very impressive demonstration of that Web site, and I recommend that you take a look at it. It is a very informative place for the public to find information about state spending. What this bill and this amendment will do will be to add information that is vital to the public understanding of where their money is going. LB429, with the committee amendment, will greatly increase the amount of information available to the public regarding state contracts. I would say to you that the Treasurer's Web site is well-regarded, and it is a useful source of information for easy public access. I urge your support for this committee amendment, AM390. Thank you, Mr. President. [LB429]

SENATOR CARLSON: Thank you, Senator Avery. Members, you've heard the opening on LB429 and AM390. The floor is now open for debate. Senator Crawford, you're recognized. [LB429]

SENATOR CRAWFORD: Thank you. And thank you, Senator Avery, for your introduction of the amendment. I also want to thank Senator Avery and the committee for their work on the interim study and setting up the work for this bill that's an important improvement on transparency. I want to acknowledge their help with that. I also want to acknowledge and thank Senator (sic) Stenberg for his work on the bill and on the transparency Web site that exists already and thank him for his support in...on that as well, and thank Senator Mello for his support and the support of his office in the

Floor Debate March 14, 2013

beginning...in the drafting of the initial bill as well. And so I thank all of those who have been working on transparency so hard and again, to the whole body for their passage of the Taxpayer Transparency Act in 2009, which sets the stage for this very nicely. And so this bill really comes in and adds to all of that work that's been done by members of the body and by Treasurer Stenberg so far to improve transparency in the state. AM390 will substantially reduce the bill's fiscal impact. We've worked with all the parties involved, including the Legislative Fiscal Office, to ensure that departments can comply to provide transparency in an efficient manner, which will reduce the bill's fiscal note substantially. A large portion of LB429's original fiscal impact was due to the bill's inclusion of subcontracts and cost projected by the Department of Health and Human Services to comply with the legislation. AM390 reduces the fiscal impact by removing subcontracts and by addressing the special letters-of-agreement contracts with DHHS. So, as Senator Avery noted, the bill does eliminate the requirement to post subcontracts. It is still the case that the NebraskaSpending.gov Web site will report spending on subcontracts. So there is still a track, a way of some accountability on those subcontracts, but the actual subcontracts no longer are required to be posted in the amended bill. The letters of agreement in DHHS are contracts between DHHS, the Department of Health and Human Services, and a provider that outline treatment or care options for a specific individual and his or her family. The treatment options, as well as other client information, are outlined within these contracts, and it would require significant redaction to comply with LB429 and state confidentiality rules. And that's where a major portion of the fiscal bill...fiscal note comes with costs that DHHS said would be required for paralegals to address this confidentiality concern. While those letters of agreement make up less than one-third of the DHHS contracts, they comprised most of the projected fiscal costs associated with LB429, especially once we got rid of the costs that were in there because of subcontract concerns. For these reasons, AM390 will exclude letters of agreement and subcontracts from the requirements of LB429. The amendment further clarifies the contracting language to exclude information that's not currently available through the public records request, such as the Social Security number or tax ID number. And also, AM390 will add provisions to include amendments. And we were very careful in working on the amendment language also, to make sure we could do that in an efficient manner that provided maximum transparency but fit into the work flow of the agencies for whom that most applies. Throughout the session, we've met with the stakeholders from State Patrol, Department of Health and Human Services, Nebraska Department of Roads, and the Department of Administrative Services and State Treasurer Stenberg's Office. An accumulation of those meetings is AM390, which will allow for meaningful transparency of state contracts in a format that's user-friendly... [LB429]

SENATOR CARLSON: One minute. [LB429]

SENATOR CRAWFORD: ...and, again, substantially reduces the fiscal note of the bill. One other note on cost savings, which we know are not often listed in the fiscal note.

Floor Debate	
March 14, 2013	

When we met with some of the agencies, they said that this...having the contracts on the Web site could actually help them and save some money for them because, when they had public information requests, they could direct people to the Web site. And so they could see ways in which that could actually be of benefit to their agencies in terms of costs. Thank you. [LB429]

SENATOR CARLSON: Thank you, Senator Crawford. Senator Kintner, you're recognized. [LB429]

SENATOR KINTNER: Thank you, Mr. President and members of the body. I think this is a pretty good concept. But as we've seen before, the difference between a concept and the application sometimes doesn't line up too well. So I just want to make sure that what we're attempting to do here is done in a cost-efficient way, a way that doesn't unduly burden our agencies in our government, and a way that's easy for taxpayers and for people who have an interest in seeing the information. Senator Crawford, will you take...yield to a question? [LB429]

SENATOR CARLSON: Senator Crawford, would you yield? [LB429]

SENATOR CRAWFORD: Yes. Yes, I will, thank you. [LB429]

SENATOR KINTNER: Would this require...now the amended version, would this require new employees to operate? [LB429]

SENATOR CRAWFORD: Well, we are waiting for the fiscal note to see if they are...how many or if there will be any new FTEs required for this. We have been working very hard with all of the agencies to try to reduce the likelihood or to reduce the number of FTEs that might be required. [LB429]

SENATOR KINTNER: Are we talking about taking a picture of the contract, putting it in a PDF, and posting it? Is that what we're doing? [LB429]

SENATOR CRAWFORD: What we're...what we worked very hard to try to...with Department of Administrative Services, talking with them about how we could try to do this in the most cost-effective manner. And so we are...it is the case that the agency...we are going to try to set up something that's very simple for agencies to comply with so that they should not have to require new employees to comply for most agencies. And it is simply a matter of providing contracts in an existing format that can be posted. So we're not requiring a change in the contract format. It's simply providing to DAS a copy of the contract in some form that can be posted and providing to DAS three simple pieces of information--the vendor, the amount, and the agency or the commission--and so that those can be used to make the...that those can be used as searchable terms. So we are trying to keep it very simple and very efficient. [LB429]

Floor Debate March 14, 2013

SENATOR KINTNER: Yeah, I'm not sure that, you know, having a \$50 contract on there serves the public to any great extent. Would you be okay if we...if I amended this so, you know, we didn't have to do contracts under \$500 or some set amount that would keep the spirit of this bill but it wouldn't...we wouldn't have to post every little \$100 contract, however many there are of those, if there are any, on a Web site. Would that work for you? [LB429]

SENATOR CRAWFORD: Well, I appreciate that concern. One of the issues that you raise whenever you add a stipulation like that is that then you add the administrative costs of checking the contract. And I doubt, especially since we've pulled out those letters of agreement...and I doubt very much that we have very many contracts that are below \$50. And so my sense is that, as we've said, we've tried to keep this as simple as we can so it can work in the contract work flow. And so when the contract is provided, a copy is sent, information on those three search terms is sent to DAS, and there's no need to read the...no need to make a decision of whether or not this contract complies. But it's just a simple step that's added to the contract process. And so I am concerned about adding different stipulations to determine which contracts apply or don't apply that would require that kind of administrative time to...which then adds to the cost, if we add administrative time to screen contracts. And that's why we, in the bill, tried to make it very easy. For example, the letters of agreement, it's a very set type of contract. [LB429]

SENATOR CARLSON: One minute. [LB429]

SENATOR CRAWFORD: Nobody has to read it to find out whether or not this is a letter of agreement. Those are excluded, no administrative time spent worrying about whether or not to post that contract. [LB429]

SENATOR KINTNER: Thank you, Senator Crawford. I would submit that if we had an amendment that said we don't have to do contracts under \$500, it's...only in a bureaucrat's mind--I'm not talking about Senator Crawford, by the way--would looking at a contract and saying, well, jeez, is that over \$500 or under \$500, I'm not sure, boy, maybe we give it to a study committee, we'll figure it out. No, I think you look at the darn thing. If it's over \$500, you put it up. If it's under \$500, you go about your business. Thank you very much, Mr. President. [LB429]

SENATOR CARLSON: Thank you, Senator Kintner and Senator Crawford. Those still wishing to speak include Price and Mello. Senator Price, you're recognized. [LB429]

SENATOR PRICE: Thank you very much, Mr. President and members of the body. In the committee I raised a lot of questions on this bill. And I am in strong support of the bill and the concept. What we should probably rename it and everything thereafter that deals with these things to the "Nebraska Records Modernization Act" because what

Floor Debate March 14, 2013

we're really talking about here...we're talking about taking records...now in the conversation...and I have a passion for this subject, so I apologize. But in the conversation, there are very few contracts being written anymore that aren't being done on a word processor, and that's great. But we do have existing contracts that could be long-term contracts that weren't. So it challenges me when we want to bring them over into the database, and Senator Crawford and I have talked about this. And when I look at cost drivers for a database, when you're talking...if it's going to be a relational database, it's going to be pretty large and we're going to be, basically, fat-fingering some information from PDF files because Senator Crawford was gracious enough...we're going to be able to take a PDF. I do not believe it's the government's responsibility or, I should say, burden to provide a searchable database for everything we've ever had. But I do believe it is reasonable for...from a point forward, that everything that is brought up in a contract or written up in a contract should have the fields available; and a database should be existent, and they should be able to be ported over to that to do the database searches. I can see cost savings being pretty tremendous. At the federal level, they have a program called STINFO. I won't go into all of it. But as you all might imagine, there are a lot of people doing the same thing in federal government. Now you have duplication. By having a program like this and by having this available, you could have a project manager look up for a contract that's existing already and say, hey, can I get on that contract, can I be amended that my department can buy off that contract, can I get this good or this service on the price point you've already negotiated? And most vendors are more than happy to not have to go through a complete process again. We're not talking about limiting contracts or limiting competition. But we are saying what is best for the taxpayer is to have access and have someone be able to look through a database, say, hey, we already have that, another department is already buying that good or service. And we can do it because we're able to research the database. But getting back to the database and some of the cost drivers--and I'll be looking forward to seeing what the fiscal note is--is if we go back in time, going back in time and generating, or regenerating, I believe, could be a cost factor. And I also believe that when you're making a relational database like this and you have people put data...port data in, it becomes cumbersome at best. But in general I am very supportive of this modernization act. I'll just call it what I want to because I believe that it's incredible to be able to look at what the Treasurer's Office has and to mine the data. They can pull that contract up right now. Anybody can go to his Web site and, given that it's all working, they can tell how much each senator was paid, how many times you got paid for travel pay. They can look that up through all the public records that the Treasurer has, and that's a fantastic tool to give insight to what is transpiring. But again, I do have some reservations when we go back in time to pull contracts up. And I believe...and what Senator Kintner had brought up about perhaps limiting it to a size, I think \$50 might be rather small and, instead, maybe we can make a different number there. And I believe that anybody who is worth their salt... [LB429]

SENATOR CARLSON: One minute. [LB429]

Floor Debate March 14, 2013

SENATOR PRICE: Thank you, Mr. President. Anybody worth their salt in management should know exactly how much those contracts are, they should be following it, and there should be a list. It shouldn't be...it should not take a yeoman's task to know if we choose to put that in there. But again, I am supportive of the underlying bill. Thank you, Mr. President. [LB429]

SENATOR CARLSON: Thank you, Senator Price. Senator Mello, you're recognized. [LB429]

SENATOR MELLO: Thank you, Mr. President and members of the Legislature. I will be brief. It is reaching that hour of the day. As I mentioned in the previous bill, situations like these are sometimes unfortunate but they're called for. As a cosponsor of LB429, I agree with the underlying public policy. But the underlying issue is that this bill does have a fiscal note. And I agree with what Senator Crawford said. The Legislative Fiscal Office, depending upon...assuming that the Legislature will adopt AM390, the committee amendment, there will be a new fiscal note that will be created. The Fiscal Office indicated to me that that fiscal note would be dramatically reduced, but the likelihood is that there still will be a fiscal note that will have a General Fund impact. And as I mentioned on a previous bill, pieces of legislation that have a General Fund impact, whether it's a tax-related bill, no matter if it's delayed or not delayed, or a bill like this that has a direct General Fund impact this biennium, will be held over and held after the budget passes and is past Final Reading and given to the Governor. That's something just for all of us to know, all of us to keep aware in the back of our minds as we're debating pieces of legislation like this. As I've said, I support the underlying policy. I'll vote for the underlying policy, but the reality is, as the Chair of the Appropriations Committee, I have to, ultimately, remind us on a regular basis on bills like this that will have a fiscal cost. And as we get further down the path and this bill moves, possibly, to Select File and when we have a Select File debate where it may move to Final Reading, we will have to constantly remind ourselves, as a body, if bills are real priorities of the Legislature, whether they cost \$100,000 or they cost \$1 million or \$10 million, it's a conversation that all of us will have to have. And ultimately, I think that, as we move forward, the Appropriations Committee itself understands that and, for the returning members, are well aware of this is how the process works. But I just wanted to remind everybody that the fiscal note will change dramatically with the adoption of AM390 because there are some significant amounts of work that Senator Crawford and others did to get this amendment where it's at. With that, thank you, Mr. President. [LB429]

SENATOR CARLSON: Thank you, Senator Mello. There are no other senators wishing to speak. Senator Avery, you're recognized to close on AM390. [LB429]

SENATOR AVERY: Thank you, Mr. President. As Senator Mello just said, the fiscal note is dramatically reduced by this amendment because it does eliminate subcontracts

from the requirement that they be posted. This is a very good resource for the public because it provides more transparency. It has the support of the Treasurer, Mr. Don Stenberg. I believe it is worthy of your approval, and I urge you to vote yes on AM390 and the underlying bill. And, Mr. President, I believe I'm going to have to ask for a call of the house. [LB429]

SENATOR CARLSON: There's been a request to place the house under call. The question is, shall the house go under call? All those in favor vote aye; all opposed vote nay. Record, Mr. Clerk. [LB429]

ASSISTANT CLERK: 27 ayes, 0 nays to place the house under call, Mr. President. [LB429]

SENATOR CARLSON: The house is under call. Senators, please record your presence. Those unexcused senators outside the Chamber, return to the Chamber and record your presence. All unauthorized personnel please leave the floor. The house is under call. Senators Hansen, McGill, Harr, Scheer, Ashford, Janssen, Seiler, Hadley, Schilz, Larson, Murante, Chambers, Davis, the house is under call. Senator Avery. [LB429]

SENATOR AVERY: We can proceed now. Thank you, Mr. President. [LB429]

SENATOR CARLSON: Thank you, Senator Avery. Members, the question is, shall AM390 to LB429 be adopted? All those in favor vote yea; all opposed vote nay. Have all voted who wish to vote? Record, Mr. Clerk. [LB429]

ASSISTANT CLERK: 36 ayes, 0 nays on the adoption of committee amendments, Mr. President. [LB429]

SENATOR CARLSON: AM390 is adopted. There are no other lights on. Senator Crawford, you're recognized to close on LB429. [LB429]

SENATOR CRAWFORD: Thank you, Mr. President. And in light of the time, I will simplify my closing. But I do want to stress government transparency is important, which was why I chose this bill as my priority bill this session. The state of Nebraska has an obligation to its people to provide this information in a usable format. And these contracts use taxpayer money. And the fiscal note, which we'll have after we've passed the amendment, will be substantially reduced. I think it will be a good deal for the citizens of the state. Nebraska taxpayers deserve to know where their money is being spent. Let's continue the important work of government transparency and bring greater accountability to the contracting process. Please vote yes on LB429. [LB429]

SENATOR CARLSON: Thank you, Senator Crawford. The question is the advancement of LB429 to E&R Initial. All those in favor vote yea; all opposed vote nay. Have all voted

who wish to vote? Record, Mr. Clerk. [LB429]

ASSISTANT CLERK: 37 ayes, 0 nays on the motion to advance the bill, Mr. President. [LB429]

SENATOR CARLSON: LB429 is advanced. Mr. Clerk, items for the record or announcements? [LB429]

ASSISTANT CLERK: Thank you, Mr. President. Your Committee on Enrollment and Review reports LR41CA and LB105 to Select File. Additional priority bill designations: Senator Harms to LB240; Senator Krist, LB140; Senator Campbell, LB507. Name adds: Senator Wallman to LB577; and Senator Krist to LB308. (Legislative Journal pages 716-719.) [LR41CA LB105 LB240 LB140 LB507 LB577 LB308]

And finally, a priority motion, Mr. President. Senator Johnson would move to adjourn until Friday, March 15, at 9:00 a.m.

SENATOR CARLSON: Thank you, Mr. Clerk. Members, you've heard the motion. All those in favor say aye. Opposed, nay. Motion carried. We are adjourned.